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the Senate and committee hearings are available at

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<table>
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<th>SITTING DAYS—2014</th>
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<tbody>
<tr>
<td>Month</td>
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<tr>
<td>February</td>
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<tr>
<td>March</td>
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<tr>
<td>May</td>
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<tr>
<td>November</td>
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<td>December</td>
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</table>

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FORTY-FOURTH PARLIAMENT
FIRST SESSION—THIRD PERIOD

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

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

Senate Party Leaders and Whips
Leader of the Liberal Party in the Senate—Senator Hon. Eric Abetz
Deputy Leader of the Liberal Party in the Senate—Senator Hon. George Henry Brandis QC
Leader of The Nationals in the Senate—Senator Hon. Nigel Scullion
Deputy Leader of The Nationals in the Senate—Senator Hon. Fiona Nash
Leader of the Opposition in the Senate—Senator the Hon Penny Wong
Deputy Leader of the Opposition in the Senate—Senator the Hon Stephen Conroy
Leader of the Australian Greens—Senator Christine Anne Milne
Leader of the Palmer United Party in the Senate—Senator Glenn Patrick Lazarus
Deputy Leader of the Palmer United Party in the Senate—Senator Jacqui Lambie
Chief Government Whip—Senator David Christopher Bushby
Deputy Government Whips—Senators David Julian Fawcett and Anne Sowerby Ruston
The Nationals Whip—Senator Barry James O'Sullivan
Chief Opposition Whip—Senator Anne McEwen
Deputy Opposition Whips—Senators Catryna Louise Bilyk and Anne Elizabeth Urquhart
Australian Greens Whip—Senator Rachel Siewert
Palmer United Party Whip—Senator Zhenya Wang
Deputy Palmer United Party Whip—Senator Jacqui Lambie

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

<table>
<thead>
<tr>
<th>Senator</th>
<th>State or Territory</th>
<th>Term expires</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abetz, Hon. Eric</td>
<td>TAS</td>
<td>30.6.2017</td>
<td>LP</td>
</tr>
<tr>
<td>Back, Christopher John</td>
<td>WA</td>
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<tr>
<td>Bernardi, Cory</td>
<td>SA</td>
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<tr>
<td>Bilyk, Catryna Louise</td>
<td>TAS</td>
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<tr>
<td>Birmingham, Hon. Simon John</td>
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<tr>
<td>Brandis, Hon. George Henry, QC</td>
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<td>Brown, Carol Louise</td>
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<td>Bullock, Joseph Warrington</td>
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<td>Cameron, Hon. Douglas Niven</td>
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<tr>
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<tr>
<td>Carr, Hon. Kim John</td>
<td>VIC</td>
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<tr>
<td>Colbeck, Hon. Richard Mansell</td>
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<tr>
<td>Collins, Hon. Jacinta Mary Ann</td>
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<td>Cormann, Hon. Mathias Hubert Paul</td>
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<td>Dastyari, Sam</td>
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<td>30.6.2017</td>
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<td>Day, Robert John</td>
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<td>Fierravanti-Wells, Hon. Concetta Anna</td>
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<td>Fifield, Hon. Mitchell Peter</td>
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<td>Gallacher, Alexander McEachian</td>
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<td>Johnston, Hon. David Albert Lloyd</td>
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<td>Ketter, Christopher Ronald</td>
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<td>Leyonhjelm, David Ean</td>
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<tr>
<td>Lundy, Kate Alexandra</td>
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<td>Macdonald, Hon. Ian Douglas</td>
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<td>Madigan, John Joseph</td>
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<td>Marshall, Gavin Mark</td>
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<td>McLucas, Hon. Jan Elizabeth</td>
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<tr>
<td>Muir, Ricky Lee</td>
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<td>Nash, Hon. Fiona Joy</td>
<td>NSW</td>
<td>30.6.2017</td>
<td>NATS</td>
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Pursuant to section 42 of the Commonwealth Electoral Act 1918, the terms of service of the following senators representing the Australian Capital Territory and the Northern Territory expire at the close of the day immediately before the polling day for the next general election of members of the House of Representatives

<table>
<thead>
<tr>
<th>Senator</th>
<th>State or Territory</th>
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<th>Party</th>
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<td>Lundy, K.</td>
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<td>Northern Territory</td>
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<tr>
<td>Scullion, N. G.</td>
<td>CLP</td>
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</table>

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

PARTY ABBREVIATIONS

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

Clerk of the Senate—R Laing
Clerk of the House of Representatives—D Elder
Secretary, Department of Parliamentary Services—C Mills
Parliamentary Budget Officer—P Bowen
### ABBOTT MINISTRY

<table>
<thead>
<tr>
<th>Title</th>
<th>Minister</th>
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<tbody>
<tr>
<td><strong>Prime Minister</strong></td>
<td>The Hon Tony Abbott MP</td>
</tr>
<tr>
<td><strong>Minister for Indigenous Affairs</strong></td>
<td>Senator the Hon Nigel Scullion</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for the Public Service</td>
<td>Senator the Hon Eric Abetz</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for Women</td>
<td>Senator the Hon Michaelia Cash</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Prime Minister</td>
<td>The Hon Josh Frydenberg MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Prime Minister</td>
<td>The Hon Alan Tudge MP</td>
</tr>
<tr>
<td><strong>Minister for Infrastructure and Regional Development</strong></td>
<td>The Hon Warren Truss MP</td>
</tr>
<tr>
<td>(Deputy Prime Minister)</td>
<td></td>
</tr>
<tr>
<td>Assistant Minister for Infrastructure and Regional Development</td>
<td>The Hon Jamie Briggs MP</td>
</tr>
<tr>
<td><strong>Minister for Foreign Affairs</strong></td>
<td>The Hon Julie Bishop MP</td>
</tr>
<tr>
<td><strong>Minister for Trade and Investment</strong></td>
<td>The Hon Andrew Robb AO MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Foreign Affairs</td>
<td>Senator the Hon Brett Mason</td>
</tr>
<tr>
<td><strong>Minister for Employment</strong></td>
<td>Senator the Hon Eric Abetz</td>
</tr>
<tr>
<td>(Leader of the Government in the Senate)</td>
<td>The Hon Luke Hartsuyker MP</td>
</tr>
<tr>
<td><strong>Attorney-General</strong></td>
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<tr>
<td><strong>Minister for the Arts</strong></td>
<td>The Hon George Brandis QC</td>
</tr>
<tr>
<td>(Vice-President of the Executive Council)</td>
<td>Senator the Hon George Brandis QC</td>
</tr>
<tr>
<td>(Deputy Leader of the Government in the Senate)</td>
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<tr>
<td><strong>Minister for Justice</strong></td>
<td>The Hon Michael Keenan MP</td>
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<tr>
<td><strong>Treasurer</strong></td>
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</tr>
<tr>
<td><strong>Minister for Small Business</strong></td>
<td>The Hon Joe Hockey MP</td>
</tr>
<tr>
<td>Acting Assistant Treasurer</td>
<td>The Hon Bruce Billson MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Treasurer</td>
<td>Senator the Hon Mathias Cormann</td>
</tr>
<tr>
<td><strong>Minister for Agriculture</strong></td>
<td>The Hon Barnaby Joyce MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Agriculture</td>
<td>Senator the Hon Richard Colbeck</td>
</tr>
<tr>
<td><strong>Minister for Education</strong></td>
<td>The Hon Christopher Pyne MP</td>
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<tr>
<td>(Leader of the House)</td>
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<tr>
<td>Assistant Minister for Education</td>
<td>The Hon Sussan Ley MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Education</td>
<td>Senator the Hon Scott Ryan</td>
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<tr>
<td><strong>Minister for Industry</strong></td>
<td>The Hon Ian Macfarlane MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Industry</td>
<td>The Hon Bob Baldwin MP</td>
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<tr>
<td><strong>Minister for Social Services</strong></td>
<td>The Hon Kevin Andrews MP</td>
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<tr>
<td>Assistant Minister for Social Services</td>
<td>Senator the Hon Mitch Fifield</td>
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<tr>
<td>(Manager of Government Business in the Senate)</td>
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<td><strong>Minister for Human Services</strong></td>
<td>Senator the Hon Marise Payne</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Social Services</td>
<td>Senator the Hon Concetta Fierravanti-Wells</td>
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<td><strong>Minister for Communications</strong></td>
<td>The Hon Malcolm Turnbull MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Communications</td>
<td>The Hon Paul Fletcher MP</td>
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<tr>
<td><strong>Minister for Health</strong></td>
<td>The Hon Peter Dutton MP</td>
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<tr>
<td><strong>Minister for Sport</strong></td>
<td>The Hon Peter Dutton MP</td>
</tr>
<tr>
<td>Assistant Minister for Health</td>
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<tr>
<td>Title</td>
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<tr>
<td><strong>Minister for Defence</strong></td>
<td>Senator the Hon David Johnston</td>
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<tr>
<td>Minister for Veterans’ Affairs</td>
<td>Senator the Hon Michael Ronaldson</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for the Centenary of ANZAC</td>
<td>Senator the Hon Michael Ronaldson</td>
</tr>
<tr>
<td>Assistant Minister for Defence</td>
<td>The Hon Stuart Robert MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Defence</td>
<td>The Hon Darren Chester MP</td>
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<tr>
<td><strong>Minister for the Environment</strong></td>
<td>The Hon Greg Hunt MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for the Environment</td>
<td>Senator the Hon Simon Birmingham</td>
</tr>
<tr>
<td><strong>Minister for Immigration and Border Protection</strong></td>
<td>The Hon Scott Morrison MP</td>
</tr>
<tr>
<td>Assistant Minister for Immigration and Border Protection</td>
<td>Senator the Hon Michaelia Cash</td>
</tr>
<tr>
<td><strong>Minister for Finance</strong></td>
<td>Senator the Hon Mathias Cormann</td>
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<tr>
<td>Special Minister of State</td>
<td>Senator the Hon Michael Ronaldson</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Finance</td>
<td>The Hon Michael McCormack MP</td>
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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.
**SHADOW MINISTRY**

<table>
<thead>
<tr>
<th>Title</th>
<th>Shadow Minister</th>
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<tbody>
<tr>
<td><strong>Leader of the Opposition</strong></td>
<td>Hon David Feeney MP</td>
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<tr>
<td><strong>Shadow Minister</strong></td>
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<tr>
<td><strong>Hon Bill Shorten MP</strong></td>
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<tr>
<td><strong>Shadow Minister Assisting the Leader for Science</strong></td>
<td>Hon Bernie Ripoll MP</td>
</tr>
<tr>
<td><strong>Senator the Hon Kim Carr</strong></td>
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</tr>
<tr>
<td><strong>Shadow Parliamentary Secretary for Small Business</strong></td>
<td>Julie Owens MP</td>
</tr>
<tr>
<td><strong>Shadow Parliamentary Secretary to the Leader of the Opposition</strong></td>
<td>Hon Michael Danby MP</td>
</tr>
<tr>
<td><strong>Shadow Parliamentary Secretary to the Leader of the Opposition</strong></td>
<td>Dr Jim Chalmers MP</td>
</tr>
<tr>
<td><strong>Deputy Leader of the Opposition</strong></td>
<td>Hon Tanya Plibersek MP</td>
</tr>
<tr>
<td><strong>Shadow Minister for Foreign Affairs and International Development</strong></td>
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<tr>
<td><strong>Shadow Minister for Women</strong></td>
<td>Senator Claire Moore</td>
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<tr>
<td><strong>Manager of Opposition Business (Senate)</strong></td>
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<tr>
<td><strong>Shadow Minister for the Centenary of ANZAC</strong></td>
<td>Hon David Feeney MP</td>
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<tr>
<td><strong>Shadow Parliamentary Secretary for Foreign Affairs</strong></td>
<td>Hon Matt Thistlethwaite MP</td>
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<tr>
<td><strong>Leader of the Opposition in the Senate</strong></td>
<td>Hon Penny Wong</td>
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<tr>
<td><strong>Shadow Minister for Trade and Investment</strong></td>
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<td>Hon David Feeney MP</td>
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<td>Gai Brodtmann MP</td>
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<tr>
<td><strong>Shadow Minister for Tourism</strong></td>
<td>Hon Julie Collins MP</td>
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<tr>
<td><strong>Shadow Minister for Regional Development and Local Government</strong></td>
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<tr>
<td><strong>Shadow Parliamentary Secretary for Regional Development and Infrastructure</strong></td>
<td>Allanah MacTiernan MP</td>
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<tr>
<td><strong>Shadow Parliamentary Secretary for Western Australia</strong></td>
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<tr>
<td><strong>Shadow Parliamentary Secretary for External Territories</strong></td>
<td>Hon Warren Snowdon MP</td>
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<tr>
<td><strong>Shadow Treasurer</strong></td>
<td>Hon Chris Bowen MP</td>
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<tr>
<td><strong>Shadow Assistant Treasurer</strong></td>
<td>Hon Dr Andrew Leigh MP</td>
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<tr>
<td><strong>Shadow Minister for Competition</strong></td>
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<tr>
<td><strong>Shadow Minister for Financial Services and Superannuation</strong></td>
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<tr>
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<td>Hon Ed Husic MP</td>
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<tr>
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<td>Hon Tony Burke MP</td>
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<tr>
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<tr>
<td><strong>Shadow Minister for Environment, Climate Change and Water</strong></td>
<td>Hon Mark Butler MP</td>
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| Shadow Assistant Minister for Health                                  |
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Thursday, 10 July 2014

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

PRIVILEGE

The PRESIDENT (09:30): By letter dated 26 June 2014, Senator Xenophon raised a matter of privilege under standing order 81.

The matter of privilege concerns the possible imposition of a penalty by the taking of disciplinary action, either on a witness before the Rural and Regional Affairs and Transport References Committee or on a person providing information to the committee, in connection with its inquiry into aviation accident investigations, which reported in 2013.

In determining whether a notice of motion to refer the matter to the Privileges Committee should have precedence, I am required to have regard only to the following criteria in privilege resolution No. 4: (a) the principle that the Senate's power to adjudge and deal with contempts should be used only where it is necessary to provide reasonable protection for the Senate and its committees and for senators against improper acts tending substantially to obstruct them in the performance of their functions, and should not be used in respect of matters which appear to be of a trivial nature or unworthy of the attention of the Senate; and (b) the existence of any remedy other than that power for any act which may be held to be a contempt.

With regard to the first criterion, the Privileges Committee has often stated that it regards the protection of persons providing information to the Senate, and in particular of witnesses before parliamentary committees, as constituting the single most important duty of the Senate, and therefore of the committee as its delegate, in determining possible contempts.

There is no question that this matter satisfies the first criterion I am required to consider.

With regard to the second criterion, there is no other such remedy in this case. The contempt jurisdiction is the only avenue available to deal with the alleged conduct and to protect the Senate's rights and freedoms and those of its committees.

I have therefore determined that a motion to refer the matter to the Privileges Committee should have precedence over other business for the day on which it is given.

Before I call Senator Xenophon, I remind the Senate that this determination of precedence is not a judgment of the substantive issues or merits of the matter, beyond the threshold judgment that it is not of a trivial nature or unworthy of the attention of the Senate; it is necessary to take action to protect the Senate and senators against improper acts; and there is no satisfactory remedy for dealing with the matter other than the contempt jurisdiction.

It is for the Senate to make a judgment whether a matter merits referral to the Privileges Committee.

I table the correspondence and call Senator Xenophon to give notice of the motion.
NOTICES

Presentation

Senator Xenophon to move:

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

In the context of an inquiry by the Rural and Regional Affairs and Transport References Committee into aviation accident investigations:

(a) whether disciplinary action was taken against either a witness before the committee or a person providing information to the committee; and

(b) if so, whether any contempt was committed in respect of those matters.

STATEMENTS

Australian Greens

Senator MADIGAN (Victoria) (09:34): by leave—I seek to clarify a small matter in relation to an adjournment speech I gave last night. The 'Oh, what a tangled web we weave' quotation I referred to last night was originally thought to have come from Shakespeare. Literary experts tell me it was actually first used by Scott. It is important to be correct on this. The proposed wind farm project on the former Gunns site recently morphed into a tourist project. I also referred to Mr Oquist as having worked for the MEP, the Motoring Enthusiast Party. In fact, his reported official engagement was with the PUP. Small matters but it is important to correct them. Thank you.

BILLS

Clean Energy Legislation (Carbon Tax Repeal) Bill 2013 [No. 2]

True-up Shortfall Levy (General) (Carbon Tax Repeal) Bill 2013 [No. 2]

True-up Shortfall Levy (Excise) (Carbon Tax Repeal) Bill 2013 [No. 2]

Customs Tariff Amendment (Carbon Tax Repeal) Bill 2013 [No. 2]

Excise Tariff Amendment (Carbon Tax Repeal) Bill 2013 [No. 2]

Ozone Protection and Synthetic Greenhouse Gas (Import Levy) Amendment (Carbon Tax Repeal) Bill 2013

Ozone Protection and Synthetic Greenhouse Gas (Import Levy) (Transitional Provisions) Bill 2013 [No. 2]

Ozone Protection and Synthetic Greenhouse Gas (Manufacture Levy) Amendment (Carbon Tax Repeal) Bill 2013 [No. 2]

Declaration of Urgency

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (09:35): I declare that the following bills are urgent bills and I move:

That these bills be considered urgent bills:

Clean Energy Legislation (Carbon Tax Repeal) Bill 2013 [No. 2]

True-up Shortfall Levy (General) (Carbon Tax Repeal) Bill 2013 [No. 2]

True-up Shortfall Levy (Excise) (Carbon Tax Repeal) Bill 2013 [No. 2]
Customs Tariff Amendment (Carbon Tax Repeal) Bill 2013 [No. 2]
Excise Tariff Amendment (Carbon Tax Repeal) Bill 2013 [No. 2]
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Ozone Protection and Synthetic Greenhouse Gas (Import Levy) (Transitional Provisions) Bill 2013 [No. 2]
Ozone Protection and Synthetic Greenhouse Gas (Manufacture Levy) Amendment (Carbon Tax Repeal) Bill 2013 [No. 2]

Senator WONG (South Australia—Leader of the Opposition in the Senate) (09:35): I seek leave to make a five-minute statement.

The PRESIDENT: Leave is granted.

Senator WONG: Today the government will use its numbers with the support of some members of the crossbench to deny this Senate its opportunity to fully consider the carbon price. It will truncate debate and it will put all of the remaining questions at 11.50 this morning. So after just two days of debate in the current Senate, the government is forcing debate on this package of nine bills to an end. Let us just reflect, if we may, before this motion is put, about the events of this week. On three or four sitting days this week, this government has moved motions without notice, seeking to cut short debate on these bills. At the end of this morning's procedural votes, the new crossbench will have been asked to vote five times—

Senator Ian Macdonald interjecting—

The PRESIDENT: Order on my right!—

Senator WONG: in their first week to stop senators doing what we were sent here to do which is to debate legislation. Having already forced this Senate to sit in July, just days after new senators took their seats, and having already brought forward debate on the carbon bills from 14 July, what we have seen is this government bullying, cajoling, and pressuring the crossbench into shutting down debate after just two days.

I indicated yesterday that the opposition had on Tuesday offered to give up our time not only this morning but also this afternoon for further debate on the carbon price bills. This Leader of the Government in the Senate did not do me, the opposition or any senator, as far as I am aware, the courtesy of even responding to that offer. The response that we did get was the motion moved yesterday, without notice, in which the government sought unsuccessfully to bring the debate to an end by lunchtime that day. So I say this to the crossbench: we accept your right to have different views on the substantive issues before the chamber—and you will have different views on the substantive issues. We accept your right to debate them; we accept your right to vote the way you wish to vote. What I say to the crossbench is: the chamber does not need to operate in this way. The chamber does not need in the first week of the sitting of the new Senate to have no less than five votes to shut down debate and to have three or four days of procedural debate because the government wants to shut down debate. It is not because they have to get the bill through; the bill would have got through. All of you, or your staff, were at the meeting of leaders and whips and you know that the bill would have passed this fortnight—
Senator Ian Macdonald: On a point of order, Mr President. I draw the Senate's attention to standing order 194, which says:

(1) A senator shall not digress from the subject matter of any question under discussion, or anticipate the discussion of any subject which appears on the Notice Paper.

My point of order, Mr President, is that Senator Wong is clearly anticipating a discussion on something that is on the Notice Paper for discussion later today. She is suggesting that different senators may vote a particular way, and in so doing I think she breaches the provisions of standing order 194.

The President: There is no point of order, Senator Macdonald. Senator Wong has been given leave by the Senate to speak for five minutes concerning these bills.

Senator Wong: Again, I say to the crossbench: the chamber should not operate this way. Just because this government has no respect for the Senate does not mean that you have to accept this. I say to you: do not let the events and the practices of this week become the norm. Do not let the Prime Minister's office and its enforcers lean on you to shut down debate, to deny scrutiny, to turn this place into an arm of the Prime Minister's press office by telling the media what you will do before you tell them—

Senator Ian Macdonald: On a point of order, Mr President. I raise for your attention and the Senate's attention standing order 193, relating to use of offensive words et cetera. The bit I want to draw to your attention, Mr President, is this:

… all imputations of improper motives and all personal reflections on those Houses, members or officers shall be considered highly disorderly.

The Leader of the Opposition in the Senate is suggesting that some senators who are not members of the coalition are part of, I think she said, the Prime Minister's media campaign or media group.

Opposition senators interjecting—

Senator Ian Macdonald: I hear the interjections of Senator Bilyk. She has never even read the standing orders and would not know how to if she did.

Senator Bilyk interjecting—

The President: Senator Macdonald, stay with the point of order.

Senator Ian Macdonald: I ignore the interjection, Mr President, and suggest that Senator Wong is imputing improper motives to those who might have a different view from her on the subject.

Senator Moore: Mr President, I rise on a point of order. I want to make the point that Senator Wong was in the process of making her statement in response to the lead that was given. It is interesting that Senator Macdonald, in calling a point of order on a point about casting reflection in the chamber, needed to use the same point of order against one of the senators on this side of the chamber.

The President: You are starting to debate, Senator Moore. Order! Senator Macdonald has the right to raise a point of order. In this case there is no point of order. Senator Wong has been given leave.

Senator Wong: I say to the crossbench: do not let the events of this week become the norm with the Prime Minister's office and its enforcers and others leaning on you to shut
down debate, to deny scrutiny, to turn this place into an arm of the Prime Minister's press office. As I said, the media are told what you will do before you tell the chamber, and the conclusion of this debate is timed so as to accord with the Prime Minister's schedule for his media conference. I say this to the crossbench: do not let this Senate become Mr Abbott's rubber stamp.

Senator Ian Macdonald: On a point of order, Mr President. Not only is that an imputation against senators, but it is also an imputation against a member of the other House, namely the Prime Minister—

Opposition senators interjecting—

Senator Ian Macdonald: and the allegations that he is leaning on senators and that senators are going to become part of his rubber stamp are imputations of improper motives.

Senator Conroy interjecting—

The PRESIDENT: Senator Conroy, it will be quicker if you allow the debate to proceed correctly. On the point of order, Senator Macdonald, you possibly have a technical correction in your point of order, but if I were to apply that point of order to every senator in this chamber, debate would be completely stifled. However, could I remind all senators, not just Senator Wong, that standing orders do exist to run orderly and respectful debate.

Senator WONG: This government has turned on the people who elected it and only this chamber can stand up to them. So I say again to the crossbench: do not let this Senate become Mr Abbott's rubber stamp and do not allow the events of this week to become the norm. There is a better way to run this chamber. We are prepared to be reasonable up front and negotiate. We do not need the stealth-attack approach to running the Senate chamber.

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (09:44): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator ABETZ: Thirty-three hours and 52 minutes of debate, plus that which has occurred this week, has already taken place on these measures. Fifty-two bills were guillotined in this place without a single syllable spoken, courtesy of Senator Wong and the Greens—let's keep that in mind. The urgency of this is that the markets need to react to the decision of the Senate in relation to the carbon tax. Given that the Labor-Greens carbon tax, which we were promised would not be introduced, ticked over again on 1 July with another rate increase, power companies need to know whether or not to charge the extra tax imposed by Labor. The urgency of this is so that we can do the will of the Australian people and remove this toxic tax, which is a burden on the cost of living and which has been destroying jobs without doing anything for the environment.

Senator MILNE (Tasmania—Leader of the Australian Greens) (09:45): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator MILNE: What has gone on here this week is that the government has abused process by bringing the Senate back in the first week. The Greens opposed that decision at the time and said clearly that the Prime Minister wanted to ram through his political agenda in
this first week with people who were new to the Senate. What we are now experiencing is the logical extension of his intention to show such contempt for the Senate and for new senators. Since the government are intending to cut this debate short and deny much time to speak on it, I urge the minister to stop filibustering in the committee part of this debate, so that we can get questions answered in the very short time we have.

Senator XENOPHON (South Australia) (09:46): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator XENOPHON: In the six years I have been here I have always hated the guillotine. I hate the gag. I hate the fact that this time last year there were something like 50 bills rammed through without any debate. We need to have a better way of doing things. I appreciated very much yesterday that Senator Milne gave an opportunity to at least extend the debate by several hours. That was at least some improvement in the process. This is the Hobson's choice I have. I cannot in good conscience support a guillotine. Where I stand in this debate is another issue, but I urge my colleagues to consider that there must be a better way of managing the business of this place. Maybe earlier this week we should have agreed to sit extra hours so there could be extra debate. That motion was not forthcoming. In the circumstances, I expect these bills will be dealt with today. It would have been better if we had had much more time.

The PRESIDENT: The question is that the motion moved by Senator Fifield that certain bills be considered urgent be agreed to.

An incident having occurred in the gallery—

The PRESIDENT: Order in the gallery!

The Senate divided. [09:52]

(The President—Senator Parry)

Ayes .................35
Noes ...................33
Majority ...............2

AYES

Abetz, E
Bernardi, C
Bushby, DC (teller)
Cash, MC
Cormann, M
Edwards, S
Fierravanti-Wells, C
Heffernan, W
Lazarus, GP
Macdonald, ID
McGrath, J
Muir, R
O'Sullivan, B
Payne, MA
Ruston, A
Seselja, Z
Smith, D
Williams, JR

Back, CJ
Birmingham, SJ
Canavan, M.J.
Colbeck, R
Day, R.J.
Fawcett, DJ
Fifield, MP
Lambie, J
Leyonhjelm, DE
Mason, B
McKenzie, B
Nash, F
Parry, S
Reynolds, L
Ryan, SM
Sinodinos, A
Wang, Z
Thursday, 10 July 2014  SENATE  4609

NOES
Brown, CL  Cameron, DN  Collins, JMA  Dastyari, S  Faulkner, J  Ketter, CR  Ludlam, S  Madigan, JJ  McLucas, J  Moore, CM  Peris, N  Rhiannon, L  Siewert, R  Sterle, G  Waters, LJ  Wong, P  Xenophon, N


PAIRS
Brandis, GH  Johnston, D  Ronaldson, M  Scullion, NG
Marshall, GM  Ludwig, JW  Bilyk, CL  Gallacher, AM

Question agreed to.

Allotment of Time

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (09:54): I move:

That the time allotted for consideration of the remaining stages of these bills be until 11.50 am.

I also move:

That the question be now put.

The PRESIDENT: The question is that the question be now put.

The Senate divided. [09:56]

(Away—Senator Parry)

Ayes ................... 35
Noes ................... 33
Majority ............... 2

AYES
Abetz, E  Bernardi, C  Bushby, DC (teller)  Cash, MC  Cormann, M  Edwards, S  Fierravanti-Wells, C
Back, CJ  Birmingham, SJ  Canavan, M.J.  Colbeck, R  Day, R.J.  Fawcett, DJ  Fifield, MP

CHAMBER
The PRESIDENT: The question is that the motion moved by the minister to allocate times for the debate be agreed to.

The Senate divided. [09:59]

(The President—Senator Parry)

Ayes ................. 35
Noes ................. 33
Majority ............ 2

AYES

Abetz, E
Back, CJ
Bernardi, C
Bushby, DC (teller)
Cash, MC
Cormann, M
Edwards, S
Fierravanti-Wells, C
Heffernan, W
Lazarus, GP
Macdonald, ID
McGrath, J
Muir, R
O'Sullivan, B
Payne, MA
Ruston, A
Seselja, Z
Smith, D
Williams, JR

Birmingham, SJ
Canavan, M.J.
Colbeck, R
Day, R.J.
Fawcett, DJ
Fifield, MP
Lambie, J
Leyonhjelm, DE
Mason, B
McKenzie, B
Nash, F
Parry, S
Reynolds, L
Ryan, SM
Sinodinos, A
Wang, Z

Brown, CL
Cameron, DN
Collins, JMA
Dastyari, S
Faulkner, J
Ketter, CR
Ludlam, S
Madigan, JJ
McLachlan, J
Moore, CM
Peris, N
Rhiannon, L
Siewert, R
Sterle, G
Waters, LJ
Wong, P
Xenophon, N

Bullock, J.W.
Carr, KJ
Conroy, SM
Di Natale, R
Hanson-Young, SC
Lines, S
Lundy, KA
McEwen, A (teller)
Milne, C
O'Neill, DM
Polley, H
Rice, J
Singh, LM
Urquhart, AE
Whish-Wilson, PS
Wright, PL

Brandsis, GH
Johnston, D
Ronaldson, M
Scullion, NG

Marshall, GM
Ludwig, JW
Bilyk, CL
Gallacher, AM

Question agreed to.

Senator Ian Macdonald: Mr President, I raise a point of order and I seek your advice in relation to it. You have already ruled that the stunt that we saw in the gallery was a disturbance of the Senate under matters constituting contempt in the rules. The matter I raise with you and seek your ruling on is: a couple of senators actually turned around and
applauded those who had deliberately disturbed the Senate. I wonder if that constitutes a
contempt by those senators who were clearly encouraging people to disturb the Senate.

The PRESIDENT: Senator Macdonald, that does not constitute a contempt. However, it
is disorderly conduct and I was going to raise the matter privately. Senator Macdonald, you
have raised the point of order and thank you.

In Committee

Debate resumed.

The CHAIRMAN (10:03): The question is that the amendments on sheet 7506 be agreed
to.

Senator SINGH (Tasmania) (10:03): Yesterday I raised with Senator Cormann as to why
the Liberal Party would not be supporting these amendments, because they bring in a market
based mechanism to deal with carbon pollution—something that Liberal Parties usually
support. However, Senator Cormann made it clear that, obviously, the government is not
supporting this market based mechanism despite the number of conservatives across the globe
that are urging the government to do so—that is, people on their own side asking this
government to recognise that it is denying its own policy of supporting market based
mechanisms by not supporting this amendment for an emissions trading scheme.

Beyond asking Senator Cormann why the Liberal Party will not support a market based
mechanism, I now ask: why will the Liberal Party not support the science? The science tells
us clearly why we need an emissions trading scheme. The science goes back to before 1990
when we had the first IPCC report and we have had subsequent reports—I think there have
been five since that time, all of which have the support of over 100 countries who make it
clear that there have been observed changes in the climate system and that we need to respond
as governments across the globe to those observed changes.

What are those observed changes? I am sure Senator Cormann knows, but he needs to be
reminded because this is, I have to say, a day where this country is going to go backwards on
climate policy. These are the reasons Labor acted strongly, because carbon dioxide
concentrations have increased by 40 per cent since pre-industrial times—primarily, from
fossil fuel emissions and, secondly, from net land-use change emissions. The oceans have
absorbed around 30 per cent of that emitted anthropogenic carbon dioxide causing ocean
acidification.

Continued emissions of greenhouse gases will cause further warming and changes in all
components of the climate system. Limiting climate change requires substantial and sustained
reductions of greenhouse gas emissions. The best way for a country to address a reduction in
greenhouse gas emissions has been made very clear by economists and scientists: through an
emissions trading scheme. We are debating this amendment, because it is so important for this
country to play its part internationally in trying to reduce our greenhouse gas emissions by
putting a legal cap on carbon dioxide pollution. That is what an emissions trading scheme
does and that is why it is so surprising that Senator Cormann provided comment yesterday as
to why the Liberal Party, the coalition, will not support a market based mechanism. I am still
baffled as to why the Liberal Party does not support market based mechanisms.

On top of that, though, the Liberal Party is ignoring the will of the Australian community.
The number of people who came out this week, last week—since this debate was put on the
table for this parliament—against having no legal limit on carbon pollution and against there being no price on carbon, has become stronger and stronger. This government cannot ignore those voices. The voices of some 20 civil society groups, ranging from youth, health, community, emergency services, trade unions and faith based groups have made themselves heard very loudly this week. I ask Senator Cormann: is he aware of this huge list of growing community groups who have made their dissent and their views known about this government's policy when it comes to climate change?

I could not say it more succinctly than they have said it, when they said in their statement: 'We support Australia having a price and a limit on carbon pollution. This is the fairest and most cost-effective way for Australia to address our economy's dependence on carbon pollution and reduce its impacts on our climate, our health, the environment, the economy and national security.' Therein lies the full breadth of what these repeal bills mean. Yes, they mean something for our environment, but they mean so much more than that. They mean something for our health, they mean something for our economy and they mean something for our national security.

This is a holistic policy issue. It is a holistic policy issue that commenced decades and decades ago when the science made it very clear—through the work of the IPCC and its associated hundreds and hundreds of peer reviewed scientists who have contributed to its reports—that the world needs to act swiftly on reducing carbon pollution, on reducing the greenhouse gas emissions that are continuing to have a huge effect in changing our climate, which has of course has had thrown-on effects to do with natural disasters and the like. That is why it is important beyond just our environment. That is why it is important for our health. That is why it is important for our national security, our economy and those issues that have been raised by those 20 civil society groups.

So I ask Senator Cormann if he is aware of those 20 strong community groups of various persuasions, including, as I said, emergency service workers and firefighters—some of whom were here yesterday out the front of Parliament House making it very clear that they want this parliament to act on climate change, to have a price on carbon pollution and to have a legal limit on carbon pollution. How can Senator Cormann ignore those 20 community groups? How can he ignore the 200 young people I joined earlier in the week? How can he ignore the science? And how can the Liberal Party ignore a market based mechanism to deal with a reduction in carbon pollution?

I understand it has been reported this morning that both the United States and China have signed eight partnership pacts on climate change, bringing the two powers—which both have extensive emissions trading schemes in place at different levels—closer together. So, as I said yesterday, it is a complete furphy for Prime Minister Abbott to claim that the world is not acting on emissions trading schemes. The world is acting strongly on them. This is made clear in the Parliamentary Library's work on the number of emissions trading schemes that have been in place in China, the US and elsewhere in the world—China, most notably, being the country proposing new schemes and with a network already of seven pilot schemes. They want to reduce their carbon emissions. They want to act on climate change.

After today, Australia will be the only country in the world moving backwards—going backwards. Yes, that will have an effect with respect to our international standing. How we are addressing this increase in greenhouse gas emissions will of course have an effect not only...
on our environment but also on our health and on our well-being as a nation. So I ask Senator Cormann again: why is the Liberal Party not supporting an emissions trading scheme? Why are you not supporting a market based mechanism to put a legal cap on carbon pollution? I cannot help but think that it is anything other than pure politics—and, of course, the ideological bent of some on your side. I think Senator Macdonald fits the mould of not accepting the science. In addition, I ask Senator Cormann about his knowledge and understanding of the statement provided by those 20 community groups and how he wishes to respond to their voices.

The CHAIRMAN: Senator Milne, you have the call.

Senator MILNE (Tasmania—Leader of the Australian Greens) (10:13): Thank you, Mr Chairman.

Senator Cormann: I thought we were going from side to side.

The CHAIRMAN: I understand that point, but in these discussions it is often Senate practice that party leaders, ministers, the Leader of the Government in the Senate or spokespeople for the opposition take precedence.

Senator Cormann: That is not right.

The CHAIRMAN: Excuse me; don't tell me it is not right, Senator Cormann. This is in Senate Practice, and I will refer you to the appropriate clauses if you wish. I will certainly come to you, Senator Macdonald, but both you and Senator Milne jumped at the same time and I am following what I believe is Senate practice in giving the Leader of the Australian Greens party precedence in that call.

Senator Ian Macdonald: My understanding is that you always go from side to side—government, opposition, government, opposition, and so on. If you have a party representing an infinitesimally small part of the Australian public, claiming that because she or he is the leader of that, should not in my view interfere with the normal procedure of going government, opposition, and then third parties, if that is the case.

The CHAIRMAN: For senators interested, I refer them to pages 240 to 241 of Odgers' Australian Senate Practice.

Senator MILNE: I have a number of specific questions, because we are in the committee stage of this particular set of bills, and we now have a gag on it, thanks to the government, with the support of the Palmer United Party. I want to ask some very specific questions. I asked Senator Cormann last night how much of the five per cent emissions reduction target was expected to be delivered by the Emissions Reduction Fund. The government still has not responded to that. It is important that they do, because there are certain senators in here who have said they will not support the abolition of the existing emissions trading scheme unless there is something better in its place. Therefore, we need to have the government say exactly what they expect their Emissions Reduction Fund to do.

I also have some other specific questions for the minister and I will go to those now. The Australian Renewable Energy Agency, ARENA, and the Clean Energy Finance Corporation were secured by the Greens through the negotiations with the former government to develop the Clean Energy Package. The allocation of funds for ARENA was in the legislation. The abolition legislation is to come here later, but the schedule to gut the funding from ARENA is part of these bills.
Thursday, 10 July 2014

I understand that an agreement has been reached with the Palmer United Party to take millions out of the ARENA funding and support the government's schedule. I find it extraordinary that we do not have a single member of the Palmer United Party here, in the committee stage, when they have an amendment that I would like some answers to. I would like to know why or whether they are going to support an emissions trading scheme, as their leader has said. But I understand they have abandoned this debate on getting rid of the emissions trading scheme—and returning millions to the pockets of Mr Palmer—to go and launch a report on renewable energy. We love renewable energy, and I am very grateful for the fact—

The CHAIRMAN: Senator Macdonald on a point of order.

Senator Ian Macdonald: The reflection on a member of another house in this parliament, that he is voting for this thing to put millions in his pocket, is clearly disorderly and insulting. I ask that you ask the senator to withdraw.

The CHAIRMAN: Senator Milne, I think you ought not reflect on members of other houses in that way.

Senator MILNE: I withdraw that and note that Mr Palmer abstained from the vote in the House of Representatives because he has a conflict of interest. I have called many times for the Palmer United Party senators to abstain from the vote because of the clear conflict of interest. The nickel refinery in Queensland operated by Mr Palmer's company had a substantial carbon price bill to pay—many millions—which was settled only a few weeks ago, prior to his new senators coming here. I think there should have been a discussion here about the actual impact of the extent to which taxpayers' money is now going to be taken out of their pockets to support the government's scheme. And what we are now seeing is a reward to the big polluters—$18 billion is going to be left in the pockets of the big polluters and the community is going to have to pay through other means.

I want to return to the point of the schedule of funding for ARENA for the minister to explain something to me. Now we have a situation where ARENA is going to have only $89 million next year and $57 million the year after, in new funding—although, they will have the funding they set aside for their existing projects. Given this really substantial cut in the funding for ARENA and given the dates on which the current board members lose their positions—I understand the contracts for two board members run out on 30 June and the final two are on 15 July—I ask the minister, now that the Senate has made its position clear that it wants to keep the Australian Renewable Energy Agency: will the minister make sure there are board appointments so that the agency can continue with the level of funding that it will now have?

I would like to ask specifically about the level of funding. If it turns out that any of the projects that have already been approved do not proceed, will ARENA be able to keep the funding that is freed up as a result of projects not being able to proceed? I would like to have a clear answer on the board members. Are they going to be re-appointed or are other people going to be appointed? Secondly, on the issue of existing projects, will any funding savings from those be retained in the organisation? Thirdly, with this schedule of cuts, have you had any discussions with ARENA about taking this money from them? And what will it actually mean in terms of investing in the early research and development ARENA was set up to do?
I want to now move to the amendment that the Palmer United Party has, which is related to guaranteeing that—

The CHAIRMAN: That amendment has not as yet been moved. We are dealing with the first amendment.

Senator MILNE: I will wait until somebody turns up to move it and I will return to discussing the first amendment. I want to ask the minister some specific questions. A lot has been said about the supposed freeing up of industry from the ending of carbon pricing, and I want to ask the minister about its impact on Hydro Tasmania. Last week, Hydro announced that they would be scrapping 100 jobs in Tasmania—10 per cent of their workforce. They have gone on to say that their last annual report attributed $140 million of their profit entirely to the price on carbon and that it would have been even higher for the financial year that has just finished. Will the minister now confirm that that revenue stream to Hydro Tasmania will be gone? Can he further confirm, as Saul Eslake, one of their board members, has stated that 81c in every dollar of Hydro’s profit goes to the state government? And will he confirm that this means the $112 million that went to the Tasmanian government for schools, hospitals, concession payments et cetera will now no longer exist? Will he confirm that abandoning the carbon price will lead to direct job losses in Tasmania? This is clearly what the impact will be from ending carbon pricing in Tasmania.

I want to come back to the emissions trading scheme itself and ask the minister: have you had any representations from the Australian Industry Group, the Business Council of Australia, the Chamber of Commerce and Industry or any other peak business group asking you to retain an emissions trading scheme? Have you had any representations from business groups saying that they would support the retention of an emissions trading scheme if it went to flexible pricing immediately, and therefore the European price would bind at $7 to $9 or thereabouts? Having seen reports today that the government has ruled out emissions trading as something that it would even consider, I ask: has the government told that to these business groups or is it in conversation with them about allowing the purchase of CER credits, currently trading at 16 euro cents—25c, or thereabouts, Australian?

I think it would be extremely useful to get some answers in relation to those particular matters, because today is the day that Australia goes backwards—absolutely backwards. If we lose our price on carbon, we are going to be seen as a backward country in a global context. We are going to be seen as being on the wrong side of history, because every other major economy is now looking to the 2015 global treaty. With so many countries now involved in emissions trading and in various forms of carbon pricing, carbon taxing and other measures, Australia is going to be left on its own, and you are going to have answer to future generations. In fact, this summer, as extreme weather events set in around Australia, people are going to be seeing you in the context of having rewarded the big polluters and as having passed the cost to the community—cost in terms of lost infrastructure and cost in terms of absolute loss, not only of infrastructure but, of course, of people’s lives. That is the absolute issue we have before us here in this parliament today. It is one of those moments in history that matter, where a country chooses the past or the future, where a country chooses the big end of town and the vested interests of the old order or the future—the new industries, the new economy, the innovation and the investment in education and new technology. This is why I am pleased that we are keeping the Renewable Energy Agency, the Clean Energy
Finance Corporation and the Climate Change Authority, because we need good, sound assessment done with rigour on new projects and on climate science and policy. I ask as a final question on the Climate Change Authority and in this context: how many board members of the Climate Change Authority have resigned to date? What is the process for appointment of new board members?

Senator IAN MACDONALD (Queensland) (10:26): I actually want to ask the minister some questions, but before I do I just want to explain to those who might be listening to the debate what the committee stage of a bill is—which is what we are dealing with now. This stage gives senators the opportunity to ask either the minister or whoever has moved the amendment questions on particular information in the bill or the amendment.

I mention in passing that we have had all these pious pleas from senators over the last couple of days about not having enough time for debate, and yet we had the first speaker for the opposition this morning spend 15 minutes on a rhetorical address—something that she and her colleagues have said many times over—to the Senate and not ask a serious question, except for: 'Why doesn't the Liberal Party support market schemes?' This has nothing to do with the bill before the chamber. There is the hypocrisy of senators claiming a shortage of time to ask questions when it is wasted on a 15-minute speech that we have all heard time and time again.

I have to say to Senator Milne that at least she did start off by asking some questions about the matter before the chair, but then she could not help herself and got into the rhetoric of the big end of town. I think Senator Singh also mentioned those conservative groups. No doubt they are both talking about Lord Deben—a retired United Kingdom politician, who is now 'His Lordship' and a member of the unelected upper house in the United Kingdom and who has very significant business interests in the biggest wind farming conglomerate in Europe. He is also a consultant for a sustainability consultancy company. One might ask Lord Deben when he comes to interfere in Australian politics just what his interest in wind farms and alternative energies is. I have said in the media that matters relating to Australian policy and Australian government are matters for Australian politicians, not for retired British politicians now serving in the unelected House of Lords. If he wants to take part in the debate, perhaps he could just indicate to us what his financial interest is in ensuring that sustainable renewable energy continues in Europe and in the United Kingdom.

As I said, I do want to ask some questions about the bill before the chamber. I will try to do that quickly, because I acknowledge that, although we have had these debates ad infinitum over many years, there is a limit on the time today and I do not want to take up the time of other senators who want to put forward genuine questions. But I might say to the Labor Party that, if all they are going to do is to get up and give 15-minute political addresses about what we have heard time and time again, that is not what the committee stage is about. If that is going to be abused I would urge other senators to take note of the hypocrisy of the Labor Party in not using the time to ask questions but simply giving boringly repetitive speeches that we have heard many times before.

Minister, you have been asked by Senator Milne about the job losses that might occur in Tasmania if something happens, but I would like to ask the minister a similar question. Minister, do you have any reliable statistics on the job losses in Australia that have happened as a result of the imposition by the Labor-Greens alliance of a carbon tax? I know we can look
at Toyota and Holden; we can look at the coalmines of Central Queensland, up where I come from; we see reports of the numbers of jobs that have been lost; we see increasingly Australian manufacturing organisations moving overseas because of the high cost of energy and the carbon tax. So I ask the minister whether he does have any statistics about that. That is one question.

I also want to ask the minister: is it correct that Australia emits less than 1.4 per cent of the world's carbon emissions? The great friend of the Labor Party, Lord Deben, is indicating that the United Kingdom's climate is part and parcel of the Australian climate. That is a self-evident statement, I would think. Of course, the globe's climate is one and the same thing. But he and the Labor Party and the Greens seem to think that, because Australia—which emits less than 1.4 per cent of the carbon emissions in the world—is getting rid of this carbon tax, that it is going to affect the climate of the United Kingdom and everywhere else in the world. I am sure the minister will be able to assist me as well on just what percentage of the world's carbon emissions come from Europe, from China and from North America. If that is readily available I would appreciate the minister's answer, because I just want to put it in perspective. Australia emits, I think—I seek confirmation—less than 1.4 per cent of the world's emissions of carbon. The Labor scheme was meant to reduce that 1.4 per cent by five per cent. According to Senator Milne and Lord Deben, all these cyclones would stop, all the floods would stop and all the coral bleaching would stop if Australia were to reduce its 1.4 per cent of emissions by five per cent. I simply ask the question, Minister: is it correct that Australia emits less than 1.4 per cent?

I also want to ask the minister to remind me, if he has this information, what the Labor government's forward trajectory of carbon emissions in Australia was under their scheme. I seem to recall that, rather than reducing carbon emissions, the Labor scheme actually quite substantially increased carbon output through to 2020. I seek the minister's advice on that.

Finally, I suspect the minister may have answered this question yesterday when I was not in the chamber—I think Senator Xenophon may have raised it—but perhaps the minister could explain briefly why the government did not accept the amendment of Senator Xenophon. Senators might recall that I actually voted against my government and in favour of Senator Xenophon's motion because, having seen it only very quickly in the previous division and having less than 60 seconds to make up my mind, it did seem to be quite a fair second reading amendment that sought to look at a couple of other aspects—besides the carbon tax, that is—of the increases in electricity.

The CHAIRMAN: Senator Macdonald, I draw your attention to the fact that that amendment was dealt with yesterday and is not part of the question before the committee.

Senator IAN MACDONALD: Okay. I apologise for that. That was a second reading amendment, but I understand that Senator Xenophon did ask yesterday in the same way that I am asking today. The chairman at the time did not stop Senator Xenophon. I am just interested, not in dealing with the second reading amendment, but I will remove that from my questions for the minister, unless he should be desperate to answer it. I will leave my questions to those that I have raised.

Senator CORMANN (Western Australia—Minister for Finance) (10:36): I thank Senator Macdonald and other senators for the questions they have raised as part of this debate. I will do my best to give a comprehensive answer to all of them. Firstly, yes, I can confirm that
Australia is responsible for less than 1.4 per cent of global greenhouse gas emissions. Senator Macdonald asked me how that compares with the emissions from other jurisdictions. The advice I have is that the United States is responsible for 19 per cent of global emissions, China is responsible for 23 per cent of global emissions and the European Union is responsible for 13 per cent of global emissions.

I can also confirm for Senator Macdonald that, according to the previous government's own modelling of the impact of their carbon tax, after all of the imposts and all of the sacrifices imposed on the Australian community with their carbon tax, emissions in Australia were continuing to go up and up and up. In fact, Labor's own modelling of their carbon tax showed that their expectation was that emissions in Australia would go from 561 million tonnes of CO$_2$ in 2010 to 621 million tonnes of CO$_2$ in 2020. These are not my words. That is the information that was provided by the previous Labor-Green government. They will say, 'But it would have been so much higher if it had not been for our carbon tax.' What we say is, to the extent that it is not as high as it might have been, that is only because we have shifted economic activity, along with all of the emissions that come with it, from Australia to other parts of the world.

This is something the Labor Party has never understood. The problem is that, if you take manufacturing activity that is comparatively—internationally—environmentally efficient here in Australia and you move it to other parts of the world where the emissions for the same amount of output are going to be higher, then what you are actually ending up with is higher global greenhouse gas emissions. The Labor-Green carbon tax actually makes global greenhouse gas emissions worse, not better. Even with Labor's carbon tax, emissions were still expected to go up. To the extent that they are not going up by as much as they otherwise might have, they are just shifting emissions to other parts of the world where, on many occasions, for the same level of economic output those emissions are going to be higher than they would have been in Australia.

Senator Macdonald asked me about job losses. Obviously, if you impose additional costs on doing business here in Australia that are not faced by our competitors in other parts of the world, then you make it harder for businesses in Australia to compete with businesses in other parts of the world, to the extent that they take market share away from us. Obviously, that means that not only economic activity and emissions go overseas but also jobs go overseas. Just to put a bit of context around all of that, a report that was released by none other than the Productivity Commission said:

… no country currently imposes an economy-wide tax on greenhouse gas emissions or has in place an economy-wide ETS.

Australia's carbon tax of $24.15 per tonne, which went up again on 1 July to about $25 per tonne, covers around 60 per cent of total emissions. By comparison, the European Union emissions trading scheme covers just 45 per cent of total emissions at around $7 to $8 dollars a tonne. The United States does not have a nation-wide emissions trading scheme. Senators on the other side can repeat ad nauseam what they have tried to make people believe for many years now. The United States does not have an emissions trading scheme. President Barack Obama does not have any intention whatsoever to legislate for an emissions trading scheme. What President Obama is doing is not unlike what we are doing here in Australia in the absence of an appropriately comprehensive global agreement to price emissions, and that is to
pursue direct action initiatives. In the United States, the state of California has an ETS which currently covers just 35 per cent of total emissions. I hope that that gives Senator Macdonald a bit of flavour.

I will quickly go through a series of other questions. Senator Singh asked: 'Why are you not accepting the science?' We do accept the science. We just do not accept Labor's carbon tax. She asked why we are ignoring the will of the Australian people. This is extraordinary chutzpah. There is actually a very old-fashioned way to test the will of the Australian people on a regular basis, and that is called an election. Of course, there was an election in 2013, which you lost. There will be an election in 2016 where you can make your case for the introduction of the carbon tax if you think it is such a good idea.

I was asked how we are going to achieve the five per cent reduction in emissions by 2020. As we have said many times, that is through our Direct Action policy. The question was asked: what will happen to ARENA? I remind the chamber that the reduction in funding in this package of bills is actually the implementation of a Labor government budget measure that was supported by the Greens. Matters related to the board of ARENA are matters related to legislation that comes before the chamber much further down the track. Incidentally, the carbon tax does nothing to help Hydro in Tasmania. It is the renewable energy target that is of interest to them. Two people have resigned from the Climate Change Authority. Have I received representations from Industry Group and the Business Council? Personally, no, I have not. But what I am very conscious of is that the Australian people passed a very clear and comprehensive judgement against Labor's carbon tax and it is time that the Senate got on with it and got rid of it.

Senator XENOPHON (South Australia) (10:43): There are two matters I would like to address—firstly, the amendment that is before the Senate at the moment. I can indicate that I will not be supporting the amendment for a number of reasons. Firstly, I support the principle of an efficient, well designed ETS. I do not believe that what has been proposed is such. It effectively keeps the existing model and framework which I found very problematic. I made no secret of the fact that I still believe the best form of an ETS is that modelled by Frontier Economics for Malcolm Turnbull and me when Malcolm Turnbull was opposition leader in 2009. I am concerned that this model keeps an estimated $9.2 billion in compensation to emissions intensive trade exposed industries. It keeps an estimated $5.5 billion in compensation to brown coal generators. It does not change prices for diesel aviation refrigerants. While the carbon price may drop initially, it will then increase until, under a floating carbon tax, it reaches an estimated $38 in 2020. That is based on modelling by Treasury and the Climate Change Authority. They modelled that it would rise to $25.40 in 2014-15 and $38 in 2020. It locks Australia into the European emissions trading scheme prices, which have been extremely volatile and subject to, I think, political considerations, which does not give investment certainty. It will continue to hit households and businesses through higher electricity and gas prices through that revenue churn and through a distortion of the merit order in terms of pricing and also in respect of the tax interaction effect—the multiplicative effect on taxes and on the economy. For those reasons, while I support that a well-designed emissions trading scheme is the best way forward, I support the comments made previously by Danny Price from Frontier Economics about his concerns about the structure of the scheme. I just want to make that clear.
I hope Senator Cormann is listening— I know he is engaged in conversation, but I am sure he can do two things at once— because I do want to put a question to Senator Cormann. It relates to discussions I have had with Minister Hunt over a number of weeks and again this morning about ensuring that the Direct Action approach of government would be more strenuous, more rigorous, more efficient, and more effective in terms of emissions abatement. I understand that Senator Cormann, after my discussions with Minister Hunt, will be making a statement so that it is on the record, and I would be grateful if he could be in a position to make that statement.

Senator CORMANN (Western Australia— Minister for Finance) (10:46): I thank Senator Xenophon for his comments and for his questions. On this side of the chamber we have very much appreciated the very constructive way in which we have been able to work with him through these policy issues both in opposition and now in government. I am pleased to be able to reassure Senator Xenophon that the government is firmly committed to reducing Australia's emissions to meet our target of five per cent below 2000 levels by 2020. Since coming to office, we have, in a very methodical fashion, step by step, implemented the Emissions Reduction Fund which is, of course, the centrepiece of the direct action policy to reduce Australia's emissions.

On 24 April 2014, the government released the Emissions Reduction Fund white paper. This was, as Senator Xenophon is aware, the result of significant consultation with business, and it set out three elements of the Emissions Reduction Fund.

The first element is the crediting of emissions reductions using the tried and tested approach of the Carbon Farming Initiative. The government has introduced to parliament the Carbon Farming Initiative Amendment Bill 2014 to expand the Carbon Farming Initiative approach beyond the land sector to the rest of the economy. This bill has already passed the House of Representatives and no doubt will be considered by the Senate sometime in the future.

The second element is the purchasing of emissions reductions by the government using a reverse auction approach. The 2014-15 budget set out $2.55 billion for the fund, with the full amount available to be committed from the commencement of the fund.

The third element of the government's policy is a safeguard mechanism, and the safeguard mechanism will be introduced to ensure that emissions reductions paid for by the Emissions Reduction Fund are not displaced by a rise in emissions elsewhere in the economy, which goes to the heart of the question, I believe, that Senator Xenophon was asking. The government has already made a number of significant policy decisions regarding the safeguard mechanism in the Emissions Reduction Fund white paper—in particular, that it will commence on 1 July 2015. The mechanism will cover facilities with direct emissions of 100,000 tonnes or more. For existing facilities, baselines will be based on absolute emissions based on existing data reported under the National Greenhouse and Energy Reporting Scheme over the period 2009-10 to 2013-14.

As set out in the white paper, the government continues to consult with business and other stakeholders on other aspects of the policy, including the treatment of new investment, large business expansions, the application of the mechanism to the electricity sector, and options to ensure effective compliance. The safeguard mechanism is a critical part of the Emissions Reduction Fund policy and, following consultations with business, the government will
introduce legislation in 2015 to give effect to the safeguard mechanism for commencement on 1 July 2015. This commitment has been outlined in the Emissions Reduction Fund white paper, as well as the explanatory memorandum to the Carbon Farming Initiative Amendment Bill 2014, and by my good friend and valued colleague the Minister for the Environment in his second reading speech introducing the bill. The government will list the Carbon Farming Initiative Amendment Bill 2014 for debate in the Senate in the spring session this year.

I do acknowledge, as I did at the outset, Senator Xenophon's longstanding commitment to an effective climate change policy in Australia. I also acknowledge his appreciation of the imperative of an effective safeguard mechanism as part of the Emissions Reduction Fund policy. I look forward on behalf of the government to continuing to work with Senator Xenophon as we finalise the development of that safeguard mechanism.

Senator SINGH (Tasmania) (10:50): I want to raise a couple of matters. But, first, Senator Macdonald, your contribution was very surprising in the sense that I think the day the Senate takes advice from you will be a very sad day for this democracy. And I do need to correct you: it is actually Lord Deben, not Lord Debenham as you repeatedly said; so could you get that right next time.

I did want to raise some of the issues that Senator Xenophon highlighted, and I understand Senator Xenophon's position in relation to this amendment. I would urge him to reconsider his position and vote with the opposition for this amendment for an emissions trading scheme. But I understand what he raised in relation to price. Of course an emissions trading scheme is a market based mechanism, but we have got emissions trading schemes in the world—some are fledging; some are more developed. The EU's emissions trading scheme is very developed. Its price has declined, based on a range of factors. As schemes become more developed and you look at the cap and you look at the development of any market that can show that volatility, price changes. Obviously we have seen a price stabilise in the EU, but I do think that, as further markets develop in the world, we are likely to see that international market change over time. It is certainly not something that is fixed like the carbon tax—it is a market based mechanism, so it is about business working out that price—so I urge him to reconsider his position, understanding the points that he raised.

Before I talk about the government's position and the Palmer United Party's position, I would like to talk about the Greens' position. The opposition is pleased that the Greens are supporting this amendment for an emissions trading scheme. However, I would draw the attention of the Senate to the fact that the Australian Greens party have voted against an emissions trading scheme three times so far. They are purportedly the party for clean energy, but they have voted against an emissions trading scheme at least three times. I am pleased that they are voting for this scheme now, but if we are to strive to address climate change, then it is Labor's position that has been consistent on moving from a fixed price to an emissions trading scheme. We put this amendment in March when the Senate had a different make-up and, on that basis, this amendment could have passed in this place. So it is disappointing that their vote in support of this amendment has come too late. Having said that, Labor obviously supports their support for it.

In relation to the government's position, and the Palmer United Party's position of supporting the government—that is, not supporting this amendment for an emissions trading scheme for this country—what exactly will the government and the Palmer United Party
achieve if they do not achieve this amendment? What will they achieve for our children and for our children's children? Voting with us on these amendments is the only way of ensuring a cap on pollution; it is the only way of ensuring that we will reduce our carbon emissions. This is my last-ditch attempt to ask the Senate to see some sense and vote with the opposition for an emissions trading scheme. We know that the replacement is a tokenistic attempt to have a climate change policy; Direct Action falls very short of achieving anything meaningful in relation to acting on global warming.

The furphies put out by the Prime Minister on his recent overseas trips and the like have not been supported by other global leaders. He has tried to create a coalition of the unwilling and was pretty much left standing on his own. Senator Cormann talked about the fact that the US does not have a national trading scheme—other than all the states that are moving that way. President Obama said recently to students at the University of California: 'I'm going to talk about one of the most significant long-term challenges that our country and our planet faces, and that of course is the threat of a rapidly changing climate.' So President Obama does get it, and that is why, as I said earlier, the United States and China have signed a partnership pact. Of course, when the New Zealand Prime Minister heard of what Tony Abbott was trying to achieve with his coalition of the unwilling on climate change, he made it very clear that he did not want a bar of it—as did the UK, another conservative government that does not support this conservative government.

In abandoning Labor's commitment to an emissions trading scheme the Abbott government is taking Australia from being a world leader in addressing climate change to a nation standing out from the international community in refusing to acknowledge this pressing problem. The Abbott government, in isolating Australia from the international community on an emissions trading scheme, is denying the country the ability to play a meaningful role in addressing this challenge on both a national and global scale. In putting this amendment, I ask the government: if you vote down Labor's amendment, how can you guarantee that Direct Action will deliver our reductions of five per cent by 2020, and is there an emissions trading scheme that you will accept?

Senator MILNE (Tasmania—Leader of the Australian Greens) (10:58): We have an emissions trading scheme in Australia now; it was negotiated by the last government. Senator Singh has a very selective memory. I was in the Senate when the former Prime Minister Kevin Rudd abandoned what he called the greatest moral challenge of all time. Before Copenhagen and after Copenhagen, the gang of four in the Labor Party decided to abandon emissions trading in spite of the compromise the Greens had on the table at the time. They said they would prefer to go after the mining tax and abandon carbon pricing. They went into the 2010 election with no policy on carbon pricing and it was only as a result of negotiations after the election that the Greens secured a commitment that we would introduce a price on carbon and it would be legislated and take effect from 1 July 2012.

So let's not hear any more of this arrant nonsense and also let's put on the record that the scheme negotiated between the former Prime Minister Kevin Rudd and the then Leader of the Opposition Malcolm Turnbull 'browned it down' so that it was next to useless. In fact, it was worse than nothing, in my view, because it would have locked in expanding free permits over time. It would have locked in mega compensation to coal fired power stations. It had no driver of renewable energy, no Clean Energy Finance Corporation, no Climate Change Authority
and had a weak five per cent target with no capacity for the parliament to drive it higher. So it was a complete junk policy. We now have a very good policy which we should be proud of and the question before the chair is: will the Palmer United Party, which says it supports emissions trading, now support a scheme which has an 18 per cent target as a result of the 31 May deadline expiring? We now have an 18 per cent target in Australia. That is what makes it different now from earlier in the year.

Mr Palmer says he supports an emissions trading scheme. Good, so do I, so does the Labor Party, so let us vote to keep the one we have. The compromise here is to go to flexible pricing straightaway which would take the price from $25 down to $7 to $9, which is a more than reasonable compromise to put on the table. If Mr Palmer is serious about an emissions trading scheme then let us vote for this amendment together and secure the amendment to put it back to the government. I notice the minister still has not answered my question about whether he has had talks with the Business Council of Australia and the Australian Industry Group—who he has had talks with—in relation to securing an emissions trading scheme, because they are saying in the papers that that is what they want. Are they telling the government that?

There is another matter that I want Senator Cormann to answer. I understand the government has been having talks with the Palmer United Party about how to secure the price reduction obligation to be returned to consumers. It is now a circulated amendment, though not yet moved. Mr Palmer has said that he has had discussions with the government. Regarding these costs, directly or indirectly attributable, that are to be accounted for, I ask the minister two things. Firstly, if it is an indirect cost, how widely defined is that? There is no-one here from the Palmer United Party who can tell me, so maybe you can, Minister, since you have been in discussions with them. Secondly, they have just changed their foreshadowed amendment, obviously as a result of discussions with the government. So, Minister, can you tell us what conversations you have had with the Palmer United Party and what this new amendment is actually going to do?

Senator CORMANN (Western Australia—Minister for Finance) (11:02): Firstly, I remind Senator Milne that right now we are dealing with amendment (3) on sheet 7506 moved by Senator Singh, which seeks to modify the carbon tax as it currently stands and re-budget. I will deal with other foreshadowed amendments and other amendments that have been circulated at the time we are ready to go with them. The thing is we can continue to go around and around in circles. By the way, an emissions trading scheme is a government intervention. It is no more a market based mechanism than going into the market to ask people to competitively tender for the lowest cost opportunity to deliver emissions reductions. Whether it is a carbon tax or an emissions trading scheme, these are government interventions that are highly regulatory and impose significant burdens on the economy. We have been very clear that we do not support it. We can continue to go around and around in circles. I suggest that the Senate now vote on the amendment moved by Senator Singh so that we can move on to the other
amendments on the Notice Paper, bearing in mind the remaining time available to the Senate to deal with these matters.

**The CHAIRMAN:** The question is that the opposition amendment be agreed to.

(The committee divided [11:08]

(The Chairman—Senator Marshall)

Ayes ...................... 33
Noes ...................... 38

Majority ................ 5

**AYES**

Bilyk, CL (teller)  Bullock, J.W.
Cameron, DN  Carr, KJ
Conroy, SM  Dastyari, S
Di Natale, R  Faulkner, J
Gallacher, AM  Hanson-Young, SC
Ketter, CR  Lines, S
Ludlam, S  Ludwig, JW
Lundy, KA  Marshall, GM
McEwen, A  McLucas, J
Milne, C  Moore, CM
O’Neill, DM  Peris, N
Polley, H  Rhiannon, L
Rice, J  Siewert, R
Singh, LM  Sterle, G
Urquhart, AE  Waters, LJ
Whish-Wilson, PS  Wong, P
Wright, PL

**NOES**

Abetz, E  Back, CJ
Bernardi, C  Bushby, DC
Canavan, M.J.  Cash, MC
Colbeck, R  Cornann, M
Day, R.J.  Edwards, S
Fawcett, DJ  Fierravanti-Wells, C
Fifield, MP  Heffernan, W
Johnston, D  Lambie, J
Lazarus, GP  Leyonhjelm, DE
Macdonald, ID  Madigan, JJ
Mason, B  McGrath, J
McKenzie, B  Muir, R
Nash, P  O’Sullivan, B
Parry, S  Payne, MA
Reynolds, L  Ronaldson, M
Ruston, A (teller)  Ryan, SM
Sullion, NG  Sinodinos, A
Smith, D  Wang, Z
Williams, JR  Xenophon, N
Senator RUSTON (South Australia—Deputy Government Whip in the Senate) (11:13): I seek further clarification from the minister in relation to the emissions trading scheme. I am wondering if he can put on the record exactly what it involves.

Senator Milne: On a point of order, Mr Acting Chair. We have just voted on that amendment. We are now moving to the next amendment on the sheet. This is a stalling tactic to allow the Palmer United Party to get themselves in order.

The TEMPORARY CHAIRMAN (Senator Bernardi): Thank you, Senator Milne. I do recognise we have voted on the amendment, but there is another amendment before the chair at the moment and Senator Ruston did have the call. She has posed a question to the minister and it is appropriate for the minister to answer it.

Senator Wong: What an arrogant government—filibustering your own guillotine! This is outrageous.

Senator CORMANN: We have Senator Wong interjecting loudly. Senator Wong was part of the government which went to the election in 2010 promising there would be no carbon tax only to introduce one after. They went to an election in 2013 saying they had removed the carbon tax only to vote to keep it after. It is not the same thing to rebadge it or modify it. Those of us on this side of the chamber—and no doubt that is why we are now part of the government—

Senator Kim Carr: Where is your yellow tie?

The TEMPORARY CHAIRMAN: Order! Minister, please resume your seat for a moment. It is very difficult for me to hear you with the bellowing coming from my left.

Senator CORMANN: I know that the Labor Party are very embarrassed about their track record when it comes to imposing unnecessary and bad taxes on the Australian community such as the carbon tax.

As I was saying before, in 2010 then Prime Minister Gillard went to the election and said, 'There will be no carbon tax under the government I lead.' What did she promise? She promised to have a climate change assembly. It was to be a citizens assembly with 150 citizens working to achieve consensus on how to deal with this area of public policy. But, of course, straight after the election the then government did a deal with the Greens. They entered into a coalition with the Greens. Everything that followed after that is history.

Earlier today Senator Singh asked me, 'Why are you not accepting the science?' As I said then, we are accepting the science. What we are not doing is accepting Labor's carbon tax, because it does nothing to help reduce global greenhouse gas emissions. Indeed, arguably it actually pushes up global emissions because it pushes up the cost of electricity in Australia, it pushes up the cost of gas and it pushes up the cost of doing business. It helps our competitors in other parts of the world become more competitive. It is helping our competitors in other parts of the world take market share away from us. It is helping our competitors in other parts...
of the world to grow jobs at our expense. In the process, it is shifting emissions to other parts of the world where arguably for the same amount of economic output they are higher.

You will never believe what else I was asked earlier today. I was asked why we were acting against the will of the Australian people. This really goes to the crux of this whole issue. Something that the Labor Party clearly has not understood is that we have a very old-fashioned method here in Australia to test the will of the Australian people on a regular basis. It is called an election. We had an election in 2013 and the Labor Party lost, with their carbon tax, and the coalition won saying that we would get rid of the carbon tax. What we are doing here without any ifs or buts is getting rid of the carbon tax and we are not supporting replacing it with a carbon tax by another name because it is not in the national interest for us to do so.

We have people here saying that an emissions trading scheme is a market based mechanism. No, it is not. It is not something that comes out of the market at all. It is a government intervention. It is government imposing a compulsory price on the market. It is government putting in place massive regulation. It is government putting in place a massive bureaucracy. It is government putting in place policing across Australia in order to enforce compliance with government regulation. Government regulation is not a market based mechanism. It might be in Pyongyang. In Pyongyang they might think that when you put government regulation in place it is a market mechanism. When you go to Pyongyang you might think that more regulation is like a free market. But here in Australia more regulation and more taxes are not because of the free market.

Our system is actually a market based mechanism. Our Direct Action policy is part of a market based mechanism. Our Emissions Reduction Fund is a market based mechanism. With our Emissions Reduction Fund we are going out into the market and asking the market to competitively tender to help reduce emissions in Australia in a way that is economically responsible and environmentally effective. We are forcing businesses and other people out there to compete with each other. When you force people to compete with each other, that creates a market. So here we are. We, the government, through our Emissions Reduction Fund and our Direct Action policy, are putting forward a genuine market based mechanism.

But the Labor Party does not really understand how the emissions trading scheme here in Australia—the largest and most comprehensive national economy-wide emissions trading scheme or carbon tax anywhere in the world—interacts with the fact that there is no such scheme anywhere else in the world. There is such a thing as a global economy. Australia is only a small part of a global economy. We represent less than 1.4 per cent of global emissions. The US represents 19 per cent of global emissions. China represents 23 per cent of global emissions. Europe represents 13 per cent of global emissions. We are a small part of a global economy. When we are imposing costs on businesses, individuals, families and pensioners in Australia that are not faced by people and businesses in other parts of the world, we are asking people in Australia to make a sacrifice that is not asked of other people or businesses in other parts of the world. In asking them to make that sacrifice, at least it should make a difference. The problem is that neither the carbon tax nor Labor's proposal for a modified or rebadged carbon tax do anything to help reduce global greenhouse gas emissions.

I see that Senator Bullock is here in the chamber. I know that he will say to me that all he is doing is faithfully promoting Labor Party policy. I have a certain fondness for Senator
Bullock because I believe that he is a fundamentally decent and honest man. He went to the WA Senate by-election saying, 'Labor is scrapping the carbon tax.' The only problem was that on the very same day that he was making that statement in Western Australia—and I am sure that he was told to make that statement by his party—his Labor colleagues here in this chamber were voting to keep the carbon tax. Labor in this chamber were voting to keep the carbon tax on the very same day that Senator Bullock was sent out into the community by his party to say that Labor was scrapping it. These are the sorts of political games that we have seen from the Labor Party for way too long: in 2010, 'There will be no carbon tax under the government I lead'; in 2013, 'We already have removed the carbon tax'; in 2014, 'Labor is scrapping the carbon tax'—all the way through, playing the game; all the way through, working to keep the tax that they are trying to make the people across Australia believe they have already got rid of.

And here we are still this week. On Monday, we had to have a debate all day on whether we could start the debate. Then later in the week they are saying, 'You're not giving us enough time.' We spent the whole day on Monday debating whether or not we could start the debate this week. What was that all about? The Australian people voted in September 2013 to get rid of this thing. They want the carbon tax gone, because the carbon tax is bad. The carbon tax is bad for the economy, it is bad for families, it is bad for jobs, it is bad for our international competitiveness and it is imposing sacrifices on our community without actually making a positive difference to the environment. There is absolutely no reason why we should have a carbon tax in Australia, either in the form in which it was legislated by the previous government or in the form that Labor now wants to rebadge it. That is at the heart, really, of why we are having this debate and that is of course why the coalition continues to persist with the approach we have taken.

It is always important for those of us here in this chamber, who represent our respective states, that we focus on the best interests of our states and on the best interests of our country. If we are serious about wanting to reduce greenhouse gas emissions in Australia and globally, we should be having a conversation on how Australia could best contribute to that effort. And guess what: in the great state of Western Australia, which I have the privilege to represent in this chamber, we have a wonderful opportunity to help reduce global greenhouse gas emissions in an economically responsible and environmentally effective way. We can have a win-win-win situation: we can increase the level of economic activity, increase the number of jobs and help reduce global greenhouse gas emissions. How do we do it? It is by producing more LNG in Australia, not less, and exporting that LNG to China, to Japan and to other places around the world where it can displace less environmentally friendly energy sources.

Of course, Labor's carbon tax, or Labor's emissions trading scheme proposal, in the absence of an appropriately comprehensive global agreement, makes it harder for us to increase the level of LNG production, when that is something we could do here in Australia to help the world. There should be more LNG out of Australia. What does that mean? If we produced more LNG in Australia, helping the world, we would have to accept higher-emissions-producing LNG here in Australia domestically, but the good thing is that it would actually help reduce emissions by more in other parts of the world. So the net effect is beneficial, whereas the net effect of Labor's carbon tax and emissions trading scheme is to push up global emissions. So not only are people in Australia being asked to make a sacrifice;
they are being asked to make a sacrifice, under the Labor-Greens scheme, which actually makes things worse for the environment, whereas our approach will help reduce emissions in Australia in a way that achieves a genuine, proportionate net reduction in emissions in the world. That is why we commend to the Senate our policy approach as a superior approach—and it is of course the approach that received the only tick of approval that matters, and that is that tick of approval from the Australian people.

I was asked whether I was aware of comments by X, Y and Z—this business, that stakeholder and whatever. We are of course aware of all of the comments that have been made by a whole range of people, but guess what: our sense of purpose is very clear—we made a promise to get rid of the carbon tax because that is good for the economy, because that is good for families, because that is good for pensioners, because that is good for jobs, because that is good for attracting investment in Australia and because it also means that, through a more effective alternative policy, we can reduce emissions in Australia in a fiscally responsible way. But, no, the Labor Party do not get this, even though this has been argued ad nauseam. The only time they get this is in the shadow of an election. If this carbon tax were still hanging around by the time of the next election, I bet that the Labor Party would go to yet another election promising to get rid of it. Why do we know that? Because in 2010 they said we would not get it; in 2013 they said they had removed it, even though it stayed; and since then they have voted to keep it. In 2014 they said they were scrapping it. They have not. But here we are today and the Senate has the historic opportunity to act in the national interest. Today the Senate has the historic opportunity to help ensure that we can reduce emissions in Australia in a way that is economically responsible, fiscally responsible and environmentally effective.

Clearly all the Labor Party and the Greens want to do is to shift emissions to other parts of the world—out of sight, out of mind. They do not care that they are making it harder for aluminium producers in Australia to be able to compete with aluminium producers in China, even though aluminium producers in Australia are 50 per cent more environmentally efficient, even though emissions in Australia, for the same amount of aluminium production, are much, much lower. They are quite happy for aluminium producers in other parts of the world to take market share away from us, even though that pushes up the level of emissions in the world. That is the short-sighted approach by the Labor Party and the Greens—imposing a negative impact on our economy, imposing sacrifices on families, pensioners, small business and big business, making it harder to create jobs, making it harder to attract investment. As the Parliamentary Budget Office independently assessed in the lead-up to the last election, getting rid of the carbon tax will deliver an economic growth dividend, and that is the economic growth dividend that Australia needs right now, because, as a result of the mismanagement of the previous government, the Labor-Greens government, we have an economy growing below trend. We inherited rising unemployment. We need to turn that situation around. Getting rid of this bad Labor-Greens carbon tax is a very important part of our economic action strategy to build a stronger economy where everyone has the opportunity to get ahead.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (11:29): It certainly takes a special blend of arrogance and incompetence to seek to both guillotine and filibuster in the same debate, and that is what this government is doing. It is fantastic. Not only did they use their numbers in the chamber this morning to put in place a guillotine; they
now have a government senator asking questions of a minister who just went for 15 minutes on a Labor amendment, which has already been knocked off, in order to give the government time out there in the corridors to try and cut a deal to repeal the carbon price because they—and I use Mr Palmer's words—appear to have doublecrossed the Palmer United Party. As I said, it takes a special blend of arrogance and incompetence to both guillotine and filibuster, and that is what is occurring here.

While I am on my feet—and I will ask Senator Singh later, if she gets the call, to speak to this—the opposition opposes Schedules 2, 3, 4 and 5 in the following terms:

(4) Schedule 2, page 71 (line 1) to page 90 (line 27), to be opposed.
(5) Schedule 3, page 91 (lines 1 to 26), to be opposed.
(6) Schedule 4, page 92 (lines 1 to 29), to be opposed.
(7) Schedule 5, page 93 (line 1) to page 94 (line 4), to be opposed.

These amendments continue the position of the Australian Labor Party—that is, we want an emissions trading scheme.

I want to make sure we all understand what is occurring. The Senate had, obviously, a long debate yesterday—one of a number of debates—where the government sought without notice to come in and refuse to take up additional time that was offered up by the opposition to debate this legislation and to put in place a guillotine and a gag. In fact, I think I said by the end of this week we would see not five occasions on which the Senate was asked to support a guillotine and a gag on legislation, notwithstanding the offer by the opposition for more time. The government refused that. It got the numbers on a guillotine and a gag.

We then see a range of amendments being circulated in the chamber from Mr Palmer's party—and I understand they have a particular position. We had a sheet. We had one amendment, which was circulated. This morning we then had another revision to that amendment, which was circulated and, just before I got to my feet, there was a third revision to the Palmer United Party's amendment. We have Senator Cormann and Senator Ruston filibustering their own guillotined debate in order to enable further negotiation of the third version of the Palmer United's amendments on the carbon price. This is the calm, responsible and considered government that Mr Abbott promised. If you walk around the corridors, you can see all sorts of little huddles where these various amendments are being discussed.


Senator WONG: I didn't say cuddles; I said huddles. I want to ask some questions about the revisions of the minister after I finish this contribution. If the government did not try to subvert the Senate process in order to give Mr Abbott a media conference when he wanted to after he flew in from the Pilbara, then they would not be in this predicament of both filibustering and guillotining their own debate in order to give themselves time to negotiate the third round of amendments, to enable them to get the numbers in this chamber to repeal the carbon price. If they did not try to subvert this chamber's proper process, they would not be in the embarrassing position they are in now where they are running around trying to cut a deal with 15 minutes or so left on the clock—15 minutes, which of course is of their own making. Those of us on this side of chamber—obviously, not the Palmer United Party but the Greens and the Labor Party—made it very clear we wanted a proper debate on this bill. As I said—
Senator Williams: What about your history of guillotines?

Senator WONG: I will take the interjection, and thank you for providing me with something to respond to, Senator Williams, in the circumstances. I understand that parties of government on occasion have, when they are faced with a circumstance where they cannot get legislation through at the end of a session, sought to have agreed limitation of debate motions—they have; I acknowledge that. But it is quite a different thing to do it on the Tuesday, Wednesday and Thursday of the first sitting week of the new Senate. The only logical reason the government has done this, as I said, is that it wanted to make sure Mr Abbott could have his press conference.

Why does Mr Abbott want a press conference today on this? You can see what has happened. As I said in the debate earlier today, this is a government that has turned on the people who elected it. It is a government that promised no cuts to education, no cuts to health and no changes to the pension, and it has broken all of those promises. This budget breaks all of those promises and many more: they have broken the promise around no cuts to the ABC, no cuts to SBS but, most importantly, no cuts to health and no cuts to education—a fundamental promise that Mr Abbott made not once, not twice but over and over and over again during the election campaign. Then they bring down a budget and completely turn their back on the commitments they made to the Australian people, because it is a budget which does cut health and education. It cuts our school system by around $30 billion. It cuts our health system by $50 billion and of course it imposes a GP tax and the tax on fuel—from the party that believes in lower taxes.

This is the context to why the government has gone to such lengths this week to curtail debate—though it did so unsuccessfully on a number of occasions. What they want is for Mr Abbott to be able to stand up at the Prime Minister's press conference today and say, 'I've repealed the carbon price, but let's not talk about the budget where we did you over.' That is what this is all about.

I want to return now to a couple of the points in the legislation and the amendments that Labor have moved. I note that on a number of occasions, Senator Abetz and Senator Cormann have waved around comments that Labor made prior to the election about the ending of the carbon tax. The Leader of the Government in the Senate seems not to understand Labor policy. We made very clear our position, which is that we think the fixed price policy needs to end. We do want to move to a market mechanism. We do want to move to a floating price. The amendments that I have just moved—the amendments that Senator Singh has circulated—and that we are debating are fundamentally about Labor's policy position, which is that we should move to emissions trading.

Let us recall the sorts of people who are on the side of emissions trading. They include John Howard, Mr Hewson, Mr Turnbull, Margaret Thatcher's cabinet minister and many other members of conservative parties around the world. The reason is that an emissions trading scheme is a market mechanism. I will take Senator Cormann's point in the earlier debate—when he was doing his interesting filibuster in a guillotine debate—where he said that an emissions trading scheme is not a market mechanism. That is the most ridiculous proposition. Who sets the price? The market. That is the point. You set a cap on pollution and—

Senator Cormann: Who sets the cap?
Senator WONG: That is a policy decision, just as government makes policy decisions in a whole range of circumstances. You set a cap on pollution because you make a policy decision that, firstly, 'We want to actually try to reduce the amount of pollution that this nation puts into the atmosphere,' and, secondly, 'We want to give an economic incentive for business to find cheaper, cleaner ways of doing business. That is what we want to do. We want to reward the clean energy innovators of today and tomorrow.' That is what we do. It is a market mechanism, unlike under Direct Action. So, instead of some public servant determining what is the most efficient way to reduce pollution, we have the market doing that, the market finding the most efficient way and the lowest cost way for emissions to be reduced.

That is why consistently economies from the time John Howard set up his task group on emissions trading in, I think, 2005-06 and onwards—and in fact prior to that, but from then on certainly in the context of the Australian debate—have said that they believe that emissions trading is the most efficient way to reduce Australia's emissions. So the minister's proposition that somehow this is not a market mechanism is a false one and really flies in the face of reputable economists here in Australia and around the world.

It seems remarkable that this comes from a party that believe in free markets. This of course is Minister Cormann's argument for the deregulation of university fees—also a market the government creates by a policy decision. His argument in favour of the deregulation of fees is that it allows the market to work. It seems remarkable that a party that allegedly believe in the power of the market would prefer a bureaucratically run scheme where public servants in fact find the cheapest way—supposedly—of reducing emissions.

We obviously have some amendments before the chair and there are other amendments that people seek to speak on. I do have some questions that I might jump ahead at this point and ask of the minister, given the time. In relation to the newly revised amendment by Senator Lazarus, which has been circulated but not yet moved, I would like to ask the minister a few questions. First, is the government—

The CHAIRMAN: Senator Wong, that question is not actually before the chair.

Senator WONG: That is true, but given that the debate is about to be truncated, I think it would be useful for the Senate to know if it is the government's intention for this amendment to be accepted in the House of Representatives. I think it is reasonable for the Senate to know whether or not this is an amendment that the government—

Senator Cormann: Why don't we quickly deal with your own?

Senator WONG: I am asking the question—

Senator Cormann: Let's deal with this amendment and then deal with the next one.

Senator WONG: I understand that it is technically not before the chair but I think it is in the public interest for the Palmer United senators to know if the government intends to accept this amendment on the floor of the House of Representatives—because, if it does not, and the minister is not prepared to say that in this chamber, then obviously the Palmer United Party might have been sold a pup.

Honourable senators interjecting—
**Senator Wong:** Sorry, I had to just say that once—just once. I promise I will not do it again—though others might. I just had to get that out once. I had to get that particular gag off my chest. I would ask if that could be made clear. I also want to ask the minister if he believes that this amendment is consistent with the government's deregulation agenda.

**Senator Edwards (South Australia) (11:43):** Given that the impost of this carbon tax has been estimated at $15.4 billion, I am very keen to know how abolishing this tax—if that comes to pass here this morning—will benefit the transformation of the automotive industry and how that will help the unemployment figures, which are currently for youth unemployment at 45 per cent for the northern suburbs of South Australia, and whether this will enhance the job prospects of every unemployed person in South Australia.

**Senator Milne (Tasmania—Leader of the Australian Greens) (11:44):** If this were not so serious it would be laughable. We now have an amendment that is supposedly going to be voted on in this chamber in a matter of five minutes, and we have heard a version of it and we still have not heard, from those who moved it, what it actually means, what the differences are and what it actually is going to do. The way I read it at the moment, it is going to be the biggest introduction of red, green and yellow tape that you ever did see, because in relation to 'entity' it states:

- entity means any of the following:
  - (a) an individual;
  - (b) a body corporate;
  - (c) an entity sole;
  - (d) a body politic;
  - (e) a partnership;
  - (f) any other unincorporated association or body of entity;
  - (g) a trust;
  - (h) any party or entity which can or does buy or sell electricity or gas

**The Chairman:** Senator Edwards on a point of order.

**Senator Edwards:** I have a question before the chair—

**The Chairman:** That is not a point of order. Senator Milne has the call.

**Senator Milne:** We do not know how this is different from the others. There is a penalty included in the second revised version. I have not even had a chance to look at the revised third version.

We are now talking about something that is critical to the future of our country, to future generations and to the natural environment, and it has all been stitched up in back rooms between the government and the Palmer United Party, and the Senate is being treated with contempt here. How are we supposed to look at what this actually means in the few minutes that are available to us? That is why it is important that the minister does tell us whether the government has stitched this up. We need to know exactly what deals have been going on behind here. Is this the way the parliament is now going to be run—in back rooms between these parties, and then accusing each other of duplicitousness? And we do not even have the opportunity to see what this amendment actually does.
This is a day when Australia will know whether we are going backwards or forwards—whether we are going to embrace the future or whether we are going to be landed back in a fossil fuel past, when we know this is a disaster for the planet and for the country. I would like the government to answer these questions: is this going to be accepted by the government; will you tell us what the differences are? Will you tell us what this amendment does? On this day the whole country wants to know whether we are going forwards or backwards, whether we are going to go with the rest of the world and address global warming or whether we are just going to go back to the last century. We need to know exactly what you have stitched up.

Senator CORMANN (Western Australia—Minister for Finance) (11:47): I thank Senator Milne for her contribution. Embracing the future means getting rid of the carbon tax, because getting rid of the carbon tax helps build a stronger, more prosperous economy. It helps create jobs. It helps to reduce cost-of-living expenses. It helps families. It helps pensioners. It helps small businesses. It helps big businesses. It helps Australia attract investment. It is very good news for Australia if we finally get rid of the carbon tax.

Obviously, as we have said for a very long time, the government is committed to ensuring that the cost reductions that electricity generators, for example, are able to benefit from as a direct result of the repeal of the carbon tax are appropriately passed through to consumers and to small business. We have already made a series of provisions to make sure that that does happen. The Palmer United Party put forward some sensible amendments to ensure that that could be put even further beyond doubt.

As far as the government is concerned, the overarching objective of this government is to deliver on the clear commitment we made in the lead-up to the last election, which was to get rid of the carbon tax so that we can bring down the cost of living for families and for pensioners, so that we can facilitate stronger job creation and so that we can provide opportunities for everyone to get ahead. Of course, this government is totally committed to doing everything we can to ensure that any reductions in the cost of generating electricity, generating energy, as a result of getting rid of the carbon tax are properly passed through to consumers and to small businesses. All of the regulators that set electricity prices have come out to say that that is what is happening. A number of the private energy generators have already made it very clear that they are committed to passing through the cost reductions that come as a direct result of the repeal of the carbon tax. The ACCC has powers and will have powers to ensure that they can take appropriate action to make sure that any cost reductions as a result of the repeal of the carbon tax are properly passed through.

Today is when the Senate, including the Labor Party, has the opportunity to finally rid the Australian people of this bad tax.

The CHAIRMAN: The time allocated for the remaining stages of these bills has now expired. I remind senators that under a guillotine I will put the question before the chair, and then the further amendments circulated at least two hours prior to this time. The question now is that in respect of the Clean Energy Legislation (Carbon Tax Repeal) Bill 2013 [No.2]—

Senator Xenophon: Could I please get clarification from you? In relation to the amendment on sheet 7511, revision 2, which has been circulated but not yet been moved by
the Leader of the Palmer United Party, Senator Lazarus, does this mean that amendment cannot be put?

The CHAIRMAN: Under the standing orders it cannot be put unless leave is sought and given by the Senate. The original amendment will be put, because that was circulated prior to two hours before this time. But the revised ones will not be put unless leave is sought by the Senate. In respect of the Clean Energy Legislation (Carbon Tax Repeal) Bill 2013 [No.2], the question is that schedules 2 to 5 stand as printed.

Senator Singh: Could I seek clarification on exactly what we are voting on?

Senator Cormann interjecting—

The CHAIRMAN: Senator Cormann, I am sure Senator Singh is seeking clarification from me. In respect of the Clean Energy Legislation (Carbon Tax Repeal) Bill 2013 [No 2], the question is that schedule 2 to 5 stand as printed.

The committee divided. [11:56]

(Chairman—Senator Marshall)

Ayes ....................38
Noes ....................32
Majority..............6

AYES

Abetz, E  
Bernardi, C  
Bushby, DC  
Cash, MC  
Day, R.J.  
Fawcett, DJ  
Fifield, MP  
Johnston, D  
Lazarus, GP  
Macdonald, ID  
McGrath, J  
Muir, R  
O'Sullivan, B  
Payne, MA  
Ronaldson, M  
Ryan, SM  
Seselja, Z  
Smith, D  
Williams, JR

NOES

Brown, CL  
Cameron, DN  
Conroy, SM  
Di Natale, R  
Gallacher, AM  
Ketter, CR  
Ludlam, S  
Marshall, GM

Back, CJ  
Birmingham, SJ  
Canavan, M.J.  
Cormann, M  
Edwards, S  
Fierravanti-Wells, C  
Heffernan, W  
Lambie, J  
Leyonhjelm, DE  
Madigan, JJ  
McKernie, B  
Nash, F  
Parry, S  
Reynolds, L  
Ruston, A (teller)  
Scullion, NG  
Sinozos, A  
Wang, Z  
Xenophon, N

Bullock, J.W.  
Carr, KJ  
Dastyari, S  
Faulkner, J  
Hanson-Young, SC  
Lines, S  
Lundy, KA  
McEwen, A (teller)
The question now before the chair is that amendments (1) to (20) on sheet 7511, circulated by the Palmer United Party, be agreed to.

Senator Milne: Mr Chairman, what you have just read out on the sheet: is that the third version? What you have just read out is the second version, so I would just like some clarity about which version we are asked to vote on.

The CHAIRMAN: Senator Milne, as I explained earlier to the Senate, for amendments to be considered they have to have been circulated prior to two hours before the deadline of the guillotine. The amendments we are considering are on the original, unrevised version of sheet 7511. If the Senate were to consider a revised version it would need to be with leave of the Senate.

Senator Wong: Mr Chairman, further to Senator Milne's question: is the intention to seek leave to amend, or are we voting on the old ones? No leave has been sought.

Senator LAZARUS (Queensland—Leader of the Palmer United Party in the Senate) (12:01): I inform the chamber that this is not my first speech. I advise I have nothing to move, as I have been advised that my amendments have been circulated in a form I do not approve. I seek leave to withdraw them.

The CHAIRMAN: So you are seeking leave to withdraw 7511. The revised ones were not going to be put by me anyway, unless you sought leave. I am going to put the question on the original 7511 unless you are seeking leave to withdraw that.

Senator LAZARUS: I am seeking leave, yes.

The CHAIRMAN: Is leave granted to withdraw amendments (1) to (20) on sheet 7511?

Leave granted.

The CHAIRMAN: The question now is that amendments (1) and (2) on sheet 7506, circulated by the opposition, be agreed to.

The committee divided. [12:06]

(The Chairman—Senator Marshall)

Ayes ................... 33
Noes ................... 39
Majority ............... 6

AYES

Bilyk, CL

Brown, CL
Senator MILNE (Tasmania—Leader of the Australian Greens) (12:09): I seek the indulgence of the Senate in relation to the Australian Greens' amendment on schedule 5 and ask that it be put as a separate amendment. When you announced schedules 2 to 5, I was focusing on the PUP amendment and assumed schedule 5 would be coming next. I would ask that that amendment be put.

The CHAIRMAN: So you would like the question to be put separately in respect of schedule 5?

Senator Milne: Yes.

Question negatived
The CHAIRMAN: Is leave granted to re-put the question in respect of schedule 5?
Leave granted.

The CHAIRMAN: The question I now put is that schedule 5 stand as printed.
The committee divided. [12:12]
(The Chairman—Senator Marshall)

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

AYES
Abetz, E
Bernardi, C
Bushby, DC
Cash, MC
Day, R.J.
Fawcett, DJ
Fifield, MP
Johnston, D
Macdonald, ID
Mason, B
McKenzie, B
O’Sullivan, B
Payne, MA
Ronaldson, M
Ryan, SM
Seselja, Z
Smith, D
Xenophon, N

Back, CJ
Birmingham, SJ
Canavan, M.J.
Cormann, M
Edwards, S
Fierravanti-Wells, C
Heffernan, W
Leyonhjelm, DE
Madigan, JJ
McGrath, J
Nash, F
Parry, S
Reynolds, L
Ruston, A (teller)
Scullion, NG
Sinodinos, A
Williams, JR

NOES
Bilyk, CL
Bullock, J.W.
Carr, KJ
Dastyari, S
Faulkner, J
Hanson-Young, SC
Lambie, J
Lines, S
Lundy, KA
McEwen, A (teller)
Milne, C
Muir, R
Peris, N
Rhiannon, L
Siewert, R
Sterle, G
Wang, Z
Whish-Wilson, PS
Wright, PL

Brown, CL
Cameron, DN
Conroy, SM
Di Natale, R
Gallacher, AM
Ketter, CR
Lazarus, GP
Ludlam, S
Marshall, GM
McLucas, J
Moore, CM
O’Neill, DM
Polley, H
Rice, J
Singh, LM
Urquhart, AE
Waters, LJ
Wong, P
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Question negatived.

The CHAIRMAN (12:15): The question now before the chair is that table item 9 in clause 2 stand as printed.

Question agreed to.

The CHAIRMAN: The question is that the Clean Energy Legislation (Carbon Tax Repeal) Bill 2013 [No. 2] as amended and seven related bills be agreed to.

The committee divided. [12:16]

(The Chairman—Senator Marshall)

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

AYES

Abetz, E
Bernardi, C
Bushby, DC
Cash, MC
Day, R.J.
Fawcett, DJ
Fifield, MP
Johnston, D
Macdonald, ID
Mason, B
McKenzie, B
O’Sullivan, B
Payne, MA
Ronaldson, M
Ryan, SM
Seselja, Z
Smith, D
Xenophon, N

NOES

Bilyk, CL
Bullock, J.W.
Carr, KJ
Dastyari, S
Faulkner, J
Hanson-Young, SC
Lambie, J
Lines, S
Lundy, KA
McEwen, A (teller)
Milne, C
Muir, R
Peris, N
Rhiannon, L
Siewert, R
Sterle, G
Wang, Z

Back, CJ
Birmingham, SJ
Canavan, M.J.
Cornann, M
Edwards, S
Fierravanti-Wells, C
Heffernan, W
Leyonhjelm, DE
Madigan, JJ
McGrath, J
Nash, F
Parry, S
Reynolds, L
Ruston, A (teller)
Scullion, NG
Sinodinos, A
Williams, JR

Brown, CL
Cameron, DN
Conroy, SM
Di Natale, R
Gallacher, AM
Ketter, CR
Lazarus, GP
Ludlam, S
Marshall, GM
McLaren, J
Moore, CM
O’Neill, DM
Polley, H
Rice, J
Singh, LM
Urquhart, AE
Waters, LJ
NOES
Whish-Wilson, PS
Wong, P
Wright, PL

Question negatived.

The PRESIDENT (12:21): The committee has considered the Clean Energy Legislation (Carbon Tax Repeal) Bill 2013 [No. 2] and has disagreed to the bills. The question now is that the report of the committee be adopted. Senator Wong, did you seek to make a point of clarification?

Senator WONG (South Australia—Leader of the Opposition in the Senate) (12:22): I think I am now clear given the way the questions have been worded, but for those of us who, self-evidently, do not support the repeal, we would therefore vote yes to the report of the committee being adopted?

The PRESIDENT (12:22): If you do not support the bills, that would be correct because the committee has not agreed to the bills. The question before the chair is that the report of the committee be adopted. The committee, as we have just heard, reported that the bills have not been agreed to. I want to clarify this absolutely and completely because it is slightly unusual. This is an important thing to clarify. The effect of the motion that I am about to put would be that all bills cease any further action.

Prior to that, I seek the concurrence of the Senate on a matter. I have written to the president of the press gallery, Mr David Speers—copied to all leaders and whips of the Senate—responding to a request that photographs be allowed to be taken of divisions. I have stipulated some provisions in this letter: that the photographs be broad shots of the chamber only; that individual senators or groups of senators not be the focus of any particular shot; and that the media rules are otherwise complied with at all times. Do I have the concurrence of the Senate? There being no objection, it is so.

The question is that the report of the committee, disagreeing to all of the bills, be adopted.

Senate divided. [12:23]

(The President—Senator Parry)

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

AYES
Bilyk, CL
Bullock, J.W.
Carr, KJ
Dastyari, S
Faulkner, J
Hanson-Young, SC
Lambie, J
Lines, S
Ludwig, JW
McEwen, A (teller)
Milne, C

Brown, CL
Cameron, DN
Conroy, SM
Di Natale, R
Gallacher, AM
Ketter, CR
Lazarus, GP
Ludlam, S
Lundy, KA
McLucas, J
Moore, CM
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AYES

Muir, R
Peris, N
Rhiannon, L
Siewert, R
Sterle, G
Wang, Z
Whish-Wilson, PS
Wright, PL

O'Neill, DM
Policy, H
Rice, J
Singh, LM
Urquhart, AE
Waters, LJ
Wong, P

NOES

Abetz, E
Bernardi, C
Bushby, DC
Cash, MC
Day, R.J.
Fawcett, DJ
Fifield, MP
Johnston, D
Macdonald, ID
Mason, B
McKenzie, B
O'Sullivan, B
Payne, MA
Ronaldson, M
Ryan, SM
Seselja, Z
Smith, D
Xenophon, N

Back, CJ
Birmingham, SJ
Canavan, M.J.
Cormann, M
Edwards, S
Ferravanti-Wells, C
Heffernan, W
Leyonhjelm, DE
Madigan, JJ
McGrath, J
Nash, F
Parry, S
Reynolds, L
Ruston, A (teller)
Sculion, NG
Sinodinos, A
Williams, JR

Question agreed to.

PETITIONS

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

Pensions

TO THE HONOURABLE PRESIDENT AND MEMBERS OF THE SENATE IN PARLIAMENT ASSEMBLED

The petition of the undersigned shows deep concern to proposed changes to the existing pension indexation system through the Abbott Government's 2014-2015 Federal Budget. Notably, the linking of pensions solely to the Consumer Price Index, representing a cut to Australian pensions.

Your petitioners ask that the Senate oppose this Budget measure, given the Abbott Government had promised there would be no changes to pensions prior to the 2013 Australian federal election.

by Senator Brown (from 225 citizens).

Australia Post

TO THE HONOURABLE PRESIDENT AND MEMBERS OF THE SENATE IN PARLIAMENT ASSEMBLED

The petition of the undersigned shows:
That the Australian people do not want Australia Post sold-off, carved-up or the level of its community service diminished.

Your petitioners ask that the Senate keep Australia Post in public hands and give this government business enterprise the opportunity to expand the quality and range of services it provides to all Australians, including the provision of further banking and financial services.

by Senator Urquhart (from 1897 citizens).

Petitions received.

Azerbaijan

Senator McEWEN (South Australia—Opposition Whip in the Senate) (12:33): by leave—I present to the Senate the following petition relating to activities in Khojaly in Azerbaijan in February 1992 which is not in conformity with the standing orders as it is not in the correct form.

NOTICES

Withdrawal

Senator WILLIAMS (New South Wales) (12:33): Pursuant to notice given at the last day of sitting on behalf of the Regulations and Ordinances Committee, I now withdraw business of the Senate notice of motion No. 1, Australian Jobs (Australian Industry Participation) Rule 2014, standing in my name for the next day of sitting.

Presentation

Senator McKenzie to move:

That the Senate—

(a) recognises:

(i) that research and development is critical for Australia’s prosperity, economic growth and social wellbeing,

(ii) that investment in, and application of, research and development can lift productivity in Australia, and

(iii) the need for continued research and development to meet the goal of increasing Australia’s productivity, economic growth and employment in the 21st Century; and

(b) congratulates the Government for providing $139.5 million over 4 years to continue the Future Fellows scheme for outstanding mid-career Australian researchers to:

(i) enable Australian researchers to conduct their research in Australia,

(ii) attract and retain the best Australian mid-career researchers, and

(iii) support research into areas of crucial national importance.

Senator Leyonhjelm to move:

That the Primary Industries (Customs) Charges Amendment (2014 Measures No. 1) Regulation 2014, as contained in Select Legislative Instrument 2014 No. 54 and made under the Primary Industries (Customs) Charges Act 1999, be disallowed [F2014L00626].

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

That the Primary Industries (Excise) Levies Amendment (2014 Measures No. 1) Regulation 2014, as contained in Select Legislative Instrument 2014 No. 55 and made under the Primary Industries (Excise) Levies Act 1999, be disallowed [F2014L00628].

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

Senator Leyonhjelm to move:

That the Primary Industries Levies and Charges Collection Amendment (Mushrooms) Regulation 2014, as contained in Select Legislative Instrument 2014 No. 56 and made under the Primary Industries Levies and Charges Collection Act 1991, be disallowed [F2014L00627].

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

Senator Rice to move:

That the Fair Work Amendment (Protected Industrial Action) Regulation 2014, as contained in Select Legislative Instrument 2014 No. 95 and made under the Fair Work Act 2009, be disallowed [F2014L00881].

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

Senator Fifield to move:

That consideration of the business before the Senate on Wednesday, 3 September 2014, be interrupted at approximately 5 pm, but not so as to interrupt a senator speaking, to enable Senator Day to make his first speech without any question before the chair.

BUSINESS

Rearrangement

Senator RYAN (Victoria—Parliamentary Secretary to the Minister for Education) (12:34): by leave—I move:

That:

(a) government business order of the day no. 4 (Regulatory Powers (Standard Provisions) Bill 2014) be considered from 12.45 pm today; and

(b) government business be called on after consideration of the bill listed in paragraph (a) and considered till not later than 2 pm today.

Question agreed to.

Senator RYAN (Victoria—Parliamentary Secretary to the Minister for Education) (12:35): I move:

That the order of general business for consideration today be as follows:

(a) general business notice of motion No. 334 standing in the name of Senator Carr relating to higher education; and

(b) orders of the day relating to government documents.

Question agreed to.

Senate Temporary Orders

Senator RYAN (Victoria—Parliamentary Secretary to the Minister for Education) (12:35): I move:
That the following general business orders of the day be considered on Thursday, 17 July 2014, under the temporary order relating to the consideration of private senators’ bills:
   No. 29 Environment Protection and Biodiversity Conservation Amendment Bill 2014.
   No. 30 Privacy Amendment (Privacy Alerts) Bill 2014.
   Question agreed to.

COMMITTEES
Joint Standing Committee on Treaties
Meeting
Senator BUSHBY (Tasmania—Government Whip in the Senate) (12:36): At the request of Senator Fawcett, I 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, from 11 am to 1 pm, as follows:
(a) Monday, 1 September 2014;
(b) Monday, 22 September 2014;
(c) Monday, 27 October 2014;
(d) Monday, 24 November 2014; and
(e) Monday, 1 December 2014.
Question agreed to.

Rural and Regional Affairs and Transport References Committee
Reporting Date
Senator BUSHBY (Tasmania—Government Whip in the Senate) (12:36): At the request of Senator Sterle, I move:
That the time for the presentation of the report of the Rural and Regional Affairs and Transport References Committee on grass-fed cattle levies be extended to 23 September 2014.
Question agreed to.

BILLS
Motor Vehicle Standards (Cheaper Transport) Bill 2014
First Reading
Senator MILNE (Tasmania—Leader of the Australian Greens) (12:37): I move:
That the following bill be introduced: A Bill for an Act to set carbon emissions standards for new passenger vehicles and light commercial vehicles, and for related purposes.
Question agreed to.
Senator MILNE: I present the bill and move:
That this bill may proceed without formalities and be now read a first time.
Question agreed to.
Bill read a first time.
Second Reading

Senator MILNE (Tasmania—Leader of the Australian Greens) (12:38): I move:

That this bill be now read a second time.

I seek leave to table an explanatory memorandum relating to the bill.

Leave granted.

Senator MILNE: I table an explanatory memorandum and I seek leave to have the second reading speech incorporated in Hansard and to continue my remarks.

Leave granted.

The speech read as follows—

MOTOR VEHICLE STANDARDS (CHEAPER TRANSPORT) BILL 2014

Brand new Australian cars guzzle more petrol than new vehicles sold in China, India, Europe and Japan. Australians are just wasting money on petrol when we really don't have to.

Under this Bill, Australians will be able to take back control of rising petrol prices and reduce our reliance on imported oil as we see the fuel efficiency of Australia's cars improved by over 50% within 10 years.

This Bill would align Australia's fleet with the existing EU 2020 standards to achieve 95 grams of CO₂ per kilometre for passenger vehicles by 2023—a three year delay. To put that into perspective our cars average 192 grams per kilometre, far higher than the global average.

Australian motorists will save around $850 a year on petrol under the scheme. After three years of driving a new car they will have paid off the expected increased upfront costs and will have freed up valuable income to spend on other things that are more important.

Not only will this Bill help motorists, but it will send a strong signal to our automotive trading partners like Japan who have the highest fuel efficiency standards in the world that we will be an enduring market for high-quality and efficient automotive products.

We will join the three-quarters of all cars sold in the global market that have a strong fuel standard. By adding Australia to the list, we will create more competition for ever-more efficient vehicles, rather than driving them towards those global markets with standards in place.

The scheme won't place any more pressure on Australian automotive jobs because it won't start until 2017 when Australian automotive manufacturers are closing down their operations. On the contrary, it will inspire a new market for high-quality products that those in Australia's supplementary automotive manufacturing industry are well-placed to exploit.

It will require the Climate Change Authority to review the effectiveness of the scheme and recommend to Parliament further targets beyond 2023.

Finally, it will help drive down Australia's pollution levels. Passenger vehicles currently create 10% of Australia's total greenhouse gas emissions, but this is an area for easy pickings to drive massive reductions at no cost to government.

This Bill will save money for Australians, strengthen trade relationships, provide new opportunities for the automotive parts industry and rapidly reverse the 48% rise in vehicle emissions Australia has created since 1990.

It is for all these urgent reasons that I commend the Bill to the Senate.
NOTICES

Postponement

Senator WRIGHT (South Australia) (12:39): by leave—I move:
That general business notice of motion no. 332 standing in my name for today, relating to schools funding be postponed till 14 July 2014.

Question agreed to.

DOCUMENTS

Australian Electoral Commission
Order for the Production of Documents

Senator RHIANNON (New South Wales) (12:40): I move:
That there be laid on the table by the Special Minister of State, no later than 15 July 2014:
(a) all correspondence and documents, whether written or in email form, from the Special Minister of State's office and/or the Australian Electoral Commission (AEC) relevant to:
(i) the decision of the AEC to have Mr Michael Cordover declared a vexatious applicant, and
(ii) the assertion that Mr Matthew Landauer colluded with Mr Cordover to harass the AEC; and
(b) the source code of the software by which Senate vote counts are conducted.

Question agreed to.

REGULATIONS AND DETERMINATIONS

Corporations Amendment (Streamlining Future of Financial Advice) Regulation 2014
Order for the Production of Documents

Senator McEWEN (South Australia—Opposition Whip in the Senate) (12:40): On behalf of Senator Dastyari, I move:
That there be laid on the table by the Minister for Finance, no later than 1.50 pm on Thursday, 10 July 2014, the Corporations Amendment (Streamlining Future of Financial Advice) Regulation 2014 (Select Legislative Instrument No. 102, 2014) and the associated explanatory statement.

The DEPUTY PRESIDENT: The question is that general business notice of motion 333 be agreed to.

The Senate divided. [12:45]

(Deputy President—Senator Marshall)

Ayes .................33
Noes .................29
Majority .............4

AYES

Bullock, J.W. Cameron, DN
Carr, KJ Collins, JMA
Dastyari, S Di Natale, R
Faulkner, J Gallacher, AM
Hanson-Young, SC Ketter, CR
Thursday, 10 July 2014

AYES

Lambie, J
Ludlam, S
Lundy, KA
McEwen, A (teller)
Muir, R
Peris, N
Rhiannon, L
Siewert, R
Urquhart, AE
Whish-Wilson, PS
Xenophon, N

Ludwig, JW
Madigan, JJ
McLucas, J
Moore, CM
O’Neill, DM
Polley, H
Rice, J
Singh, LM
Waters, LJ
Wright, PL

NOES

Back, CJ
Bushby, DC (teller)
Cash, MC
Day, R.J.
Fawcett, DJ
Heffernan, W
Leyonhjelm, DE
Mason, B
McKenzie, B
O’Sullivan, B
Reynolds, L
Ruston, A
Scullion, NG
Sinodinos, A
Williams, JR

Bernardi, C
Canavan, M.J.
Cormann, M
Edwards, S
Fierravanti-Wells, C
Johnston, D
Macdonald, ID
McGrath, J
Nash, F
Payne, MA
Ronaldson, M
Ryan, SM
Seselja, Z
Smith, D

PAIRS

Bilyk, CL
Brandis, GH
Brandis, GH
Brandis, CL
Brown, CL
Colbeck, R
Colbeck, R
Conroy, SM
Sterle, G
Wong, P

Brandis, GH
Bilyk, CL
Bilyk, CL
Colbeck, R
Brown, CL
Brown, CL
Birmingham, SJ
Abetz, E
Fifield, MP

Question agreed to.

BILLS


Second Reading

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

Senator RYAN (Victoria—Parliamentary Secretary to the Minister for Education) (12:48): The Regulatory Powers (Standard Provisions) Bill 2014 represents an important step in
improving Australia's law and justice system and demonstrates a commitment by the
government to simplify and streamline the law. I thank honourable senators for their
contributions, albeit of a limited nature, and commend the bill to the Senate.

Question agreed to.
Bill read a second time.

Third Reading

The DEPUTY PRESIDENT (12:49): As no amendments to the bill have been circulated,
I shall call the minister to move the third reading unless any senator requires that the bill be
considered in Committee of the Whole.

Senator RYAN (Victoria—Parliamentary Secretary to the Minister for Education) (12:49):
I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

Climate Change Authority (Abolition) Bill 2013 [No. 2]

Second Reading

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

Senator LUNDY (Australian Capital Territory) (12:50): Since coming to government, the
collective have tried to unpick every policy Labor put in place to ensure that Australia took
meaningful action to combat climate change. While the events of this morning are still fresh
in our minds and show that they are not always successful in these endeavours, we are still
faced with a bill before us now that seeks to abolish the Climate Change Authority.

The policies that Labor put into place to address climate change were developed in
consultation with Australia's leading climate scientists and economists. They were policies
that evolved out of decades of discussion and debate among those economists, scientists and,
indeed, politicians. The policies which emerged with a consensus across a range of spheres of
our civil society included a broad acceptance of a market based solution to transition
Australia's economy to a low-pollution economy. This emerged solidly during the period of
the former Howard government. We certainly adopted a very strong stance when Labor cam
to government in 2007. That consensus only dissolved when Mr Abbott took over the
leadership of the coalition. Since that time, we have seen a number of coalition
representatives crawl out from under their rock, presumably with some neoconservative
briefing, fuelling the politics of fear and giving them a run in Australia. We saw the
fearmongering and the conspiracy theorists starting to unpick what was a very sound and, as I
said, very rational—in fact, quite dry—approach to helping Australia's economy transition to
a low-pollution economy.

What the coalition promoted in place of that is a policy that has been discredited. They
called it Direct Action, and it is at worst a fig leaf, cynically designed to distract the
Australian public from the fact that the government has no real interest in addressing climate
change and so no real interest in reducing our carbon emissions. In contrast to Labor's policy,
which made Australia's 370 largest polluters pay for their pollution, the Abbott government's
policies are trying to make Australian taxpayers finance a fund to pay polluters so they will cut their emissions. It is ludicrous. This slush fund does not even require polluters to provide guarantees that emissions reductions are actually occurring. It is a policy that all experts agree will cost Australian households more, while achieving nothing in the effort to reduce Australia's carbon emissions. It is a policy that will inevitably cause Australia to default on its 2020 reduction targets and thereby undermine Australia's previously strong stance on the international stage in the collective fight to mitigate the damaging effects of climate change.

The Prime Minister has already indicated that he intends to abandon Australia's emissions reductions target when Direct Action fails, and the sad truth is that Australia has a government which is happy to sit back and stubbornly continue to ignore the advice of its scientists, public servants and economists and instead watch Australia default on its international commitments to reduce its carbon emissions and, by definition, pollution. I think that is exactly how Direct Action will be viewed by the international community—as a stubborn, ignorant and, I would even argue, arrogant attempt by the Australian government to avoid doing its part in the challenge of mitigating climate change.

The damage does not stop there. The government plans to do more to damage this effort. It is not enough for the government to hand all the power back to the big polluters so that a few companies can sacrifice the long-term interests of Australia. This government also wants to prevent scrutiny of its own climate change policies. Upon taking office, the first order of business for the Minister for the Environment, Mr Hunt, was to dismantle the Climate Commission. This was an institution created by the former Labor government to provide the Australian public with independent, easy-to-read, accessible, digestible information about climate change. It was an organisation dedicated to dispelling the myths and pseudoscience that had plagued the climate change debate in Australia and ensuring that the Australian people were kept reliably and independently informed on the impacts of climate change and what their government was doing to mitigate these impacts. Unfortunately, keeping the public informed was not a priority of this government, and today the government is again trying to shut down scrutiny of its climate change policies by this attempt to abolish the Climate Change Authority.

The Climate Change Authority was established to provide the government, the parliament, and the Australian people with the highest quality advice about the effectiveness of Australia's climate change policies. In formulating its advice, the authority takes into account expert scientific and economic evidence as well as developments across the international arena. It does so in order to circumvent the toxic politics that have tended to surround the climate change debate here in Australia and frame them in a context of actual science, evidence and all the discussion and debate that takes place in the scientific world, in order to move away from a situation where fear and denial and pseudoscience have become the characteristics of a lot of the public conversations around climate change.

The authority is independent of the government and is tasked with undertaking regular reviews of the government's climate change policies. I cannot think of a better check and balance to assure those sceptics out there that the policies they are being asked to support are valid. They are being tested independently. This is what the authority is charged to do. These policies include initiatives like the Carbon Farming Initiative and indeed the renewable energy target itself. The environment minister's direction over these reviews is deliberately
limited to general matters only, and the minister cannot direct the conduct of a review, nor influence the content of a report. To ensure transparency and accountability, the authority is required to hold public consultation as part of its reviews.

In short, the Climate Change Authority provides the facts and the advice for everyone to see, and the government and the parliament decide how to act on it—it is simple, it is independent, it is transparent and it works. But we are faced with a bill that abolishes the Climate Change Authority and transfers its responsibilities to the office of the Minister for the Environment, to Mr Hunt. This includes the responsibility for undertaking reviews of the government's climate change policies and, in doing so, demolishes the transparency and independence of these reviews.

We are left in opposition, as I am sure many members of the public are, to ask the question: why? Why is the government so determined to ensure there is no formal independent organisation left to scrutinise Australia's climate change mitigation strategies? We have been told that the Climate Change Authority is redundant, because it only exists to monitor the carbon price; and the carbon price, so the government says, is on its way out. This is not true.

The Climate Change Authority exists to monitor Australia's climate change mitigation strategies, of which the price on carbon is but one part. If the government seek to use that as an argument to abolish the Climate Change Authority, they are not telling the whole story; they are only telling a very small part of the story.

More importantly, the Climate Change Authority's brief, because it is so broad, should include the coalition's direct action policy. It makes perfect sense for the authority to continue and also oversee in a transparent and independent way the operation of the coalition's direct action policy, if it is ever legislated.

I have heard no reasonable argument as to why direct action should not receive the same scrutiny that the previous government's climate change policies were happily and willingly subjected to by the Climate Change Authority. We, in the opposition, believe that that scrutiny of direct action and other policies and strategies the coalition may put in place should come from an independent and transparent body like we already have, like the Climate Change Authority.

The authority demonstrated its continuing relevance in February this year when it incorporated the government's direct action policy into its Targets and Progress Review, stating:

The Authority has taken the Government's different policy approach into account in the analysis for this Draft Report. In the Authority's view, this Report remains highly relevant despite the changing policy landscape. Its primary focus is Australia's goals for reducing emissions. The setting of these goals raises the same critical questions, whatever the particular policies adopted to meet them.

Other nations have similar bodies in place to scrutinise their own climate change mitigation policies. The United Kingdom has the Committee on Climate Change. It was established in 2008 with the express purpose of advising the UK government on emissions targets and reporting to parliament on the nation's progress towards reaching those targets. Its responsibilities are identical to those of the Climate Change Authority here in Australia.

I note with great interest that when the Conservatives—the coalition equivalent political party—came to power in the UK they did not scrap the committee on climate change. The
British Conservatives saw the sense in retaining an organisation that provided unbiased advice on climate change mitigation strategies. This is the ideological parent of the Australian Liberals, and even the Conservatives can see the sense in retaining an independent advisory body for climate change policies.

So why does the Liberal Party see things so differently to their ideological counterparts in the UK? We can speculate on this. I suspect it has very little to do with what the relevant stakeholders think. Numerous environmental organisations and climate change action groups provided submissions to the government asking that the Climate Change Authority be retained, even if the government were successful in abolishing the carbon price. The World Wildlife Fund's submission said:

… it is critical that the Climate Change Authority or similar body is retained to ensure Australia’s efforts to reduce greenhouse gas emissions are informed by independent scientific, economic, energy, and policy experts with a level of distance from stakeholder influence.

The business community also outlined their support for the Climate Change Authority during the submission process. For example, the Investor Group on Climate Change argued that the analysis provided by the authority is valuable for Australian businesses stating:

Regardless of the policy tools that Australian governments choose to implement, the CCA’s analysis assists investors to interpret the likely future emissions reductions trajectory for Australia and the scale of policy response that will be required.

So if both environmental organisations and the business community support the Climate Change Authority, why then is this government moving to scrap it?

If other conservative governments around the world see the sense in retaining an independent body to scrutinise their climate change policies, why does Australia's conservative government feel differently? Personally, I can only think of one explanation and it speaks to the arrogance of the Abbott government. The government do not want to preserve the Climate Change Authority because they do not want their climate change mitigation policies scrutinised. The government want the Australian parliament and the Australian people kept in the dark over the effectiveness of their so-called direct action policies, because they know what we all already know—and that is that their so-called direct action policy is ineffectual, it will waste taxpayers' money and do nothing to combat climate change.

Just as they did when they refused to release the Commission of Audit's final report until after the South Australian and Western Australian state elections, the government are developing a very firm habit of deliberately trying to shut down public scrutiny of their policies and indeed their activities. We know that this government have contempt not only for the expert advice provided by Australia's climate scientists but also the well-cited global expertise available through the scientific community. They shut down the Climate Commission when they came to power and they are planning to savagely cut our premier scientific organisation, the CSIRO. There was a $115 million cut to the CSIRO, which we know will cost that organisation 420 staff in the next 12 months and an estimated loss of some $49 million in external revenue. We have had feedback from the CSIRO Staff Association that they believe that carbon capture is one of the areas of research that will be adversely impacted by these cuts. And here we are today debating this bill, showing the coalition going after another group of climate change experts by destroying the Climate Change Authority.
We know that many members of the government are suspicious, are sceptical, about climate change and others flatly deny it. But, if that is the case, why would you remove the one independent body able to provide accurate, independent, clear and transparent advice to this place and to them—as sceptics, as climate deniers—so that we can, at the very minimum, as elected representatives in this place, keep ourselves informed of the facts as they are presented? We will obviously make our policy decisions, as political parties do, but the facts are the facts and they should prevail.

Senator LUDLAM (Western Australia) (13:10): Well, what an extraordinary day it is where we have rolled straight into the debate on the proposed destruction of the Climate Change Authority through this bill, the Climate Change Authority (Abolition) Bill 2013 [No. 2], directly after the extraordinary shambles that the government's plans to wreck the Clean Energy Act were thrown into by the vote that we saw in here just a few moments ago. The Senate voting to oppose the government's repeal bills clearly was not in the Prime Minister's talking points for this week—but such was the sheer folly, the aggressive stupidity, that the government has shown in tying these votes together. By now we were meant to be, I guess, recoiling at the destruction of the vast bulk of the Clean Energy Act. We understand, after negotiation with Mr Palmer and his Senate colleagues in here, they had tied to this vote the introduction of an ETS that would effectively have a nil trading value and a carbon price, as far as we can tell, with all of the compliance costs and overheads and not requiring anybody to pay any money for emitting carbon pollution. But it does not appear to have worked out very well for you, has it?

What kind of government would propose the elimination of an expert body like the Climate Change Authority, that rests at arm's length from the political turmoil in here, that is staffed by scientists, experts, economists and researchers—people not necessarily polluted by the political churn and the argy-bargy that goes on here? It effectively sets those targets that are so essential and goes beyond the pointless one-dimensional talking points of the so-called bipartisan five per cent emissions reduction target, which I guess has served as a fig leaf for the last couple of years or as a proxy for a government that is deeply unhappy with the climate imperative but knows it needs to pretend that it is at least faintly interested.

One of the key functions of the Climate Change Authority is to review our emissions goals—that is, look at the audits; get a sense of how our emissions profile is tracking; look at what sectors of the economy are performing well and what is performing poorly; look at what restructuring is occurring, what the barriers are and where the resistance is; and then model how we are progressing towards the goals outlined in the renewable energy target and what Australia's target should be. Of the hundreds of expert bodies that this government abolished under public policy masquerading as some kind of drunkenly wielded chainsaw, the Climate Change Authority is one of the most important of all.

Let us take a quick look at the context here. In the wake of the remarkable rebuff that the Australian Senate just sent back to the Prime Minister's office this afternoon, I think it is worth scoping some of the context here. Let us take a quick traverse since just before the last election at the scope of the damage that this government has sought to do to the climate science community, to the clean energy industry and to ordinary people who are caught up in this government's fatal paralysis on the climate imperative. How about these. Axing the national partnership agreement on certain concessions for pensioners and Seniors Card
holders, which supports state and territory concessions for senior citizens, including energy rebates. That was a pretty low act. Breaking a promise to have one million more solar roofs across Australia and at least 25 solar towns. It was clear as day—a black and white announcement by Minister Hunt, and the Prime Minister made him look like an absolute muppet in the wake of this rather humiliating backdown, where he had to admit that the money simply was not there. Here is another one: scrapping a range of grant programs aimed at funding innovation and start-up businesses, including Australian Industry Participation, Commercialisation Australia, Enterprise Solutions, the Innovation Investment Fund, the Industry Innovation Councils, Enterprise Connect, Industry Innovation Precincts, Textile Clothing and Footwear Small Business, and Building Innovative Capability. All of these things have direct bearing on energy efficiency—for example, more efficient production practices. It is almost like you have done a random word search and anybody who looks to have anything at all to do with innovation or anyone who has innovation or expertise or efficiency in their title has just been abolished without anybody caring too much about what it was they were doing. That was in the budget.

Next there is axing industry and community clean energy programs, including the Low Emissions Technology Demonstration Fund, the National Low Emission Coal Initiative, Energy Efficiency Programmes, the National Solar Schools Plan, Energy Efficiency Information Grants and Low Carbon Communities. All wiped out at the stroke of a pen. Next, breaking a very clear and unambiguous election promise by proposing to scrap the Australian Renewable Energy Agency. The Senate just sent that one a bit of a punch in the face, but nonetheless it was your commitment after the election to scrap the Australian Renewable Energy Agency. What ARENA does is promote innovation in projects that are not quite ready for commercialisation—getting Australian innovators on their feet for projects that are not ready to take to the bank yet, but could be. That is number five.

Six is blaming carbon pricing for the closure of Alcoa smelters and rolling mills and the loss of nearly a thousand jobs, despite the fact that the company made a profit from the carbon price by selling their free permits. It is a bit similar to Prime Minister Abbott claiming that BHP Billiton's decision not to go ahead with the expansion of Olympic Dam operations in regional South Australia was because of the carbon tax, even though the company's statement said the direct opposite. Utterly delusional. Next, appointing a climate change sceptic to head a review of our Renewable Energy Target, to deliberately stop investment through deliberate creation of uncertainty. Another broken election promise. Next, that a renewable energy review did not need to happen, because that is one of the things the Climate Change Authority is tasked with doing under its act. Next, cutting funding to the Energy Efficiency Opportunities Program, which made it mandatory for large-energy-using businesses to improve their efficiency and therefore save a fair bit of money. What is it that you hate about energy efficiency? That is really strange. You spend a lot of time on the government benches talking about productivity, which it great. It is a lively discussion and a good one to have. But what about energy productivity? Why on earth does a political party assume a hatred of energy efficiency? It is just bizarre.

Next, scrapping the Home Energy Saver scheme, which helps struggling low-income households cut their electricity bills. Of course you would cut that. Why would you want to help people on low incomes save money on their electricity bills? Weird. It is really peculiar.
Feel free to interject and explain if I am missing something obvious here. Next, a budget freeze on the indexation of the Clean Energy Supplement, which helps pensioners, veterans, students and the unemployed—obviously not key coalition constituencies—'We will support them as long as they do not try to use energy more efficiently!' Very strange. Next, abolish the Clean Technology Investment Program, which leveraged co-investment for manufacturers and food producers to make capital improvements to reduce energy costs. Energy costs? I thought that was your thing. It is in most of your slogans. It has been in most of your dopey little pamphlets. Energy costs—not, that was abolished.

Next, seeking to abolish the Climate Change Authority through the bill we are debating today. Also, the Clean Energy Finance Corporation. Why would we want an investment arm of the Commonwealth making money for taxpayers while bankrolling innovation in the clean energy sector and leveraging private sector finance to get large-scale renewable energy plants built? Why would we want that kind of subversive activity going on in Australia! Best to abolish that.

Next, move to destroy farmers' and Aboriginal communities' opportunities to raise revenue through the Carbon Farming Initiative by removing the market and replacing it with Direct Action, which nobody believes will work. Everybody knows it will not work. It is policy designed by people who do not care whether it works. Next, making solar deployment in mines less competitive by restoring the full diesel rebate, by removing the carbon charge in the clean energy package—a pre-election commitment. Next, abolish the carbon price, which drives investment away from dirty industries and into clean new industries. You were fairly clear about that before the election. It is one of the few pre-election commitments that Prime Minister Abbott has elected to try to keep. Nonetheless, transferring money away from polluters and into clean energy innovators is clearly not a light-bulb that has gone off over any of your heads.

Finally, requiring departments to remove the link between extreme weather and global warming. That was recently reported in the media. You are really quite deliberately blinding yourselves to the consequences of the policy decisions you make. You do not want those experts to still be in the field to critique the things that you were doing. It is remarkable hostility. I would be interested to know whether it actually is coalition policy to drive renewable energy investment offshore. Is that actually the objective? Is this happening deliberately or just through a process of extraordinary coincidence, at exactly this time, as a consequence of the 16 policy initiatives I just put to you?

One of the things the Climate Change Authority is responsible for is protecting Australians from the worst consequences of climate change. In tracking these targets and making sure that our economy, along with others in the industrialised and industrialising world, is making that transition—that the transition is underway. It effectively makes the choice for us with foresight rather than regret as to whether we think we could cope with two degrees of average global warming, or more. When you look at the targets that have been set and hear the numbers that have been bandied around, like 350 parts per million, 80 per cent of the world's unburned fossil fuel needing to remain below ground or two degrees average surface temperature global warming, those rough numbers are to give teeth to the concept of whether you want to live in a world of dangerous climate change where impacts are costly, deadly but ultimately potentially manageable or a world in excess of two degrees of average global
warming, of catastrophic climate change, where the impacts cascade and overlap and become eventually unmanageable.

That is the kind of world that the United States Department of Defense and some of its research arms envisage, and our US allies are making national security decisions. The US Navy has been at this since at least the 1990s and probably earlier. They have been making security and procurement decisions based on that kind of world. They are not hippies or fringe voices. That sense of impact on military doctrine or procurement strategies in Australia simply has not made any kind of impression at all. You are so hell-bent on closing down and eliminating from the public debate the voices of those advisory and expert bodies who do exist in Australia that you have advised departments not to link extreme weather events to climate change, even though that is mainstream scientific opinion. I have absolutely no idea how you look at yourselves in the mirror each day.

This is the kind of government that, having turned away from the extraordinary opportunities that present themselves in embracing the clean energy economy, is determined to back its way into the 21st century, clutching on to the remnants of the fossil fuel economy until it is far too late. These are the kinds of decisions that you end up making. It is a rather tawdry imitation of the Tea Party tactics in the US. It is a bit like the Tea Party without the passion. It is like a banal, less weaponised version of the Tea Party here in Australia; it is not as interesting but, effectively, a lot of the same thought processes are being brought to bear.

Senator Cameron: It is still pretty scary.

Senator LUDLAM: I am not denying, Senator Cameron, that it is scary. It is just not very interesting. WA MP Dennis Jensen, who for a while had pretensions of being Australia's science minister until you abolished the portfolio, noted:

Another scheme that lamentably fails the Lomborg test—

which is pretty funny when you think about it—

is that of the Renewable Energy Target, which is certainly worse than direct action and should be dumped.

One of the few scientifically literate voices on the coalition side—

Senator Ryan interjecting—

Senator LUDLAM: He is actually very impressive on the Joint Strike Fighter, so I do line up with Mr Jensen.

The ACTING DEPUTY PRESIDENT (Senator Smith): Order!

Senator LUDLAM: Through you, Mr Acting Deputy President, the interjections are so tantalising, I can scarcely ignore them. Mr Jensen, who is obviously one of the few on the coalition benches with scientific credentials, is a climate change denier. What on earth are we to make of that? This is not just the case with the federal Liberal Party room. Our present Treasurer in Western Australia, the former executive director of the IPA, Minister Mike Nahan, said:

Not only is the fact of global warming unclear, but a fully honoured Kyoto Agreement would have had only a trivial effect on temperatures.
There it is in a nutshell. For a remarkably condensed way of thoroughly misreading the science and the geopolitics of global warming, I am not sure that I could do that any better myself.

**Senator Ian Macdonald interjecting—**

**Senator LUDLAM:** Hello, Senator Macka! Lovely that you could join us. There was a book launched last year, edited by Peter Christoff, that scoped out what a four-degree warming world would look like. Four degrees does not sound like a great deal when the temperature in this town can fluctuate by a matter of 20 or 30 degrees in a day, but an increase of global mean surface temperature of four degrees puts an absolute blowtorch on the North and South poles. The book, which is titled *Four degrees of global warming: Australia in a hot world*, effectively maps to the greatest degree of precision possible, obviously with wide ranges of interpretation, what Australia will look like under those kinds of conditions—under the conditions that are set in train by policies of this coalition government and by your Tea Party allies in other parts of the world, where effectively we just say: ‘Let it rip. Just burn everything.’ It is not the world that I believe that we are heading for and it is not something that I think any of us would want to pass on to the next generation and the ones after that. But, nonetheless, there is some precision in the estimates available on exactly how dangerous that world would be.

Australia in a four-degree warming world will have a quarter of a million coastal properties inundated by rising sea levels at an approximate cost $63 billion. There are not a lot of global warming deniers in the insurance community, funnily enough. There are a lot of sceptics or very hard headed people trained in actuarial science in the insurance industry, and they estimate a cost of up to $63 billion. They are already refusing to insure people in particularly vulnerable parts of the country. There will be 17,200 heat related deaths a year, up from just under 6,000 today. Snow will disappear from all but the highest alpine peaks, which will lead to a cascade of regional extinctions in those ecosystem. A quarter of a billion people in the Asia-Pacific region will be displaced. These communities will somehow have to try and choose between defence and evacuation of their coastal settlements, their fishing grounds—places where people have lived for millennia. This is a quarter of a billion people. With the shrieking that we hear from the government benches about the tiny fraction of people who have managed to escape to our region from the horrors perpetrated by the Sri Lankan government, the Iranian secret police or the Taliban, can you imagine—

**Senator Ian Macdonald:** I thought we were on climate change.

**Senator LUDLAM:** Yes, Senator Macdonald. Sometimes I really feel for you, because you will not be around when these impacts are in full swing, but my little nephew will, and he did not get to vote last September.

**Senator Ian Macdonald:** Is that why you didn't win!

**Senator LUDLAM:** One more would have helped. On the issue of displaced people in our region, Senator Macdonald, since you have queried my comments: can you imagine the politics of immigration and border protection with a quarter of a million people on the move? These are credible estimates. They come from people who study these things for a living—from people inside the US defence community and the United Nations. It is not possible to adapt gracefully to mass movement of people on that kind of scale.
Colleagues, there is still time—and the Senate vote earlier this afternoon has proven that the Senate's reputation as a house of second thoughts is well grounded. The smartest thing we could do today would be to leave the Climate Change Authority in place so that it can continue to provide the advice that we need on the mitigation options, on the adaptation strategies and on ways that our country and our region can survive in a world threatened by the very serious life or death impacts of global warming.

Senator IAN MACDONALD (Queensland) (13:30): I want to make a few comments on the Climate Change Authority (Abolition) Bill 2013 but, before doing that, I want to refer to some things that the previous speaker, Senator Ludlam, mentioned. I am not quite sure what it has to do with the Climate Change Authority bill, but he seemed to be warning us that Sri Lanka is a bad place to be and that it is a bad international citizen. It begs the question: why did your leader go for a much-publicised holiday to Sri Lanka? I think she publicly made some very favourable comments about Sri Lanka. That is not really relevant to the bill, but it simply shows again the hypocrisy of the Greens political party. On one hand they criticise Sri Lanka; on the other hand, the leader of the Greens political party goes there for a holiday and speaks glowingly about it. How can anyone in Australia take any notice of what the Greens might say?

The Climate Change Authority was set up by the Labor government, with the support of the Greens, as 'an independent advisory climate change body'. I suspect that all of the board members of the Climate Change Authority are clever people, probably committed to their own views, but you can just look at them and see how independent the authority is. One of the members of the authority is Mr Bernie Fraser, former Reserve Bank Chairman. You do not need to be a keen student of Australian politics to understand that Mr Fraser has always been of a left-wing inclination.

Another board member is a Professor Quiggin, from my state of Queensland. He is obviously quite an intelligent man; he is a professor at the University of Queensland. But I have never heard him say anything or write any document that is not supporting the Labor Party. I am sorry—I have seen him do stuff where he does not support the Labor Party but only because he is supporting the Greens party. This is the sort of independent advice you get on climate change. I could go through a few of the other board members. We have also got Ms Heather Ridout. How many boards was she appointed to by the Gillard government? How many times did she get up and publicly praise the Gillard government? No doubt these are very good and able people, but to put them on as an advisory body that is supposedly giving independent advice is just a joke. That in itself is a reason to get rid of this allegedly independent advisory body.

Professor Hamilton is another board member. Again I am sure he is a very good person, quite bright, but he set up the Australia Institute. Ask anyone what the Australia Institute is about. It is there to promote the views of the very left of Australian politics, represented in this place by the Greens and the Australian Labor Party. So 'independent' climate change authority it is not and never has been.

That authority costs Australian taxpayers something like $8 million a year. That is not a big amount in the scheme of things. We almost pay that amount each day in interest on the borrowings from the Labor-Greens government that occurred over the last six years. The interest that we pay on the debt that was run up irresponsibly by the Labor government,
supported by the Greens, is costing us something like a couple of million dollars a day. So I
guess $8 million for the Climate Change Authority is not a big amount, but every amount
counts. When you have a financial crisis, as we do in this country, when you have a country
that is heading towards owing something like $500 billion to foreign lenders, then every little
bit of a saving that you can make is important.

Most senators will recall that when the Howard government left office we had some $60
billion in credit, plus $60 billion put aside for a rainy day. Within a couple of years, that $60
billion in credit had disappeared under the profligacy of the Labor-Greens government and,
worse than that, we had borrowed over $100 billion from foreign lenders. Now we are on a
trajectory towards a debt of almost $600 billion. Just calculate—you do not need to get out
your calculator—$600 billion and put interest at anywhere between two and six per cent,
whatever you like, and work out what that sort of mismanagement is costing our country at
the present time.

Senator Ludlam: How much?

Senator IAN MACDONALD: I could pause my speech and find the calculator, but you
can do that, Senator Ludlam. You perhaps do not have much else to do at the moment.
Perhaps one of the smaller benefits of abolishing the Climate Change Authority is that there
will be an $8 million saving to the Australian taxpayer.

What was that particular body supposed to do? Was it supposed to give advice on climate
change, on climate and on matters related thereto? It may have escaped the attention of the
Australian Labor Party and the Greens that we actually have a very highly regarded Bureau of
Meteorology that is very capable of giving any government advice that it might need in
relation to climate change matters. We also have the highly regarded and highly respected
CSIRO that has very good independent people who are able to give the government advice
should the government need it. So why did we then set up another body? Apart from giving
some Labor-Greens fellow travellers a job on the board, apart from setting up yet another
bureaucracy in this town and leaving the Australian taxpayer to pay for it, I cannot see any
reason we needed a Climate Change Authority. I suspect that I—or if it were not I it was
certainly others from my side of the parliament—said that when this authority was established
under the Labor-Greens regime in government.

If it were doing its job and did not have this obvious left-wing bent, what I would like the
Climate Change Authority to tell me is: how is what we do in Australia, where we emit less
than 1.4 per cent of the world's emissions of carbon, going to impact on the climate of the
world? I keep asking that in this chamber. It is not a new question. In the long time we have
been debating these matters, nobody has ever been able to give me an answer to that.
Remember, it is not as if the Labor Party's carbon tax were going to stop the 1.4 per cent
of the world's emissions of carbon. It was only intended to stop five per cent of Australia's 1.4
per cent. If you calculate that down, the absolutely infinitesimal impact that such an action
would have on the climate of the world is very obvious. In the debate this morning, the
minister kindly gave me figures. I did not write them down. Approximately, he indicated
figures such as: China emitted 23 per cent, the United States emitted 19 per cent, the
European Union emitted 13 per cent and Australia emitted 1.4 per cent. And yet, if you listen
to Senator Milne and the Greens political party, all of the cyclones, all of the floods and all of
the natural calamities throughout the world are caused by Australia's emission of 1.4 per cent
of the world's carbon emissions, and under Labor and the Greens we were going to reduce that by five per cent.

You can see the stupidity of the argument and you can see the hypocrisy of the Labor Party and the Greens on this issue. I was recently alerted to some comments by a retired English politician, Lord Deben. I thank Senator Singh for very cleverly pointing out to me that I was pronouncing his name wrongly previously. This member of the august House of Lords, an unelected body in the United Kingdom, suddenly appeared in Australia a couple of days ago and was roundly critical of the Abbott government because it was trying to get rid of Australia's carbon tax. I wonder why Lord Deben did not make a comment about his own country and the European Union, of which the United Kingdom is part. He did not seem to worry about the 11 or 12 per cent of emissions from his own country, but he thought Australia's emission of 1.4 per cent, which the Labor Party was trying to cease by five per cent, was suddenly a huge issue. Of course, when you have a look at Lord Deben's background you will see that he is chairman of a consortium of some of the biggest wind development companies in the world. He also has a couple of other interests in that particular area. I read on Google that, for just one of his board positions, he was getting something like 35,000 pounds of English taxpayers' money. I do not attribute bad motives to Lord Deben, but it does raise the question of whether his interest is more than just his alleged interest in climate change.

There is another question I have asked the Greens and the Labor Party on every occasion I have spoken. It has been many times over many years, but never once has anyone attempted to explain this to me. Once upon a time, the world was covered in ice. Once upon a time, the centre of Australia was a rainforest. Once upon a time, there was an inland sea in Australia. All of those things changed. I am the first to agree that the climate does change. My opponents opposite call me a climate change denier. It is typical; they never let the truth get in the way. I accept climate change; I always have done. The climate has clearly changed, because if it had not we would still be covered in ice and snow. Clearly, it has changed. But is it man's emissions of carbon since the 1850s that has caused that?

Senator Ludlam: Yes.

Senator IAN MACDONALD: Sorry—I do not think man was emitting industrial carbon at the time we were covered in ice or at the time when there was a rainforest in the centre of Australia.

Senator Ludlam: You haven't moved past year 9 science.

Senator IAN MACDONALD: Well, explain it, Senator Ludlam; don't just sit there and shake your head. Of course the climate is changing—I agree. But is it man that is doing it? Well, I do not know, and I am always very open about that. I am not a scientist. I have read both sides; they both sound good to me. But there are as many well-qualified scientists who disagree as who do agree.

Senator Ludlam: Ninety-seven per cent agree.

Senator IAN MACDONALD: Well, '97 per cent'—that is when you count them, Senator Ludlam! We have had in this chamber the vilification of anyone who did not happen to agree with Ms Gillard or Senator Wong or Senator Milne. If you had a different view to them, you were clearly—well, I will not go into that, but you were clearly, in their view, someone of
lesser understanding, if I could put it politely. And they were loud in their vilification of anyone who had the temerity to have a different view.

I know any number of highly qualified scientists who have a different view but, because they have a different view, under the Greens-Labor regime they were never able to get a grant for research out of the Labor-Greens government. I can give you the names of two, and I know there are hundreds more whose university careers were destroyed simply because the research grants that are so important in the careers of university academics would never come their way because they had a view that the Gillard government and the Greens political party did not like. That in itself is a scandal. I wonder where the Human Rights Commission and all those other groups that are so vocal when it suits them were when this little piece of information came around? I have an answer to a question on notice back in 2009 from the good Senator Kim Carr here, when he was the relevant minister, listing pages and pages of research grants that had gone to people who were trying to prove the political case of the Labor Party and the Greens political party, the alliance in government. I could not identify any grants—I believe there were one or two—in these dozens of pages of grants that went to anyone who was trying to question the orthodoxy.

Senator Kim Carr: Did they apply?

Senator IAN MACDONALD: They have always applied, Senator, and I can give you the details if you want them. But, under your regime, they knew it was just a waste of time.

Senator Kim Carr: Did they apply?

Senator IAN MACDONALD: Yes, they did apply.

Senator Kim Carr: But they didn't get up. They weren't good enough.

The ACTING DEPUTY PRESIDENT (Senator Smith): Order! Senators on my left!

Senator IAN MACDONALD: They might put it up again under this government, but, under you, Senator Carr, they had to follow the government line.

Senator Kim Carr: I didn't pick them—unlike you, I wouldn't do that.

The ACTING DEPUTY PRESIDENT: Order! Senators on my left!

Senator IAN MACDONALD: They had to follow the line of Ms Gillard, Senator Carr and Senator Milne. If you did not follow that line your chances of getting a research grant were zero, zilch—non-existent.

Senator Kim Carr: Rubbish! They weren't good enough.

Senator IAN MACDONALD: Well, 'weren't good enough', Senator, because they would have said something that did not fit your political line. Remember: it was your leader who promised the Australian people before the 2010 election: 'There will be no carbon tax under a government I lead.' She told us it would never happen. Why did she tell us that if she subsequently said it was a good thing to do? You do not need to delve too closely into what happened to understand the hypocrisy, and the downright dishonesty, might I say, of the Australian Labor Party. Ms Gillard and Mr Swan promised there would be no carbon tax. The minute they could, they got in and broke that promise.

I just want to ask: if it was such a good idea, why did Ms Gillard promise not to do it? Has anyone ever answered that? I repeat my question in the hope that someone might be able to explain it. Australia emits less than 1.4 per cent of the world's carbon emissions; how is
reducing that by five per cent going to save all the cyclones and floods that the Greens tell us will come upon the world if we do not reduce our 1.4 per cent emissions by five per cent? Is there anything in that that is believable? Similarly, the climate has changed. What was the cause of that climate change prior to the industrialised era of this nation? Something was doing it. It clearly was not man's emissions of carbon, so tell me what it was. That is why this whole debate is never as clear cut as the Greens and the Labor Party would have us believe. I retain an open mind—

Senator Wright: An open mind!

Senator IAN MACDONALD: You see, this is the thing, Mr Acting Deputy President: if you cannot win the argument, just shout abuse; just belittle those who do not agree with you; abuse them—that is the Greens' position. (Time expired)

Senator WRIGHT (South Australia) (13:50): Well, what an extraordinary day it has been so far. We have had the Abbott government failing to destroy the carbon price, although that was the promise that they said they made. And we have just had the opportunity to hear such an erudite—I know Hansard does not pick up irony and sarcasm, so perhaps I had better say 'not such an erudite' contribution from Senator Macdonald. He accuses others of vilification, but I think he is a dab hand at vituperation. He is pretty good at that, and at misrepresentation.

Today I am rising to speak on the Climate Change Authority (Abolition) Bill 2013 [No. 2] which will seek to abolish the Climate Change Authority and thus give additional succour to the government's anti-science, anti-evidence climate change denial—and we have had an excellent example of that in Senator Macdonald just now—that we have witnessed in this place since they came to government. I know that there are members of the government who indeed do know that climate change is happening right now and that it is a serious risk to our health, our environment and our prosperity, as a nation and globally. But, for some reason that I just cannot understand, given the privilege and the power that we have in this parliament to make decisions about the future, they are resolutely silent and they allow the misrepresentation to occur.

I keep thinking to myself: do those people think about their children and their grandchildren? How do they live with the knowledge that they are actively allowing the government that they represent to tear away the effective action we are taking at the moment and go backwards? But this action is not as effective as it could be; we all know that the aspiration of reducing emissions by five per cent is absolutely inadequate. That is one of the things that the Climate Change Authority, which this legislation seeks to abolish, has been very clear in communicating to us. And I suppose the Climate Change Authority giving messages that the government does not want to hear might be one of the many reasons why the government is seeking to silence the messenger.

The rest of the world has moved beyond the debate about whether climate change is occurring and accepted the irrefutable evidence that it is and that it is anthropogenic—that it is being caused and contributed to by human activity—and has made decisive moves towards reducing emissions. But not so this government. We have a government that is attempting to abolish, repeal and ignore anything or anyone who disagrees with their reckless path—which basically was designed to get them into power. The trouble is that, once you are in power, you need to be doing things that are in the national interest—that is why you are elected in the first place—but that is not what we are seeing here.
It seems to me that the government thinks climate change will no longer exist if it abolishes the Climate Change Authority—having already abolished the Climate Commission—repeals the price on pollution, which economists almost universally say is necessary to change the behaviour that is causing the problems we are confronting with climate change, and ignores the world's climate scientists. It is a short-sighted, futile, reprehensible and irresponsible way to deal with one of the most significant challenges that we will face this century and that we as a parliament will be asked to deliberate on and make decisions about. It is a privilege to stand in this parliament with the trust of the Australian people to make difficult, challenging and hard decisions not only for the current generation but for future Australians. It is not a responsibility that I take lightly but, unfortunately, it seems very clear that politics is going to prevail over policy and principle on this issue.

Today we have witnessed the government's ruthless attack on a price on pollution. It has not been successful yet, so this will live on for at least some more days. We will see. Hope springs eternal. Who knows what will happen between now and next week. But the government is not discriminating in its bid to rip down any skerrick of action on climate change. It will leave no stone unturned, it seems. The next on the list is the Climate Change Authority. This is an independent body established to provide balanced, expert advice on a range of climate change issues. Maybe that is where the problem lies initially—'independent, balanced and expert'—and in what we have already seen in terms of decisions that have been made by this government in appointing hand-picked people to give advice when it knows the results of the advice and what the views of those people will be. We know that those people will be giving ideological advice across the spectrum. Whether it is in relation to renewable energy or the education curriculum, this government has a practice of hand-picking people whose ideology it knows and hearing advice from them.

Of course, that is not the case with the Climate Change Authority; it is 'independent', it is 'expert' and it is 'balanced'. Those are words that severely disconcert this government because they do not want to be hearing that sort of advice, information and evidence. The Climate Change Authority is required to take into account the latest science—and the idea of 'science' probably creates great problems for some members of the government—and what other countries are doing around the world and make recommendations to the government about the emissions reduction targets, the carbon budgets, the renewable energy target, the Carbon Farming Initiative and the National Greenhouse and Energy Reporting System. These are all aspects of the framework designed to reduce Australia's carbon emissions and encourage innovation in clean technology and clean energy. These are all measures that are designed to usher Australia into the future. These are all measures designed to secure a safe and liveable climate for our young people—the young adults who will be inheriting the legacy that we leave for them.

But this government does not want to hear from experts, does not want to hear from independent people and does not want to listen to the science. Its anti-climate agenda is completely ideological—no room for facts here, thanks very much! And, of course, we know that the Climate Change Authority insists on telling the government things it just does not want to hear, including that Australia should triple its minimum target for cutting greenhouse gas emissions by 2020, that the current goal of five per cent is inadequate, and that if we fail
to significantly ramp up action on climate change Australia will fall behind dramatically and not be able to play its global role in avoiding climate change.

The Climate Change Authority chair, Bernie Fraser—that renowned hippie, that renowned wild, extreme thinker!—has said that sticking with the five per cent target will make it 'virtually impossible for future generations trying to prevent a two-degree rise in global temperatures'. Another thing the Climate Change Authority insists on telling the government that it does not want to hear is that Australia's minimum commitment is out of step with current global efforts—those of China and the US. And yet another thing it is saying that the government does not want to hear is that Australia should be reducing emissions by 19 per cent from 2000 levels by 2020 if we are indeed to do our fair share of the heavy lifting. And we know that this government is always talking about the 'lifters' and the 'leaners'. Well, if we go down the track that the government is proposing in relation to our action on climate change we will certainly be leaners. As a result of the actions that we are failing to take, there will be many people within our own Pacific neighbourhood who will bear the brunt of that and end up homeless because of the incursion of seawater onto their low-lying homelands. And what will we be doing then? Again, given the track record of this government of openly welcoming refugees to Australia—I am being sarcastic—no doubt we will say: 'Come and be here in Australia. You don't have homelands anymore. We haven't taken decisive action on climate change, so you are welcome to come here because we have a moral responsibility to welcome you.'

Debate interrupted.

**QUESTIONS WITHOUT NOTICE**

**Tasmanian Economy**

**Senator URQUHART** (Tasmania—Deputy Opposition Whip in the Senate) (14:00): My question is to the Minister representing the Minister for Industry, Senator Ronaldson. Under the previous government, the Enterprise Connect program provided almost $1.4 million to 104 small-to-medium firms in Tasmania to help improve their business performance. Minister, given the continuing job losses in this region, why has the government automatically excluded these Tasmanian firms, and any others previously assisted by Enterprise Connect, from the Entrepreneurs' Infrastructure Programme unveiled last week?

**Senator Cameron:** Page 16!

**Senator RONALDSON** (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (14:00): No, it is not actually. Can I thank the senator for the question. I am not entirely sure whether that was a full saving or a reduction. But if you are telling me it was a reduction, then I am prepared to accept that. But if I can please just turn, if I may, to the situation in Tasmania and what the government is doing in relation to Tasmania itself. You have asked me a question about what needs to be done in Tasmania. As the honourable senator would appreciate, the Tasmanian economy, as a result of 16 years of Labor and then a Labor-Greens alliance, has the highest unemployment in the country and the lowest retention rates in the country. And that is why we have put together the Tasmanian Major Projects Approval—

**Senator Moore:** I rise on a point of order. It is on direct relevance. The question specifically relates to the Entrepreneurs' Infrastructure Programme and firms that have been
excluded from that program in Tasmania. If we could draw the minister's attention to that question.

Senator Kim Carr: He needs a life raft!

The PRESIDENT: Order, Senator Carr! Thank you, Senator Moore. I noted that Senator Ronaldson was directly relevant at the commencement of his question. And he still has nearly under half his time remaining to answer. Senator Ronaldson, I will draw your attention back to the question.

Senator RONALDSON: Thank you very much, Mr President. Either the honourable senator is interested in what is going to be done for Tasmania or is not. So if she just wants to play politics, that is fine.

Senator Kim Carr interjecting—

Senator RONALDSON: We get the interjection from the worst industry minister in the nation’s history, who has made a seamless transition to the worst shadow minister in Australia’s history!

Opposition senators interjecting—

The PRESIDENT: Pause the clock. Senator Wong on a point of order? Order, senators on my left! Your leader is on her feet seeking the call.

Senator Wong: I rise on a point of order. The question was about the Enterprise Connect program and the Entrepreneurs' Infrastructure Programme. The minister has not even gone close to those two programs. I would ask him to take question time a little more seriously—it is a serious question—and return to the question.

The PRESIDENT: Minister, you have 23 seconds left answer the question. I draw your attention to the question.

Senator RONALDSON: Thank you. Of course, it would help if the Opposition Leader did not constantly interject during question time for a whole range of questions. At any event, can I just please make it absolutely clear that this government is committed to promoting investment and jobs in Tasmania. Senator, that is the very reason that we put in place— (Time expired)

Senator URQUHART (Tasmania—Deputy Opposition Whip in the Senate) (14:04): Thank you, Mr President. I ask a supplementary question—and I will try again. This week it was announced that 350 jobs would go at the Henty Gold Mine and Mount Lyell copper mine on Tasmania's west coast. The west coast is an important part of the Mersey-Lyell region, which is already identified as one of the most economically vulnerable in Australia. Why is the government cutting vital assistance to small employers in this region?

Senator RONALDSON (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (14:04): Thank you, Senator. But if you are going to look through the budget papers, can I suggest that you do not selectively pull out things for political purposes. The Entrepreneurs' Infrastructure Programme is a $484 million program. The Industry Skills Fund, which, of course, will benefit everyone in Tasmania, is part of the government's initiatives. What we are not prepared to do is sit back and watch what happened over the last six years in relation to these plethora of programs that were achieving nothing but costing a lot.
You asked me about the copper mines of Tasmania. As you know it—oh, you did not ask me about that; I am terribly sorry!

Senator Urquhart: On a point of order, Mr President. The point of order is around relevance. My question was: why is the government cutting vital assistance to small employers in this region? And I would ask that the minister be directed to answer.

The PRESIDENT: The minister has 11 seconds left to answer the question. Again, I draw the minister's attention to the question.

Senator RONALDSON: There was I thinking that you were asking about job losses at this unfortunate closure of the Mount Lyell mine. But if you were not, that is okay. But what I will say to you is, if you look at those things that are being— (Time expired)

Senator URQUHART (Tasmania—Deputy Opposition Whip in the Senate) (14:06): Mr President, I ask a further supplementary question. Given the economic challenges facing Tasmania's Mersey-Lyell region, can the minister guarantee that the innovation centre in Burnie will remain open to assist small-to-medium businesses in that area?

Senator RONALDSON (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (14:06): Clearly, the honourable senator would know that, as the representative minister, I will have to take that on notice. But what I do not need to take on notice is a question on some of the initiatives in this budget that are going to help the people of Tasmania. I do not need to tell you—and if you have not read it, you should do so—but you should look at the government's proposals for Tasmania. There is a quite specific Tasmanian project office which is going in there. It is a quite specific attempt to undo 16 years of diabolical mismanagement by a party of which you are a part.

We believe in the people of Tasmania. We are going to assist the people of Tasmania and you either support us or you keep on playing these very cheap political games.

Indigenous Health: Trachoma

Senator WILLIAMS (New South Wales) (14:07): My question is to the Assistant Minister for Health, Senator Nash. Will the minister inform the Senate what the government is doing to help eliminate blinding trachoma in Australia?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:07): I thank the senator for his question. This government has committed $16½ million over four years to prevent, screen for and treat trachoma in Indigenous communities in New South Wales, the Northern Territory, South Australia and Western Australia through the Closing the Gap—improving eye and ear health services for Indigenous Australians measure.

Trachoma is a preventable bacterial eye infection that is a leading cause of blindness, particularly for people living in remote communities. This funding will renew the agreement between the Commonwealth government and the New South Wales, Northern Territory, South Australian and Western Australian governments for additional trachoma screening, treatment, management and prevention activities. Blindness rates among Indigenous people are more than six times higher than the rest of the population, and trachoma is a contributing factor. The Australian government is a signatory to the World Health Organization resolution to eliminate blinding trachoma by the year 2020. Trachoma infections can impact on the
abiltiy of Indigenous children to receive a good education. Repeated trachoma infections can
cause blindness in adults, which impacts on the ability of Indigenous adults to gain
meaningful employment.

This funding will support at-risk communities through screening and treatment activities
and working with local primary-care services, Aboriginal healthcare professionals and
teachers to help stop the spread of trachoma through prevention programs. For example, the
funding will help build on the Northern Territory's Clean Faces, Strong Eyes campaign, which
has successfully encouraged face washing to prevent the spread of trachoma in children.

I would also like to acknowledge the efforts in this area through the Queen Elizabeth
Diamond Jubilee Trust. Just yesterday, I met with Major General the Hon. Michael Jeffery,
who chairs the board of the trust, and heard about the work that he is overseeing in this area.
This government remains committed to ensuring that we lower the incidence of trachoma.

Senator WILLIAMS (New South Wales) (14:10): Mr President, I ask a supplementary
question. I thank Senator Nash for her answer. Will the minister advise how this funding will
be used to contribute to the elimination of trachoma?

Honourable senators interjecting—

The PRESIDENT: Order! Senators talking across the table and across the chamber cease!

Senator Cameron!

Senator Conroy interjecting—

The PRESIDENT: Thank you, Senator Conroy.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and
Assistant Minister for Health) (14:10): This funding will enable the continuation of
agreements with the New South Wales, Northern Territory, South Australian and Western
Australian governments for trachoma control and treatment activities. Treatment activities
and milestones include screening at least 85 per cent of five- to nine-year-olds in at-risk
communities for trachoma, treatment of at least 85 per cent of trachoma cases and follow-up
of any household contact.

I have travelled to the remote communities in outback Northern Territory, Western
Australia and Queensland and seen firsthand the need for programs like Clean Faces, Strong
Eyes. Through this funding and agreement, jurisdictions provide surveillance and treatment
data to the National Trachoma Surveillance and Reporting Unit. As a result of the collection
and analysis of this data, we can see the prevalence has significantly decreased in five- to
nine-year-olds in screened communities from 14 per cent in 2009 to four per cent in 2012.

Senator WILLIAMS (New South Wales) (14:11): Mr President, I ask a further
supplementary question. I thank the minister again. Will the minister inform the Senate what
other activities the government is funding to improve eye health for Indigenous Australians?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and
Assistant Minister for Health) (14:11): This government acknowledges the importance of
comprehensive information about the current status of eye health in Australia and is providing
around $1 million towards the development of a national eye health survey. We are
committed to increasing access to primary eye care services for Aboriginal and Torres Strait
Islander people, including through outreach services to rural and remote locations through programs such as the Visiting Optometrists Scheme and the Rural Health Outreach Fund.

I personally want to commend the work of the Fred Hollows Foundation and, in particular, Professor Minas Coroneo. Professor Coroneo has provided first-class eye care to Indigenous and remote communities in north-west New South Wales. I have been to the Bourke hospital and watched the team in action, which includes Joanna Barton, one of his colleagues, who has worked for over 40 years delivering this program and great service to those people in that part of New South Wales and beyond. Improving eye health is a key component of this government's commitment to improving Indigenous health.

Corporations Amendment (Streamlining Future of Financial Advice) Regulation 2014

Senator FAULKNER (New South Wales) (14:12): My question is to the acting Assistant Treasurer, Senator Cormann. Minister, is it true that on 1 July 2014 the Corporations Amendment (Streamlining Future of Financial Advice) Regulation 2014—the FoFA regulation—was provided to the Senate Table Office in a batch of instruments ready for tabling on 7 July 2014, the next sitting day? Minister, is it true that, subsequent to receipt of the regulation, the Treasury made a request of the Senate Table Office, conveyed by the Office of Parliamentary Counsel, that the tabling be delayed?

Senator CORMANN (Western Australia—Minister for Finance) (14:13): I thank Senator Faulkner for that question. What is true and what the government has said very clearly, right from the word go, is that the regulations that came into effect on 1 July, which were registered on 30 June and which were flagged in terms of the substance as well as the process in a comprehensive five-page statement on 20 June, would be tabled consistent with all of the requirements of the Legislative Instruments Act.

Senator Faulkner would be very well aware that the Legislative Instruments Act 2003 provides for any regulation to be tabled in either house of parliament within six sitting days of those regulations being registered. The government has been transparent, all the way through, that that was our intention; and the reason for that is this is an area that is highly technical. This is an area in which vested commercial interests have spread a lot of misinformation. I was very conscious of the fact we had a number of new crossbench senators joining us here this week who had a lot on their plate—with the carbon tax, in particular—and I was very concerned to ensure that my friends on the crossbench had the opportunity to be properly briefed on what is—

Opposition senators interjecting—

The PRESIDENT: Order! On my left.

Senator CORMANN: an important area of public policy, given that they have been on the receiving end of a lot of commercial vested interests' propaganda peddled by the Labor Party. I have been transparent all the way through. It has always been the intention to table the FoFA regulations consistent with the requirements of the Legislative Instruments Act and that is exactly—

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

Senator Moore: Mr President, I rise on a point of order: direct relevance to the question. The last part of the question was: is it true that the Treasury made a request to the Table
Office, conveyed by the Office of Parliamentary Counsel, that the tabling be delayed? The minister has 20 seconds left and has not got to that part of the question.

**The PRESIDENT:** On the point of order: you are right, the minister has not got to that part of the question. But he has been directly relevant, up to this point in time, to the entire question. The question was not isolated to one portion.

**Senator CORMANN:** To be entirely candid and truthful, I am not aware of the specific mechanics. But what I do know is that, as minister, I take responsibility for the fact that the government has made a decision to table the FoFA regulations consistent with the requirements of the Legislative Instruments Act by Tuesday next week. *(Time expired)*

**Senator FAULKNER** (New South Wales) (14:16): Given that the minister is not aware, as he has indicated, of those mechanics, I would ask him to take those two elements of my primary question on notice.

Mr President, I ask a supplementary question. Minister, is it true that late on Friday, 4 July 2014, a further message was conveyed to the Table Office advising that the Treasury wanted the tabling of the FoFA regulations to be delayed until Tuesday, 15 July 2014—the statutory deadline for tabling? *(Time expired)*

**Senator CORMANN** (Western Australia—Minister for Finance) (14:17): Again, I am not involved in the specific mechanics of all of that, but nothing that Senator Faulkner has just said to the chamber is in any way inconsistent with what I have said on behalf of the government. What I have said, on behalf of the government, is that we announced on 20 June some regulatory changes which we believe improve our financial advice laws. Those regulatory changes were registered on 30 June and came into effect on 1 July and, consistent with all of the rules, procedures and laws of the land, and consistent with those requirements, they will be tabled by Tuesday next week. The purpose of that—and I have also been very transparent and candid about this—is so I can in good faith brief new crossbench senators in relation to matters that are highly technical, and about which a lot of misleading misinformation has been spread in the public domain.

**Senator FAULKNER** (New South Wales) (14:18): Mr President, I ask a further supplementary question. Would the minister acknowledge that the specific mechanics that he is not aware of are important? Given that the business of the Senate sometimes prevents documents being tabled by the Clerk on any given day, is the minister aware that, if the Senate does not reach the tabling of documents by the Clerk on 15 July 2014, there is a risk the statutory deadline for the tabling of the FoFA regulations will not be met?

**Senator CORMANN** (Western Australia—Minister for Finance) (14:18): As a very long-serving and distinguished senator in this place, I know that Senator Faulkner is aware that I am absolutely able to table any document I wish to table, on behalf of the government, on Tuesday. Indeed, I am sure if I sought leave to table the FoFA regs on Tuesday, given the enthusiasm shown by Senator Dastyari yesterday—

**Senator Dastyari:** You can table it now!

**Senator CORMANN:** Here he is again, waving around a document he said I was hiding. Given the enthusiasm of Senator Dastyari for me to table those regulations—

**Senator Kim Carr:** Why don't you table it today? Take your chance!
The PRESIDENT: Senator Carr.

Senator CORMANN: I am sure that on Tuesday the Labor Party, on behalf of the union movement, will facilitate the timely tabling of those regulations so we can comply as a government with all of the necessary legal requirements. I know what the Labor Party wants to do. The Labor Party, on behalf of the union movement and at the behest of the commercial interests of industry funds, wants to put pressure on the Senate—in particular, pressure on the crossbench—to deal with these matters now because they are worried that once people understand what we are doing they are going to change their mind on things. (Time expired)

Carbon Pricing

Senator MILNE (Tasmania—Leader of the Australian Greens) (14:20): My question is to the Minister representing the Prime Minister, Senator Abetz. Given the government has agreed to introduce and pass regulations and penalties developed by the Palmer United Party regarding the clean energy legislation repeal bill, and given that it affects entities—everything from individuals to body corporates to unincorporated associations and trusts—will the government explain whether this includes Qantas and supermarkets, for example, or is it restricted to only electricity and gas suppliers?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:20): There are a number of aspects to the honourable senator's question. If I could start off with the latter part first: in relation to the issue of Qantas and some other corporations potentially not passing on full price savings to households, we have asked that the ACCC look into those allegations to ensure that occurs.

In relation to the Palmer United Party amendments, as I described earlier in the debate, we provided a belt for security and they then provided braces to add even further security, to ensure that the consumer would be protected and that the price reductions that flow from the carbon tax are passed on to consumers.

But it really is a bit rich for somebody to claim they are concerned to have costs passed on when they are voting—

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

Senator Milne: Mr President, I rise on a point of order: relevance. It is a specific question and it affects businesses across the country. They deserve a straight answer.

The PRESIDENT: Senator Milne, I wrote down part of your question. It said 'will the minister explain on behalf of the government' and you raised a number of issues. The minister has been relevant to this point. Minister, you have the call.

Senator ABETZ: It is all very well, and we would join Senator Milne in wanting to ensure that the abolition of the carbon tax is passed onto absolutely everybody, but there is only one problem. Senator Milne wants this $11 million a day impost to remain on those consumers, on those businesses, on those voluntary organisations, and everybody else in the community, knowing full well that this tax is having a huge impost on the cost of living of every Australian, is destroying jobs and, worst of all, is doing absolutely nothing for the benefit of the environment.
Senator MILNE (Tasmania—Leader of the Australian Greens) (14:22): Mr President, I ask a supplementary question. Minister, your legislation was just to the regulator; what this does is bring in penalties that apply to all of the entities. So I ask the minister again, specifically because businesses across the country want to know the answer: is this applying to only electricity and gas suppliers, or is it applying across the economy, including to aviation and supermarkets?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:23): I can go through the detail of the Palmer amendment, part of which is to insert two new divisions into the new part V of the Competition and Consumer Act 2010, called divisions 2B and 2C, which will impose general obligations on electricity and natural gas retailers to provide information to the ACCC and customers on the cost savings that have been or will be passed through to consumers. Retailers of electricity and gas will need to do two things: firstly, they will need to give a carbon tax removal substantiation statement to the agency and, secondly, they will also need to inform customers by 31 December 2014 of the average estimated cost saving for 2014-15 resulting from the repeal of the carbon tax that has been or will be passed on through to the consumer.

Senator MILNE (Tasmania—Leader of the Australian Greens) (14:24): Mr President, I ask a further supplementary question. Can the minister explain how today's support of yellow tape sits with the government's determination to tackle the avalanche of red and green tape so abhorrent to the Prime Minister?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:24): There was a very good first speech given yesterday by the Liberal Democrat senator; he talked about two steps forward and one step back. Any suggestion that the Palmer United Party amendments can be described as 'yellow tape' just falls into absolute and utter insignificance to the huge amount of green tape that will be removed when the carbon tax finally goes. And we, on behalf of the Australian people, want to see that outcome. I understand the Palmer United Party also want to see that outcome, along with other crossbench senators in this place, because they know of the huge impost that this green tape of the carbon tax has had on the cost of living: $550 per household per annum, destroying jobs and, worst of all, doing absolutely nothing for the environment. (Time expired)

General Practice

Senator O'NEILL (New South Wales) (14:25): Mr President, my question is to the Minister representing the Minister for Health, Senator Nash. I refer to the government's decision to axe the Prevocational General Practice Placements Program, which has been successful in providing young doctors the opportunity to train and work in rural practice. The President of the Rural Doctors Association, Dr Ian Kamerman, has described this axing as 'crazy' and 'ill-thought out'. Is the Rural Doctors Association correct?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:26): I am well aware of Dr Kamerman's views on this issue. The government has had to make some very tough decisions when it comes to the budget.
Opposition senators interjecting—

Senator NASH: Those on the other side may not understand, but the PGPPP was put in place at a time when we needed to encourage doctors to look to taking up general practice as their vocation. That was some time ago, and also, I might point out for senators opposite, that for the 12-week average period of the PGPPP placement, it was around $55,000 cost. What we have seen over recent years is a much greater move by our medicos going through the system towards general practice, so the need to have those PGPPP places there for those students has decreased.

What we have also seen, including from United General Practice, was a call to increase the number of GP training places from 1,200 to a higher amount. That is exactly what we have done in this budget. We have increased those training places from 1,200 to 1,500 places. I also point out for those opposite that the 12-month period also comes at a cost to government of around $55,000. So this government, which is making very sensible and very effective changes in this budget, knowing that it was left with such a budget mess, has had to take tough decisions, including responsible action, and that was reflected in the decision about the PGPPP.

Senator O'NEILL (New South Wales) (14:28): Mr President, I ask a supplementary question. I refer to comments by the President of the Rural Doctors Association of New South Wales, Dr David Richmond. He said the government's replacement program of GP registrars:

… fail to provide rural communities with doctors with the training and skills required to meet the needs of their communities.

Is the Rural Doctors Association of New South Wales correct?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:28): I certainly acknowledge that the Rural Doctors Association of New South Wales are entitled to their view, and they have expressed their view on this matter. This government has been very clear in indicating that it has had to make some tough decisions. Now I understand there has been a view expressed by the Rural Doctors Association, but this government was very much responding to the call from the medical sector to increase those GP training places, which it has done by 300.

An opposition senator interjecting—

Senator NASH: Indeed, it is in the bush. Under the new training places, there is a requirement that 50 per cent go to rural and regional. For the 2014-15 year, we are already at 62 per cent of those new training places going to rural and regional. So the interjection from the senator opposite about them not going to rural and regional is incorrect.

Senator O'NEILL (New South Wales) (14:29): Mr President, I ask a further supplementary question. Given that this government has imposed a $7 GP tax, axed a successful rural internship program and introduced a bulk-billing disincentive for regional doctors, I ask the minister: is there anything this government will not do to destroy affordable and accessible health care for regional Australians?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:30): Just on the interns that the senator raises, interestingly that is the purview of state and territory governments. It is up to the state and territory governments to provide those intern places in hospitals. It is actually this government that is
focused on rural and regional Australia. The best thing we can do for rural and regional Australians is fix the economic mess left to us by the previous Labor government, led by the previous finance minister who, as I indicated to the Senate chamber yesterday, trebled net debt under her watch as finance minister. This government is going to take responsible decisions to ensure that we have a sustainable future for this nation not only in health but in all areas. It is this government that is going to deliver for rural and regional Australians, unlike the previous Labor government.

Migration

Senator LAZARUS (Queensland—Leader of the Palmer United Party in the Senate) (14:31): My question is to the Assistant Minister for Immigration and Border Protection, Senator Cash. I note that the Queensland Nurses’ Union estimate that this year only around 600 of the 2,500 nursing graduates will be successful in gaining employment and many of these will be employed in temporary and part-time positions. Can the senator explain why the federal government continues to support the importation of overseas nurses and midwives on 457 working visas while Queensland has the highest level of new graduate unemployment and underemployment in the nursing and midwifery sector?

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (14:31): I thank Senator Lazarus for his question. I understand it is his first question in this place, so congratulations. I make the point that, in relation to the 457 scheme, this government does support foreign workers, absolutely; however, I also make the point that it is a fundamental position of this government that where there is an Australian worker who is ready, willing and able to perform a job or a role then we expect the employer to look to this person first.

In relation to the statistics on 457 visas, I inform the senator as follows. As at the end of April 2014, the growth in the subclass 457 program under this government had actually slowed compared to what it was under the former government and in particular former Minister O'Connor. Growth of the program under former Minister Brendan O'Connor actually blew out. The program under this government is actually responding, as it is meant to, to what currently is a softening labour market. In other words, under the former government, despite the former government's rhetoric in relation to foreign workers and that it expects Australian employers to employ them first, the actual facts show that that was not the case under Minister O'Connor. Under this government the number of 457s applications has decreased and the program is doing exactly what it is intended to do, and that is contract with a softening labour market. (Time expired)

Senator LAZARUS (Queensland—Leader of the Palmer United Party in the Senate) (14:34): Mr President, I ask a supplementary question. Will the minister give an undertaking to review the numbers of 457 worker visas issued for Queensland that allow foreign workers to take Australian jobs and, as part of the review, take into account the higher level of Australian nursing graduates who fail to gain employment in Queensland or are forced to take temporary or part-time positions?

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (14:34): I acknowledge Senator Lazarus's concerns in relation to that issue. I say again to Senator Lazarus: it is the fundamental principle of this government that, where there is an Australian ready, willing and
able to be employed, we expect an Australian employer to do exactly that. In relation to whether I will have a look at the number of people employed on visas in Queensland, the senator may not be aware but earlier this year, because of what had occurred under the former government, in particular the blow-out in relation to the number of 457 visa holders in this country, I instituted a review into the 457 visa program. It looked at a number of issues. I believe it spoke to in excess of 100 people and received in excess of 160 submissions. It is one of the most widely canvassed reviews to date. I recently received the report. (Time expired)

Senator LAZARUS (Queensland—Leader of the Palmer United Party in the Senate) (14:35): Mr President, I ask a further supplementary question. Is the minister concerned about the high rate of casualisation in all public services, including importantly the healthcare sector? Does the minister know how difficult it is to obtain a home loan, a car loan or salary sacrifice without full-time employment?

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (14:36): Senator Lazarus, I go back to my position that under this government the number of 457 workers has actually decreased compared to what were actually in the country under the previous government. Again I go back to this government's fundamental principle that, if there is an Australian ready, willing and able to undertake a job, we expect an employer to look to that person first by way of an employee. As I was also saying, the independent review panel have now handed down the report to me. I am currently considering their recommendations. I will be making announcements in due course in relation to the 457 visa program.

Aged Care

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (14:36): My question is to the Assistant Minister for Social Services, Senator Fifield. Will the minister update the Senate on the significant changes affecting aged care that came into effect on 1 July?

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (14:37): Thank you for your question. A little over a week ago some significant changes came into effect on 1 July in aged care. The first and most important thing to note is that there will be no changes to the financial arrangements for people already in care before that date. There were some significant structural changes. The first was that in residential aged care the distinction between high care and low care has been removed. Previously you could only pay a lump sum amount for low care. With the removal of the high-care/low-care distinction there will be greater choice for consumers in terms of how they pay for their accommodation. Consumers will have the choice of a lump sum, a daily fee or a combination of the two. There are also new means-testing arrangements because it is important that those people who have the means—who have the capacity to make a contribution—do so, but it is also significant that there is and will remain a safety net.

There really are two parts to aged care. There is the care side and the accommodation side. Previously there was only an assets test for accommodation and there was only an income test for care, so you could have a situation where people of high assets paid very little for their care and people of high means paid very little for their accommodation. Under the new means testing arrangements there will in effect be three tiers. For those people of low means—assets
below $45,000 and income below $24,000—the only contribution they will have to make is a basic daily fee, which is 85 per cent of the aged pension. They will not have to pay anything towards their accommodation. For people of moderate means, they will pay that basic daily fee and a contribution to their accommodation. For people of high means, they will pay the basic daily fee and a means tested care fee, and they will also be responsible for all of their accommodation costs.

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (14:39): Mr President, I ask a supplementary question. Can the minister advise the Senate what new protections have been put in place for those in aged care and their families?

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (14:39): Under the new means-testing arrangements there are some important protections in relation to the means tested care fee. For the home-care situation, for people who are self-funded retirees there will be a $10,000 cap. For people who are part pensioners there will be a $5,000 cap per year. For people in residential care there will be a $25,000 annual cap, but there will also be for both home care and residential care a $60,000 lifetime cap. That includes any contribution that someone has made in home care. If they then move into residential care, that will be a combined lifetime cap. So there is a $60,000 annual cap. That is an important protection for consumers. But there will also be particular hardship protections which are at the discretion of the Secretary of the Department of Human Services.

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (14:40): Mr President, I ask a further supplementary question. Will the minister advise the Senate how Australians can plan for their future aged-care and accommodation needs and how the government will monitor the changes to aged care?

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (14:40): It is important that families do talk about aged-care requirements for one of their number before it gets urgent, before they get to that critical point in time. To assist families and consumers to do that, there is the My Aged Care website—myagedcare.gov.au—which will help plan. There is also a helpline: 1800 200 422. You can actually talk to a real-live human being because we know it is very important for consumers to talk to someone. The My Aged Care gateway will have information for consumers about product offerings from home-care and residential-care providers and information about pricing. There will also be an assets system on the site where you can plug in your means, your assets and your income to give consumers a good idea of the prices that you will be liable for.

Employment

Senator SIEWERT (Western Australia—Australian Greens Whip) (14:40): My question is to the Minister for Employment, Senator Abetz. Minister, with youth unemployment at 12.5 per cent, today’s report by Anglicare Australia, _Beyond supply and demand: addressing the complexities of workforce exclusion in Australia_, makes the point that workforce exclusion is complex and enduring and that unemployment interventions ignore the nature of disadvantage and its relationship to workforce exclusion. Minister, the approach taken by government thus far assumes a level playing field where all unemployed people can obtain work if they want it hard enough. Why is the government ignoring the mounting evidence that workforce
exclusion is complex, and have you directed the McClure review with its employment focus to also quantify the impact that long periods without financial support will have on work readiness?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:42): I share Senator Siewert's concern for youth unemployment. All unemployment is a scourge. It is something that we all should be united in overcoming in this chamber, especially for the young people of our nation, who are seeking to make their way. That is why as a first item of business this government is concerned with restoring the economy. Restoring the economy includes getting rid of the carbon tax, getting rid of the mining tax, getting rid of red and green tape, reintroducing the Australian Building and Construction Commission and all the other changes we have made, including trying to get the budget back into shape.

Turning to the specifics of workforce exclusion: that, of course, is a real blight, and I might say that, for young people, the figure you quoted of about 12½ per cent I think might be 13½. That is still too high, but in some areas like North Adelaide and my home state of Tasmania it is considerably higher. That is why the government is concerned with doing everything it possibly can to achieve young Australians getting into a job. Part of that includes an enhanced Work for the Dole scheme. It includes an enhanced scheme to assist young apprentices with getting through their apprenticeship. We know that, if young people are able to get through their apprenticeships—

The PRESIDENT: Pause the clock.

Senator Siewert: Mr President, I rise on a point of order. We have less than 30 seconds left. I would really appreciate it if the minister could address the specific issue, which is around the lack of income support for six months. I am sure the minister understands the nature of my question. How does that relate to work readiness?

The PRESIDENT: Thank you. The question was slightly broader than that. The minister is being relevant and he does have 25 seconds left. Minister.

Senator ABETZ: The other part of the honourable senator's question related to the McClure report, which the government is considering. It is a very comprehensive review of a range of welfare assistance. We believe certain incentives are needed to get young Australians into work and for them to avail themselves of the opportunities. (Time expired)

Senator SIEWERT (Western Australia—Australian Greens Whip) (14:44): Mr President, I ask a supplementary question. Organisations like the Brotherhood of St Laurence have proposed that the role of government is not to punish job seekers but rather to strengthen links between employers, service providers, educators and young people. Has the government considered that, instead of investing in a punitive job services approach, they could invest in transition processes and job brokers who would work with businesses and others to create work, rather than punishing young people?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:45): Senator Siewert, I think, hit the nail on the head at the very end of her question about the need to create work. That is exactly what this government's economic agenda is all about. It is the social dividend that comes from getting rid of the carbon tax, getting rid of the mining tax,
getting rid of the red and green tape, restoring the budget, and reintroducing the Australian Building and Construction Commission. To say that those sorts of policies somehow punish the young is to misunderstand the economic factors that do need to be manipulated to ensure that we get the social outcomes that Senator Siewert and I want to achieve—that is, greater employment opportunities for our young Australians. That is why, for example, in the education reforms there will be another 80,000 places created and made available for young Australians. There will be more positions hopefully in the apprenticeship area as well. *(Time expired)*

**Senator SIEWERT** (Western Australia—Australian Greens Whip) (14:46): Mr President, I ask a further supplementary question. The Anglicare report released today is a timely reminder that we need to work with individuals and to view them as individuals. Does the government recognise this changing relationship between workers and employees, where the nature of work has changed substantially to more casual and part-time jobs and that a part-time job is in fact a way into longer-term employment? Why has the government not considered that the business wage subsidies they are going to be providing should also be made available for part-time work not just full-time work?

**Senator ABETZ** (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:47): Once again, it is a bit spooky, but I am agreeing with Senator Siewert. There is a need to tailor things for individuals and that is why I look forward to the Greens supporting our changes to the individual flexibility arrangements that we are going to be moving to the Fair Work Act, because it is through individual flexibility arrangements that more young Australians will be given opportunities.

**Senator Jacinta Collins:** So you can bring back Work Choices.

**Senator ABETZ:** Individual flexibility arrangements, Senator Collins, that your own government introduced. Your government had a review and that review said changes needed to be made—

**Senator Siewert:** Mr President, I rise on a point of order. I understand the fact that the minister wants to go on about IR and his changes there. I asked him specifically about the wage subsidy and whether it relates to part-time jobs. I would really appreciate it if he would answer that particular question.

**The PRESIDENT:** Again, Senator Siewert, your question was broader than just that. I will draw the minister's attention to the question. The minister is being relevant.

**Senator ABETZ:** Everybody wants a full-time job. There has been, regrettably, a degree of casualisation in the workforce with part-time jobs. The good news is, if you do get yourself a part-time job or a seasonal job, there is a greater chance you can then move on to full-time employment and that is what we as a government are pursuing. *(Time expired)*

**Carbon Pricing**

**Senator WONG** (South Australia—Leader of the Opposition in the Senate) (14:48): My question is to the Minister representing the Prime Minister, Senator Abetz. I refer to his statement following the Senate's rejection of the carbon price repeal bills today in which he confirmed the government was, ‘willing to support amendments circulated by the Senate Leader of the Palmer United Party’. Can the minister please advise the Senate which of the
three sets of amendments circulated by the Palmer United Party represent Abbott government policy and will the carbon price reduction obligation apply to all businesses in the domestic economy or not?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:49): Let us get one thing very clear: this is Palmer United policy which they submitted to the Senate. As I understand it, the Palmer United Party are proposing that ultimately their third version of amendments should be the amendments they would seek to put to the Senate. They were unable to do so because of a technical situation as a result—

Opposition senators interjecting—

The PRESIDENT: Order! Pause the clock. Minister, we will wait until we get silence.

Senator ABETZ: The Leader of the Palmer United Party in the Senate told the Senate that it was on the advice of the Clerk that he had withdrawn his amendments. So let us be very clear, there is no concern here. The amendments need to be introduced in the House of Representatives before they can come to this place and, as a result, that is what the government will be seeking to facilitate next week, to ensure the repeal of the carbon tax. The Labor Party interjectors told the Australian people we would never have a carbon tax, then went to the last election with this brochure here, saying that the carbon tax had already been removed, and they are still voting to keep the carbon tax on life support. We had a technical issue today. We look forward to working with the crossbenchers next week to achieve our common goal of removing the carbon tax.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:51): Mr President, I ask a supplementary question. The minister did not answer the last part of my question, whether or not it is the government's position that the carbon price reduction obligation will apply to all businesses. I ask him to answer that question.

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:51): That is a very open-ended question in relation to—

Senator Kim Carr interjecting—

The PRESIDENT: Order! Senator Carr.

Senator ABETZ: One of the good things about the Senate sitting by itself is that the Australian people are now seeing the unlauded behaviour of the Australian Labor Party.

The PRESIDENT: Pause the clock. We will not continue until there is silence. Senator Carr, you are delaying your leader's opportunity for a further supplementary question.

Senator ABETZ: What these amendments will do is to ensure that the ACCC has additional powers to be able to ensure—

Opposition senators interjecting—

Senator ABETZ: and they have responsibility for businesses, Senator Conroy. They will be able to deal with the issue of ensuring that the price reduction that will flow—in other words, $11 million per day impost, which Senator Wong and her team voted to retain again today. That impost will be removed from the— (Time expired)
Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:53): Mr President, I ask a further supplementary question. I refer to the Prime Minister's promise before the last election:

There will not be deals done with independents and minor parties under any political movement that I lead.

Is that still the position? It did not last long, did it?

The PRESIDENT: There was part question and part statement in that. Minister, you can answer which part of the question you wish.

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:54): Thank you, Mr President. The party that promised the Australian people no carbon tax has hardly any credibility to come into this chamber, arguing about consistency—

Senator Kim Carr interjecting—

The PRESIDENT: Order, Senator Carr.

Senator ABETZ: Can I say to the Australian people that the then Leader of the Opposition and now Prime Minister said that he would not do any deals with others to form government—unlike the dodgy deal that the Australian Labor Party did with the Australian Greens, to their eternal shame. Coming from the state of Tasmania, Mr President, as you and I do, we had the double whammy of a state Labor leader saying, 'No deals with the Greens' and then a federal Labor leader saying, 'No deals with the Greens' and then both of them ratted off their promise to the electorate and did a deal with the Greens and destroyed the economy in the process. (Time expired)

Indigenous Employment

Senator SMITH (Western Australia) (14:55): My question is to the Minister for Indigenous Affairs, Senator Scullion. Will the minister advise the Senate on the progress being made to provide real employment opportunities for Aboriginal and Torres Strait Islander peoples?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:55): I would like to thank the senator for his question and his interest in this government's efforts to ensure our First Australians are being embraced in the real economy. I think we have all heard the litany of dashed expectations created by previous governments' attempts, well-meaning though they may have been, to keep Indigenous Australians busy doing activities that, I believe, had no real purpose. Our First Australians deserve better.

Real jobs are the only way to end disparity between Indigenous and non-Indigenous Australians. The government has started a quiet revolution in this area. The government is providing up to $45 million to support new employer driven and demand driven vocational training and employment centres. VTECs provide intensive training and wrap-around support, leading to a guaranteed job and ending the cycle of training for training's sake. VTECs are based on the GenerationOne employment model—a proven model—driven by employer demand for skills to fill real jobs. We have now secured job commitments for 4,070 Indigenous men and women through our VTECs. That is over 4,000 Indigenous people in 21 VTECs across Australia being trained in industries such as hospitality, mining, construction,
retail and health services and many other industries, including small business. Most importantly, I am so delighted to report, 70 of those people have moved from training and are now enjoying work, often for the first time, in training centres in Perth, Brisbane and Sydney.

Senator SMITH (Western Australia) (14:57): Mr President, I ask a supplementary question. Will the minister advise the Senate of the scope of the vocational training and employment centres across Australia?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:57): By the end of this year 5,000 Indigenous men and women will have been trained through the VTECs, taking up real jobs and ending the history of keeping our First Australians out of sight and out of mind through meaningless activity. VTECs have been set up to support and to employ Indigenous job seekers in employment in all the regions, particularly the South Coast of New South Wales, the Kimberley, the Pilbara, North and Central Queensland, the Hunter region and capital cities. Very few areas in Australia will remain untouched by this new way of doing business to end the appalling disparity suffered by Indigenous Australians for far too long.

Senator SMITH (Western Australia) (14:58): Mr President, I ask a further supplementary question. Can the minister advise the Senate of successful partnerships to achieve employment outcomes for Aboriginal and Torres Strait Islander peoples through the vocational training and employment centre model?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:58): The breakthrough in this intractable problem is the result of the government's ability to work in partnerships with other agencies and other jurisdictions, particularly those who share this government's approach and aspirations to end Indigenous disparity. I have to note that this could not have been done without the great work of GenerationOne. GenerationOne manages the Australian Employment Covenant, which secured 60,000 job pledges from Australian companies for Indigenous Australians. Both of these were founded by Andrew Forrest of the Fortescue Metals Group. I would like to congratulate Twiggy and the Fortescue Metals Group for their leadership in this regard. I would also like to take the opportunity to congratulate GenerationOne and thank them for their vision. I think that vision is now shared by many other Australians. I pay tribute to the providers and employers right across the country who have their noses to the grindstone, determined and dedicated to improved job outcomes for First Australians.

Aged Care

Senator POLLEY (Tasmania) (14:59): Congratulations, Mr President, on your elevation to your position. My question is for the Assistant Minister for Social Services, Senator Fifield. I refer to the government's decision to axe the dementia and severe behaviours supplement. Is the minister aware of comments by Leading Age Services Australia CEO Mr Patrick Reid that:

… this action represents the Government turning its back on Australia’s most vulnerable people, their families and the industry that provides specialist quality care 24 hours a day.

Does the minister agree?

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (15:00): I thank Senator Polley for her question. The
decision I took to cease the severe behaviours supplement for people with dementia was not one I took lightly. But the situation this government inherited was one where the previous government in the last financial year had budgeted for a scheme of $11 million applying to 2,000 people. Rather than the scheme designed by the previous government applying to 2,000 people and costing $11 million, in the last financial year it was going to apply to 25,000 people—a slight overrun—and it was going to cost $110 million. The projections for the next four years were that, rather than costing $52 million, the scheme was going to cost $780 million. Let me repeat that: over the next four years the projections were that, rather than costing the $52 million budgeted by the former government, it was going to cost $780 million. In fact, over 10 years it was going to cost $1.5 billion.

This is yet another example of a scheme that was badly designed by the previous government. It is important to emphasise that this was called a dementia and severe behaviours supplement. This was not the base funding for aged-care providers to support people with dementia. About half of Australia’s 180,000 people in residential care have dementia. This was for people with severe behaviours related to dementia. This was a badly designed scheme with a serious cost overrun and, as a responsible minister, I could not sit back and do nothing. (Time expired)

Senator POLLEY (Tasmania) (15:02): Mr President, I ask a supplementary question. Is the minister aware of comments by the CEO of Aged and Community Services Australia, Adjunct Professor John Kelly, that the government’s decision to axe the dementia supplement is:

… more than tragic. I think it’s a travesty.

Do you agree, Minister?

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (15:03): I agree that the planning and design by the previous government was more than tragic—absolutely. It is important to put this in context. This was not a minor miscalculation; this was designed and budgeted for—$11 million—in the last financial year by the previous government but, in fact, it was going to cost $110 million over the next four years. Let me repeat that: the projection was that it would cost not the $52 million budgeted by those opposite but $780 million. Over a decade, it was going to cost $1.5 billion. This was not a situation of my creation; it was a situation I inherited. It would not have been the responsible thing to sit back and do nothing. (Time expired)

Senator POLLEY (Tasmania) (15:04): Mr President, I ask a further supplementary question. Given the rising incidence of dementia in Australia, why is the government axing a supplement which provides a lifeline to those who need it most?

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (15:04): I should also remind colleagues that one of our election commitments which we are delivering in full is $200 million for dementia research. It also bears repeating that the severe dementia behaviours supplement was not base funding for aged-care providers who are supporting people with dementia. It was intended for a very specific and narrow cohort—people with severe behaviours in relation to dementia.

I should also indicate that in the budget we increased the base subsidy to aged-care providers by 2.4 per cent. Indeed, we repurposed $1.1 billion about which the previous
government said to aged-care providers, 'You can have this only if you enter a union enterprise agreement.' We thought that was not fair, so we said to aged-care providers—

Senator Polley: Mr President, I rise on a point of order. I would like you to draw the minister to respond and to be relevant to the question of why the government is attacking those people who are most in need.

The PRESIDENT: The minister has 11 seconds left to answer the question. I draw the minister's attention to the question.

Senator FIFIELD: I am being remorselessly relevant to the question. We said to aged-care providers that we would give them back that $1.1 billion. We have. They know better how to spend it— (Time expired)

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

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Answers to Questions

Senator URQUHART (Tasmania—Deputy Opposition Whip in the Senate) (15:06): I move:

That the Senate take note of the answers given by the Minister for Veterans' Affairs (Senator Ronaldson), the Minister for Finance (Senator Cormann) and the Assistant Minister for Social Services (Senator Fifield) to questions without notice asked by Opposition senators today relating to the Enterprise Connect program, to Future of Financial Advice regulations and to the Dementia and Severe Behaviours Supplement.

I will focus on the answers from Senator Ronaldson about the government's farcical Entrepreneurs Infrastructure Program and its impact on Tasmanian businesses and Tasmanian jobs. Critically, Senator Ronaldson was not across his brief at all on the program. Senator Ronaldson would not answer any of the questions about the cuts to business advisory services in Tasmania. Senator Ronaldson could only take on notice to find out if the innovation centre in Burnie will remain open. The people of north-west Tasmania expect a guarantee from the minister and the local member in coming days, not in months, through the questions-on-notice process.

I have seen the value of the Enterprise Connect service firsthand across north-western Tasmania. Under the previous Labor government, Enterprise Connect provided small to medium enterprises and companies with access to infrastructure and services to help them navigate business challenges and grow jobs. Almost $1.4 million was provided by the previous Labor government to 104 small- to medium-income firms across Tasmania. Recipients from north-western Tasmania included Anvers confectionery, Forth Farm Produce, Joinery Products, Penguin Composites and SERS engineering. Critically, a number of these firms have accessed grants from Enterprise Connect on two, three and sometimes more occasions. This is logical. A small to medium firm faces new challenges. They of course may want to utilise Enterprise Connect's valued advisory services or infrastructure grants on a second or third occasion.

This week it was announced that 350 jobs would go at the Henty gold mine and the Mount Lyell copper mine on Tasmania's west coast. The west coast is an important part of the Mersey-Lyell region, which has already been identified as one of the most economically vulnerable in Australia. The Mount Lyell mine has been the lifeblood of Queenstown, on
Tasmania's isolated west coast, since the 19th century. The Henty gold mine, some 20 kilometres north of Queenstown, will have been operational for roughly 20 years when it closes next year. I commend the leadership demonstrated by the Australian Workers Union officials Robert Flanagan and Ian Wakefield and the Tasmanian Labor leader, Bryan Green, in calling for a community-led federal-state west coast Tasmanian employment task force, to provide leadership, work with business and community and create jobs on the west coast of Tasmania. I welcome the news that the Tasmanian government has moved to establish a west coast economic working group involving the state government, West Coast Council, Copper Mines of Tasmania, the AWU and the community members.

I was in Queenstown last week and attended the Rotary Club's weekly meeting. Those present were aware of the need to diversify the local economy and were reaching out for assistance to make things happen rather than just talk about change. They were talking about expanding the aquaculture, fishing and tourism industries in particular, as well as support for new mines in the region. To make things happen requires finance, and the federal government is the only tier of government capable of providing the required assistance, whether in business advisory services like Enterprise Connect or co-investment grants like the previous Labor government's investment with the aquaculture industry in Macquarie Harbour.

I am deeply concerned by comments from the federal member for Braddon, Mr Brett Whiteley, on the mine closures. It would be natural for Mr Whiteley, as the local federal government representative, to also be on the state government's working group, but Mr Whiteley's response was simply that the challenges facing the region would be discussed at the meeting of the Prime Minister's Tasmanian Economic Council. However, this council is not due to meet until later in July, and reports are that it has a lengthy agenda, so how much time will actually be spent on specific west coast employment issues is anyone's guess. Mr Whiteley, your constituents on the west coast need your help now, not in a few weeks time.

Mr Whiteley, the federal government needs to play an active role in any working groups for employment on the west coast. Both sides of this place agree that government does have a role to play in creating jobs, and, despite Prime Minister Abbott's so-called budget emergency, the federal Liberals are providing $16 million for a tourism expansion at Cadbury's chocolate factory, located next door to the world-famous MONA museum, a long, long way from the west coast of Tasmania. Mr Whiteley's stated priority upon election was 'jobs, jobs and jobs', but the people of the west coast want action, not words. (Time expired)
multifaceted business, never once did I have the state Labor government or any of their representatives come to me to see if they could assist in any way to encourage further employment. One business alone—the Burger King business—which I had as part of my Shell business in Hobart employed some 60 young people, and in all instances it was their first job.

I will tell you who my biggest clients were, Deputy President, because it is a sad litany when we see where those industries now are in Tasmania. The first was the forestry industry, a renewable industry, a phenomenal industry, north and south. Triabunna is a place that our leader in the Senate, Senator Abetz, is well aware of. The Triabunna mill, on the south-east coast of Tasmania, was critical, pivotal, to the forestry industry but, as a result of a deal done between the Greens and Mr Graeme Wood—no doubt following in some way a connection with a $1.6 million donation—the Triabunna mill was cut off at the knees, ceased to be a mill and became some sort of tourist venture, and there went one of the biggest employment groups and one of the biggest sustainable industries in Tasmania at the same time. It had employed people up and down the length and breadth of Tasmania.

The second industry—one that I know was sustainable, because I watched their activities and I provided a service to them 24 hours a day, seven days a week—was the fishing industry, both in southern Tasmania up to the Derwent, over at Bicheno, right up the east coast and across the north. I probably had about two-thirds of the Tasmanian fishing clients whose fuels and lubricants I supplied. What has happened to them? Again, they are dying on the vine.

As Senator Abetz would be aware, one of my best clients was Hydro Tasmania. I sold them very high-value, high-margin lubricants. I will tell you why I did that: because the then Labor government in Tasmania were ripping money out of hydro and failing to put the funds back into much-needed maintenance. In every cloud there is a silver lining and the silver lining for me was a very, very good trade in lubricants—which should never, ever have had to be used had that not been the case.

Now I turn to another industry—the aquaculture industry. Tasmania is leading the world in the aquaculture industry, but what do we now fear? As a result of perverse environmental pressures being put on that industry, we see the lack of expansion and I fear, Senator Polley, a reduction of an industry that is capable of creating more employment in the state of Tasmania—the very points that Senator Urquhart was making in her question to Senator Ronaldson. If nothing else, Senator Urquhart could have assisted this very day in reducing the burden on households and businesses—small and large—in the state of Tasmania by getting rid of the carbon tax, which must be hurting the businesses and the households in Tasmania.

As we know, the cost of heating in Tasmania is higher because of the cold climate. Unemployment is high in Tasmania. I know the cost of electricity in Tasmania, Senator Polley: it was higher than it was in my home state of Western Australia. So when I hear Senator Urquhart talking to my side of government about creating employment opportunities, I say, thank God for the Will Hodgman-led coalition government, because it got rid of 16 years of failed Labor governments in the state of Tasmania.

**Senator Polley** (Tasmania) (15:17): Again, Mr Deputy President, I congratulate you on your elevation to this high office. I take exception to the comments from my learned colleague across the chamber: it is not cold in Tasmania; we have a perfect climate down
there. Secondly, we were in government for 16 years in Tasmania, and Tasmania is better off for it. I can guarantee you one thing: Will Hodgman will not be Premier for 16 years.

I would like to revisit the question I put to the minister in relation to aged care and the dementia and behaviour supplement. I want to talk about how the representatives from the aged-care providers reacted to the decision that was taken unceremoniously, I might add, and without any warning, to axe the dementia and severe behaviours supplement, a supplement to assist those who are at the most vulnerable point in their lives. Dr John Kelly, head of Aged & Community Services Australia, said:

It enables my members across 1,800 facilities around Australia to provide extra support. They may be able to put on a specialist, they may be able to put on a person with dementia training … We're going to miss out on that.

He went on to say:

Dementia is a chronic condition. To think that you're going to pull money out of something that's been identified as a priority health need and something that's intrinsic in the care of those older Australians, it's more than tragic. I think it's a travesty.

But what about the for-profit sector? Were they impressed? No, they were just livid and absolutely scathing of this government. Patrick Reid, as I mentioned in my question, the head of Leading Aged Services Australia, said:

The Minister cites the reason for ceasing the supplement as a budget blow-out that has been known since August 2013; this action represents the Government turning its back on Australia's most vulnerable people, their families and the industry that provides specialist quality care 24 hours a day.

In fact, the for-profit providers were so incensed by this decision that they met in Melbourne last Thursday to vent their disgust. They face an uncertain future. They are wondering every day just how they are going to provide care and support for those people at the most vulnerable point in their lives. They obviously cannot abandon those with dementia. It is not an option, so this decision by the government constitutes another hit to the pocket of providers, many of whom survive on a very slim profit margin.

There is the question about consultation: was there any consultation with the sector? Senator Fifield reckons there was and he said that he consulted the aged-care sector committee, a committee set up to consult on issues like this, as well as unspecified experts.

But did this actually happen? I can inform you, no, because Patrick Reid said:

At no stage was the committee consulted on the cessation of the funding.

There was no consultation, no warning, and those who were in the chamber last Thursday remember that the minister just snuck in here for the last question time of the previous Senate and made this announcement: no warning to the sector; no consultation with the sector, leaving the most vulnerable people and those who provide this valuable service out in the cold.

This is just further evidence that this government does not have a plan for dementia just like they have no plan for aged care generally, and there is no minister for aged care or for ageing. By all accounts, Mr Fifield has decisions thrust upon him from high. It is not just me saying that we do not have an aged-care minister or a minister for ageing; quite frankly, that is what the sector is saying.
The sector and the Australian community also remember that, during the Howard government, there were five different ministers for ageing, and none of them seemed to have any particular interest in the issues that involved older Australians. (*Time expired*)

**Senator Edwards** (South Australia) (15:22): I rise to take note of answers from Ministers Fifield, Cormann and Ronaldson. I listened to Senator Urquhart's contribution here and her confected outrage. It is admirable that she talked about 'her' Tasmania, but I did not hear any mention at all about the fact that, when she was in government, there was no further funding beyond 30 June 2014 for trade training programs—the 200-odd trade training programs around this country—and she did not actually tell all those people that there was no budget provision for it beyond 30 June 2014.

I did hear Minister Ronaldson talk of the $500 million industry skills fund, which, as part of the initiative, is to provide $20,000 loans to apprentices to ensure that they are able to finish their apprenticeships. This is a good thing for rural Tasmania, rural South Australia and rural Western Australia. In all of those places this is an incentive. I have an apprentice in my family and I know how important and how good this would have been for him three years ago when he started his carpentry apprenticeship.

I also take note of the fact that, since this government has come to power, we have a wage subsidy for people caught up in workforce exclusion. There are now trade support loans for apprentices—support for apprentices in places like Whyalla, which we hear about so often in this chamber in relation to the carbon tax debate. There are reallocation allowances of $6,000, allowing people in the northern suburbs to relocate to places where there is plenty of work, where the jobs are—like Port Lincoln. This is trying to match employment with market forces with the assistance of the government—a friendly government looking to facilitate those people who want to work, who want to get to the places where the work is being offered. For the long-term unemployed, $2½ thousand will be paid to them if they stay in work for more than 12 months.

Also, a program has started in the northern suburbs of Adelaide, out of Gawler. Work for the Dole actively tries to re-engage the now 45 per cent of unemployed youth in the northern suburbs of Adelaide. We are trying to provide a culture where they can learn to work, learn to come to work to be around people who understand work programs. This program is trying to create a culture of worth and stability in their lives, where their work is valued and they gain the skills with which they can make a valuable contribution not only to their families but also to the community in which they serve.

**Senator Gallacher:** Tell Eric that north Adelaide does not have high unemployment.

**Senator Edwards:** I will take that interjection from you, Senator Gallacher, because one of your colleagues in the other House, the member for Wakefield, notoriously wrote to the electorate prior to the 7 September election last year and promised that he had saved the workforce of General Motors Holden. He promised, 'I have saved the workforce of General Motors Holden until 2022.' That is what he cruelly promised the workers of General Motors Holden. History will judge him for that statement. When you put something like that in writing—

**Senator Kim Carr:** You hounded them out of the country.
The DEPUTY PRESIDENT: Senator Edwards, resume your seat for a moment. The Senate needs to come to order. Senator Edwards, you have the call.

Senator EDWARDS: Thank you, Mr Deputy President. I thank you for that protection. You cannot change the subject: you have either saved Holden or you have not. That is what he promised the electors of South Australia.

Senator Kim Carr: You hounded them out of the country.

Senator EDWARDS: It was on your watch, Senator Carr.

Senator Kim Carr: No, it was on your watch.

Senator EDWARDS: It was on your watch that you watched them slide into what is now known—

(Time expired)

Senator DASTYARI (New South Wales) (15:27): I rise to speak on the motion before us. What we saw today was just extraordinary—once again, another day, another opportunity to table the FoFA obligations, and the minister once again refused to do so. I want to bring the Senate's attention to what actually had been agreed on by this Senate only hours earlier today, and that was 'That there be laid on the table by the Minister for Finance, no later than 1.50 pm on Thursday, 10 July 2014, the Corporations Amendment (Streamlining Future of Financial Advice) Regulation 2014.' The Senate itself called on the minister to table these documents and he refused to do so.

The minister, in answer to a question to him today, showed a lack of understanding or appreciation of what processes had actually been undertaken. The simple fact is that these documents have been prepared for tabling, and it was the intrusion of Treasury officials to the Office of the Parliamentary Counsel that stopped them being tabled. The minister or somebody within the government has instructed that these documents not to be prepared for tabling. It is an incredible breach. Let us be clear: this is not about giving people an opportunity to understand them. The minister knows the will of the Senate on this issue. This is about delay, delay, delay. It is not as though the regulations he will not table are not significant. For example, part 7.7A2, 'Best interests duty—identifying objectives et cetera disclosed' says:

1) This regulation:
   (a) is made for paragraph 961B(5)(a) of the Act; and
   (b) prescribes a step (the prescribed step) in substitution for the step mentioned in paragraph 961B(2)(a) of the Act;

What does that mean? That means that this is nothing other than a watering down of the best interests duty—a watering down of the protections that have been provided.

The minister repeatedly has said at different points in time that by watering down these reforms, by adopting his regulation, it will not return to commissions or sales incentives or conflicted remunerations. He said that those matters are not going to come back. Frankly, that is not the case at all.

There are nine separate ways that kickbacks have been reintroduced by this government: the general advice exemption, which allows people to be able to narrow the scope of advice to get around the bans on conflicted remuneration by allowing commissions on execution services, a loophole to keep commissions by having a different adviser execute or implement
the advice that other advisers initially provided; by allowing banks to pay commissions on all
basic banking products extending the already broad exemption for basic banking products so
that it applies to all staff, including financial planning staff; and by permitting ongoing asset
fees, indefinitely allowing them to continue. The list goes on and on.

What does this mean? It means the basic protections, the fundamental protections, that
people had been provided through the initial Future of Financial Advice reforms are being
stripped by these regulations. In light of recent discoveries, in light of a Senate committee
report that outlines the sheer horror of what has gone on in some of these sectors, it is
unconscionable that this government make the decision that now is the appropriate time to
water down these reforms. It is not. There are too many stories of people being ripped off and
it is wrong for the government to want to side with a handful of crooks, shonks and conmen,
who have given the financial services industry a bad name and are salivating at the
opportunity to go to bad old days of financial advice when the regulation was at a minimum
and they were able to keep clipping the ticket and keep making a buck at the expense of the
people they were there to serve.

Senator McEWEN (South Australia—Opposition Whip in the Senate) (15:32): Pursuant
to standing order 168(3), I move:

That Senator Dastyari be required to table the document from which he has quoted, that being the
Corporations Amendment (Streamlining Future of Financial Advice) Regulation 2014 Select
Legislative Instrument No. 102, 2014.

The DEPUTY PRESIDENT: The question is that that motion be agreed to. Those of that
opinion say aye and those against say no—

Senator Bushby: I draw your attention to the state of the chamber.

(Quorum formed)

The PRESIDENT: The question is that under standing order 168, the document being
quoted by Senator Dastyari be tabled and the motion moved by Senator McEwen be agreed
to.

The Senate divided. [15:39]

(The President—Senator Parry)

Ayes .................34
Noes .................31
Majority .............3

AYES

Bilyk, CL
Bullock, J.W.
Carr, KJ
Conroy, SM
Di Natale, R
Hanson-Young, SC
Lines, S
Ludwig, JW
Madigan, JJ
McLucas, J
Moore, CM
O'Neill, DM

Brown, CL
Cameron, DN
Collins, JMA
Dastyari, S
Gallacher, AM
Ketter, CR
Ludlam, S
Lundy, KA
McEwen, A (teller)
Milne, C
Muir, R
Peris, N
The PRESIDENT (15:41): I call on Senator Dastyari to table the document.

Senator DASTYARI (New South Wales) (15:42): I table the document from which I quoted earlier.

Senator DASTYARI (New South Wales) (15:42): I move:

That the Senate take note of the answer given by the Minister for Employment (Senator Abetz) to a question without notice asked by Senator Siewert today relating to youth unemployment.

I rise to take note of the answer given by Senator Abetz to my question on employment, particularly as it relates to youth unemployment and young people being dropped off income support for six months. I am particularly concerned about the minister's answer because I believe that the approach taken is in fact assuming a level playing field for people who are
unemployed, particularly young unemployed people. It assumes that there is a good supply of appropriate, ongoing jobs for people to just walk into. As we heard yesterday from Senator Fierravanti-Wells, the government is coming from the approach that, if you are unemployed, it is a lifestyle choice, which of course we know is nonsense.

The Anglicare Australia report titled *Beyond supply and demand: addressing the complexities of workforce exclusion in Australia*, which was released today, makes some very important points about workforce exclusion. It says that workforce exclusion is both complex and enduring, particularly for those people who are disadvantaged. The Anglicare report is a timely reminder that we need to treat people as individuals and to view them as people rather than as statistics or as people who are simply making a lifestyle choice to remain unemployed. The report recognises that people are struggling to find work and that they face a complex set of barriers that we need to address. Therefore, we need to address their individual circumstances and not jump to Senator Abetz's conclusion that this is simply about industrial relations, which it quite clearly is not. He knew very well that that is not what I was referring to. We know that punishing people and shaming people is neither an effective nor a sustainable approach to assisting people out of poverty and into work and nor does it help them to overcome their barriers to employment or engage them meaningfully in a long-term way in the workforce.

The report provides further evidence to this end, and it makes the point that how people are treated by employment services is important for effective outcomes. I have had numerous reports where people are not being treated appropriately by jobs and employment service providers. The report found that the most effective programs used a case management model, including providing post-employment support and tailored services that meet individual needs. The most effective programs had strong links with local employers and other support services. Most importantly, perhaps, was that the effective programs focused on placing people in quality jobs with good employment conditions—in fact, focusing on sustainable, long-term outcomes. A key finding is that services need to acknowledge the person at the centre of workforce exclusion and their circumstances. It is also important to remember that not all employment is necessarily good employment, and if people are forced into a position where they have a very negative employment outcome—again, I have had lots of feedback on that—it further entrenches workforce exclusion rather than contributing to positive, long-term, sustainable outcomes. The problem here is that the government's approach of 'Let's drop people onto six months of no income support' is further entrenching and, in fact, providing more complexities to people being able to find work, and it is not an incentive based approach; it is a punishing approach which does not lead to long-term sustainable outcomes.

The other question I asked as part of my supplementary question was about some of the provisions that the government is putting in place in the budget. Two of those were around further wage subsidies and the job commitment bonus. When I asked this in estimates I did not get a good answer, and that is why I asked here. Wage subsidies, it looks like, will not be available for part-time or casual work if you can find ongoing part-time work. If you do find part-time work, when you have come off Work for the Dole, you go back onto the cutely-called Newstart nil payment, which of course further punishes people and leaves them in a very bad position, further entrenching poverty. But wage subsidies will not be available if you find part-time work. Why is that, when we know that when you are first starting employment
it is often part-time or casual work? Again you are discriminating against people who are struggling to find work, who are struggling to get a foothold into employment. Bang—yet again, you are being discriminated against. You are not going to get a wage subsidy. If you can keep and maintain part-time work, which is what the Job Commitment Bonus is supposed to be about, it looks like you are not going to get that either. Again, this is really providing a disincentive to young people and, in fact, older workers who are trying to find work.

We need to improve our employment services and how we support young people in particular into work and sustain them in quality work.

Question agreed to.

COMMITTEES

Joint Standing Committee on National Capital and External Territories

Government Response to Report

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (15:48): I present two government responses to committee reports, as listed at item 14 on today's Order of Business. In accordance with the usual practice, I seek leave to have the documents incorporated into Hansard.

Leave granted.

The documents read as follows—

AUSTRALIAN GOVERNMENT RESPONSE TO THE REPORT OF THE JOINT STANDING COMMITTEE ON NATIONAL CAPITAL AND EXTERNAL TERRITORIES INQUIRY INTO THE ALLOCATION OF LAND TO DIPLOMATIC MISSIONS IN THE AUSTRALIAN CAPITAL TERRITORY (ACT)

Preamble

The Australian Government (the Government) welcomes the opportunity to respond to the report of the Joint Standing Committee on the National Capital and the External Territories’ (Committee) Inquiry into the Allocation of Land to Diplomatic Missions in the Australian Capital Territory (Report), published in March 2013.

The inquiry highlighted the need for an Australian Government policy to address the shortage of National Land to accommodate the anticipated future demand for diplomatic missions, supported by a National Capital Authority strategy for long term allocation of land.

This response seeks to balance the interests of the Commonwealth, the ACT Government, the diplomatic community and the residents of the Canberra community given the uniqueness of Canberra’s purpose built, planned city and the nature of the zoning of land as National Land or Territory Land.

It also takes into account Australia's international obligations under the Vienna Convention on Diplomatic Relations 1967 to facilitate the acquisition of diplomatic missions and safeguard the mission against intrusion or damage.

Considerations for Diplomatic Missions in the Australian Capital Territory (ACT)

Diplomatic missions play an important role in signalling a country's profile in and relationship to Australia, channelling communication between the country and Australia, representing and promoting the country's interests to Australia, and fostering and developing economic and cultural links with Australia.
Currently, Canberra, as the National Capital, hosts 101 diplomatic missions, 53 of which are located in the diplomatic estate. Given Australia's increasing international role and importance, the demand for land for diplomatic missions is strong. Processes are in train for the establishment of four new diplomatic missions and enquiries have been received regarding the establishment of a further seven diplomatic missions. The Government understands that open National Land in the ACT, such as Stirling Ridge, is used recreationally and enjoyed by residents. The allocation of land and establishment of diplomatic missions needs to be considered in the context of national interest, security, and maintaining productive foreign and trade relations noting international obligations.

There are also the financial implications of purchasing Territory Land if suitable National Land is unable to be obtained.

In recognition of these complex issues, it is imperative that a long term strategy regarding the allocation of National Land for diplomatic missions be developed.

Recommendation 1
The Committee recommends that, in order to better utilise limited resources for the allocation of land to diplomatic missions, the Australian Government implement:

* Strengthened policies and regulations surrounding diplomatic leases to ensure compliance, with the policy of resumption of land within 36 months where development has not commenced being rigorously enforced
* Medium- and high-density options for housing chanceries
* Policies to allow the subdivision of existing sites within the diplomatic estate
* A policy framework that allows more extensive use of residential and commercial properties to house chanceries, along the lines adopted in Washington DC
* In the future, a steady evolution towards a more commercial approach (as in Washington DC) should be encouraged.

Agreed
The Government supports the Committee recommendation to improve the policy regarding land allocation for diplomatic leases. At present there is no specific plan or policy governing the location of diplomatic missions. This function is managed by the National Capital Authority on behalf of the Commonwealth, in consultation with the Department of Foreign Affairs and Trade and relevant security agencies. There are no legislative criteria for managing the location of diplomatic missions and administrative arrangements have evolved over time in an ad hoc manner. The Department of Infrastructure and Regional Development will develop an Australian Government land allocation policy to address the shortage of National Land to accommodate the anticipated future demand for diplomatic missions, supported by a National Capital Authority strategy for long term allocation of land.

The development of a policy will ensure a better coordinated and consistent approach to land allocation for diplomatic missions and will aid in providing greater clarity on diplomatic leasing issues.

The development of a policy will need careful consideration and time given the complexity of these issues. The Government has commenced early engagement with relevant government stakeholders to progress matters arising from the report.

The Government notes that there are a number of complex issues concerning diplomatic land allocation including maintaining diplomatic relations and the security of foreign nationals whilst also being sensitive to community interests. The policy will need to be developed with specific regard to the Australia's obligation under the Vienna Convention on Diplomatic Relations 1967.

In the interim, site allocation issues will be addressed on a case-by-case basis involving careful consultation with relevant ministers, the community and the National Capital Authority.
Recommendation 2
The Committee recommends that the National Capital Authority develop a long term strategy for the allocation of land to diplomatic missions in the Australian Capital Territory. This strategy should be developed in conjunction with the Department of Foreign Affairs and Trade, Australian Federal Police and ACT Government and integrated with the National Capital Plan and the Territory Plan. It should forecast demand and supply and establish the various mechanisms by which these forecasts may be met, including:

* Designating sites for future diplomatic enclaves
* Establishing a clear and binding framework for the granting and resumption of leases to diplomatic missions
* Creating a policy for medium and high density properties
* Establishing a framework for more extensive use of residential and commercial properties for chanceries
* Managing impacts on local residents
* Working out what role the private market might play.

Noted
The Government noted the Committee recommendation for the National Capital Authority to develop a long term strategy for the allocation of land to diplomatic missions in conjunction with key stakeholders.

The Government understands the importance of balancing the needs of the national government, local government, diplomatic community and the residents of the Canberra community to ensure that Canberra's diplomatic, economic, cultural community links are maintained.

The Government will ask the National Capital Authority to develop a strategy for long term allocation of land to ensure an inter-jurisdictional approach and alignment with the land allocation policy.

Recommendation 3
The Committee recommends that Draft Amendment 78 (DA78) be withdrawn.

Noted
The Government notes this recommendation and considers this a matter for the National Capital Authority.

The Government understands that the National Capital Authority responded to the Committee's report on 17 April 2013 and, in line with Recommendation 3 of the report, will be withdrawing Draft Amendment 78.

Appendix A: Acronyms and Abbreviations

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<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>ACT</td>
<td>Australian Capital Territory</td>
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<tr>
<td>JSCNCET</td>
<td>Joint Standing Committee on the National Capital and External Territories</td>
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<tr>
<td>Minister</td>
<td>Minister for Infrastructure and Regional Development</td>
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AUSTRALIAN GOVERNMENT RESPONSE TO THE REPORT OF THE JOINT STANDING COMMITTEE ON NATIONAL CAPITAL AND EXTERNAL TERRITORIES INQUIRY INTO THE PROVISION OF AMENITY WITHIN THE PARLIAMENTARY TRIANGLE

Preamble

The Australian Government (the Government) welcomes the opportunity to respond to the report of the Joint Standing Committee on the National Capital and the External Territories' (Committee) Inquiry into the provision of amenity within the Parliamentary Triangle (Report), published in June 2013.

The terms of reference of the inquiry were broadened by the Committee, from investigating amenities in the 'Parliamentary Triangle', a colloquial term used to define the land bounded by State Circle, Commonwealth and Kings Avenues, and Lake Burley Griffin to the 'Central National Area' (CNA).

The CNA is formally defined as the Parliamentary Zone and its setting; Lake Burley Griffin and Foreshores; the Australian National University; the Australian Defence Force Academy; Duntroon; Campbell Park and Canberra Airport/RAAF Base Fairbairn. Also included are diplomatic lands at Yarralumla, O'Malley, West Deakin and Red Hill\(^1\). This broadening of scope ensures consideration of the suburbs of Russell and Acton, areas that will be impacted by the introduction of pay parking on National Land, a precursor to the inquiry.

The Report makes three recommendations to improve amenities in the CNA by proposing the National Capital Authority (NCA): (1) develop a strategy for the provision of amenity, with funding from the Government; (2) report regularly on that strategy; and (3) that the NCA work with the ACT Government to improve access to public transport to and in the CNA.

In addressing the recommendations of the Committee, the Government is aware that one of the responsibilities of the NCA is to maintain or enhance the character of the National Capital. With this in mind the Government is keen to ensure the integrity of the CNA is maintained, including Commonwealth and National Heritage Listed areas and buildings, while accommodating amenities to meet the requirements of workers in the CNA.

Recommendation 1

The Committee recommends that the Australian Government direct the National Capital Authority to develop a strategy for the provision of amenity within the Central National Area, including the Parliamentary Zone, and provide funds for the development of the strategy in the 2014–15 budget, incorporating:

- Provision of retail services
- Provision of parking
- Provision of access by public transport
- Provision of childcare
- Timelines for development
- Development responsibilities

Agreed in part

The Government agrees that the NCA will develop a strategy for the provision of amenity within the CNA including timelines and responsibilities. Any funding required for the NCA to develop the strategy would be considered as part of normal Budget processes and made within the overall Budget settings and in consideration of Government priorities.

The NCA will conduct a comprehensive audit to identify any shortfalls in the CNA precincts in order to prepare a baseline needs analysis for services. The NCA will also consider the impacts that increased amenity and increased public transport would have on parking availability in the CNA. Based on this, the NCA will employ strategies to address any shortfall and amend or develop policies to ensure the
strategies can be employed. If appropriate, the NCA may showcase demand and assist industry in working efficiently with the NCA to provide services in the area.

The Government notes that there are no legislative or planning obstacles currently in place which prevent amenities operating in the CNA, and in some precincts planning frameworks mandate that amenity space be provided. While the Government has a legitimate and important role in encouraging appropriate commercial development in the CNA and ensuring appropriate regulatory settings exist for such development to occur, it is the role of retailers, services suppliers and building owners to make commercial decisions regarding the viability of setting up businesses. The Government notes that the NCA has already engaged with owners of existing businesses encouraging them to consider expanding their services.

Specifically in considering the provision of childcare services in the area, should new centres be required, the planning and development of centres would need to take into account the relevant regulatory requirements.

The NCA will also work with the ACT Government to promote and negotiate any strategies that may enhance the provision of public transport in the CNA including negotiating a ‘park and ride’ facility on a suitable site as recommended in Recommendation 3.

Recommendation 2
The Committee recommends that the National Capital Authority provide a twice yearly report on development of amenities to the Committee as part of its regular biannual briefings.

Agreed
The Government agrees that the NCA will provide a report on the development of amenities, as proposed in the response to Recommendation 1, to the Committee on a biannual basis.

Recommendation 3
The Committee recommends that the National Capital Authority negotiate with the Government of the Australian Capital Territory upon the development of a ‘park and ride’ facility on a suitable site in order to improve access by public transport to the Parliamentary Zone, and making permanent the Centennial Year shuttle bus.

Agreed
The Government agrees that the NCA will work with the ACT Government regarding a ‘park and ride’ facility on a suitable site and explore options for a permanent shuttle bus based on the Centennial Year bus route.

The Government notes that the NCA has already publicly committed to working closely with the ACT Government to ensure public transport services meet levels of demand in the CNA.

Appendix A: Acronyms and Abbreviations

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<th>Acronym</th>
<th>Description</th>
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<tr>
<td>ACT</td>
<td>Australian Capital Territory</td>
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<td>Committee</td>
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Appendix B: Central National Area
Map can be obtained the National Capital and External Territories Committee.

Order for the Production of Documents

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (15:49): I table a document relating to the order for the production of documents concerning the Air Warfare Destroyer project. I also table a document relating to the order for the production of documents concerning the Corporations Amendment (Streamlining Future of Financial Advice) Regulation 2014.

BUDGET

Community Affairs Legislation Committee
Consideration by Estimates Committees

Senator BUSHBY (Tasmania—Government Whip in the Senate) (15:49): I present additional information received by the Community Affairs Legislation Committee relating to estimates.

DOCUMENTS
Tabling

The Clerk: Documents are tabled pursuant to statute. Details will be recorded in the Journals of the Senate and on the Dynamic Red.
Details of the documents also appear at the end of today’s Hansard.

COMMITTEES

Environment and Communications References Committee
Foreign Affairs, Defence and Trade References Committee

Membership

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (15:50): by leave—I move: That:
(a) Senator Siewert replace Senator Waters on the Environment and Communications References Committee for the committee’s inquiry into the National Landcare Program, and Senator Waters be appointed as a participating member of the committee; and
(b) Senator Lambie be appointed as a participating member of the Foreign Affairs, Defence and Trade References Committee.
Question agreed to.

MOTIONS

Higher Education Funding

Senator KIM CARR (Victoria) (15:50): I move:
That the Senate condemns the Abbott Government’s vicious cuts to higher education and the devastating impact they will have on regional students, families and universities.
Since the government unveiled its grand plan for higher education in the budget, the Minister for Education has spent a lot of time touring regional Australia. He is desperately trying to
spruik the benefits of what he sees as a deregulated system, as well he might, because regional universities and their students are likely to be the biggest losers if the proposed changes are ever implemented—the biggest losers, that is, amongst a litany of losers. All universities will be losers because of the $5.8 billion that the government is taking out of the higher education system. That includes a 20 per cent cut in course funding. So nearly all students in some way will lose because most will have to pay higher fees and take on much bigger HECS debts.

To recap, this is a budget that has shaved $3.2 billion from the HECS-HELP arrangements. These are arrangements that Australia has developed. They have been highly successful. They are internationally renowned as income-contingent contribution schemes. There have been proposals for the repayment threshold to be lowered and for real rates of interest to be charged on student debts. For some courses, the new HECS loan repayment will be at real rates of interest, which will mean debts in excess of $100,000 to get a university degree.

The government will be seeking to have the opportunity for universities to actually charge tuition fees for Australian students studying award courses within Australian universities. What we are seeing here is a tactic that clearly is not working for the government—a tactic being pursued where we have seen that not one of Australia's 39 vice-chancellors has given unqualified support to the higher education changes. It is a fact that all the vice-chancellors in Australia understand the enormous risks in what the government wants to do. They will all feel the force of the questions posed by those amongst them who are publicly questioning the government's direction. Take for instance the Australian Catholic University's Professor Greg Craven. He asked:

Is it really worth a couple of Australian universities getting very slightly better … at the cost of the remainder becoming very much worse?

In other words, the minister is willing to inflict substantial damage on a system built on equality of opportunity to pursue his illusionary goal of transforming some of the elite so-called sandstone universities into Australia's equivalent of Harvard or Stanford. He says that Australia will never have a world-class university unless universities can set their own fees, unless the higher education market is opened up so that non-university providers can compete for the diminished pool of public funds and unless students take on much bigger shares of the cost of their education.

Minister Pyne praises the American model of higher education without acknowledging what it actually means for the overwhelming number of Americans who can never attend a university such as Harvard or Stanford because their families are simply not wealthy enough and there are not enough scholarships. The minister should heed the warnings of someone who understands the American system much better than he does, such as the Nobel Laureate for Economics Joseph Stiglitz. He was recently visiting Australia and published an article in The Guardian today. In this article, Professor Stiglitz points out that, in the United States, total student debt is now more than $1.2 trillion. That is more than the entire United States credit card debt. It is not only a burden for individual graduates—it is a lifetime burden, in many cases—but it is now also an increasing burden for the entire United States economy. Professor Stiglitz says the failed US model of higher education funding is one of the reasons that, among the advanced countries, the United States now has the least equality of opportunity.
During his time in Australia, Professor Stiglitz repeatedly pointed out—and he advised the Prime Minister accordingly—that the Prime Minister and the education minister clearly do not understand the consequences of following through with an American model that they profess to admire so much. They simply have not grasped that none of the great US universities is a for-profit institution. It is not price competition that has made Harvard, Yale or Stanford great universities in the world. It is a competition of a very different type that has led to the success of elite US universities. They are either publicly funded or they are all supported by very large endowments that dwarf the operating budget of the entire higher education system in this country. It is their reputation for excellence in research that has made them the envy of the world. Of course, much of their research is actually funded by the US government. As for the so-called under-regulated US universities, they are indeed run on a for-profit basis. Professor Stiglitz says they:

… excel in two dimensions: the ability to exploit young people from poor backgrounds, charging them high fees without delivering anything of value, and the ability to lobby for government money without regulation and to continue their exploitative practices.

It is part of the US higher education experience with which many people would be familiar. It is not the Harvards or the Stanfords that Mr Pyne's reforms will impose on Australia.

I repeat: the United States has some of the best universities in the world, but it has many of the worst. The consequence of the policies being pursued in this country by this government will lead us not to the very best in the world but to some of the very worst. The open higher education market that Minister Pyne pines after will, of course, be an under-regulated system because the legislation before this chamber removes the national regulator from its critical role as the quality assurance regulator. TEQSA, under this government, has had its budget cut by $31 million; almost half of its funding has been taken away, and its functions have been reduced. So it has been deprived both of its resources and its powers to oversee at a time when the government is proposing that we have a very significant increase in the numbers of entrants into the so-called higher education market. So Minister Pyne's arrangements leave us with a shrunken regulator, the reductions to which will actually provide it with less opportunity to give proper supervision for accrediting courses and will mean that the minister, under these legislative changes, will have greater powers for personal direction.

All of this produces a very grave set of circumstances, particularly for regional universities. It is these universities and these students in the regions that will be amongst the biggest losers, as I have said, in this so-called brave new world of Minister Pyne's. They are already struggling to compete with the older, established universities that have benefited from in excess of 150 years of public investment. They are already losing students to these universities, which are able to lure students who can afford to move to the cities to study. Students who cannot easily afford to move have been attracted to regional universities, which do a very good job. As a result, regional universities have a much higher proportion of students from working class backgrounds. Poorer students tend to go to the regional universities. Almost one-third of the students from Central Queensland University, for example, are from low-income families, compared to only seven per cent at the University of Melbourne.

Regional universities do have a very special role in promoting equality of opportunity. They do create opportunities, and often for students who are the first in their families to
receive a university education. So the proposals to increase the pressures on these universities is clearly something the Labor Party will reject. These are universities that do provide this nation with a capacity to increase its knowledge base, a capacity to be more responsive to local needs, and a capacity to ensure that we have high-skill, high-wage jobs in the regions themselves. Under the minister's deregulation system, they will not have a special role. The minister of course claims that they will be able to have access to Commonwealth supported places. That is, of course, one of the great Orwellian expressions of this package, because these are not Commonwealth supported scholarships that he is talking about; the Commonwealth supported places that they are proposing will have to be produced on the basis of 20 per cent less funding from the government. If the minister really does believe that the change will brighten the future for regional universities, then he clearly does not have an understanding of what actually happens within the higher education system itself.

We know that the smaller universities, the regional universities, with a higher proportion of students from low-income backgrounds, will have to raise their fees. They will be appealing to people who have less capacity to pay. They will, of course, therefore be under greater pressure. When they do raise their fees, they will have to make decisions about what they cut. They will not be able to meet the funding requirements that this government is imposing upon them, and it is simply not good enough to say that it is a matter of choice for them, because the universities will have to decide what they cut as well as how much they increase fees to compensate for the loss of government revenue.

They know that the real prospects for some regional universities may well be that they become teaching-only institutions. That would create a downward spiral in terms of their standing within the education system and would create a two-tiered system, because we know that the government is also considering cutting the amount of money that is available to teaching-only institutions. It is clear that, under these circumstances, regional universities would have extreme difficulty competing with metropolitan universities.

We also know that, for the private sector, the opportunities for competition come particularly at the regional level. That is something that the minister must surely have been advised by now but which he cannot publicly admit.

We already know what the consequences are for the TAFE system, because we have seen these experiences operating in Victoria where the older TAFE colleges have been under intense pressure as a result of deregulation brought about by the Liberal government in Victoria, which has seen profound challenges to the TAFE system. The TAFE colleges in Victoria are under enormous pressure, and many are actually facing financial ruin.

*(Senator McKenzie interjecting—)*

**Senator KIM CARR:** We do understand that the government in Victoria is now seeking to offer courses at less than $2 and $3 an hour, for TAFE provision in the state of Victoria, under their competition models. The minister, of course, pretends that it would be otherwise—and, I am sure, the National Party, which of course has demonstrated what incredible doormats they are when it comes to defending regional interests in this parliament. We understand that they are only too happy. They understand that not only were they duped in terms of changes in the budget on fuel and various other things but also they were duped on this question of education, because the big losers were the people that the National Party
claims to represent here. They know that there is a great fantasy—the fantasy that regional universities will do better. We know that the complete opposite is the case.

In the deregulated environment the sandstone universities will have the most options, will decide what courses they will be able to operate, and will, of course, enjoy the maximum benefit of subsidising their research programs by being able to charge higher fees. This is the great irony here. The government says it is about increasing the universities' capacity in this country to compete internationally. But all the competitive indices are based on research. A university's ranking internationally is based on its research. This government, rather than funding research properly, is saying that you should slug students and transfer whatever surplus you get out of the teaching into research. Just imagine how students must feel in those circumstances—to know that their fees are going towards the funding of the research program. Just imagine how their parents must feel when they know that the cost of a $100,000 degree will mean that they may have to, if they want to help their kids, as we know many parents do—

Senator McKenzie interjecting—

Senator KIM CARR: I think we would all understand this, Senator McKenzie; I am sure even you would take this view. If you have to fund a $100,000 degree, then you will have to make a choice, and that choice may well be a second mortgage. Just when you think the circumstances are improving for you and your family, you have to take out a second mortgage to pay the kids' HECS debts. Or it could be that, on top of that, you have to choose which of your kids to help because you cannot afford to help them all. That is exactly what it was like under Menzies: middle-class families had to make a choice about which kid they helped. Degrees costing $100,000 mean you cannot necessarily expect all your kids to benefit. The government has not thought that through. Working-class people who have a view that they have got the right to get the very best opportunities in this country know that they cannot afford $100,000 degrees. The question will be: will that be a deterrent to them, particularly in regional and rural areas? Working people in regional areas will be saying they cannot afford that, so the universities become bastions of privilege.

We all understand the benefits of higher education—an improved income. We also know that people pay higher taxes. But we also say there is a benefit to the nation in ensuring that the country is highly educated in terms of quality jobs, productivity and social justice. But what we are seeing under this government is an end to those principles—the principle of the fair go is being ripped up. This is a government that simply wants to rip up the fundamental principles of equity when it comes to higher education.

We understand who the beneficiaries of this arrangement will be—the people with money, the people who are already privileged. And they will pass on their privilege to their kids. This is why Labor has remained so committed to ensuring we have an education system that is open and fair for everyone. That is why we had a target of ensuring 40 per cent of people under the age of 35 are able to go to university—and we are almost there. Under this government, you will not see that. We also said we wanted to see 20 per cent of our university system made up of people from a working-class background, from a poor background. This government has abandoned that target, let alone committed to seeing that opportunities are there. Under the illusion of competition, we have a government that has set out upon a magical mystery tour where it tries to copy the very worst aspects of the United Kingdom and
the very worst experts of the United States. We have a situation where students in country areas will be profoundly disadvantaged in favour of wealthy students in the city.

What does the National Party say about all this? They just cop it sweet because they are the doormats of this government. This is a government that walks all over the National Party because the National Party has lost its way. The National Party has no understanding of what social injustice means. The government is now following in the footsteps of the United Kingdom and being chased by the National Party to go even harder in the process. The consequences will be that many graduates will now be faced with debts that they will never be able to repay—at the very time when they are trying to build a family, buy a house and get on with their life. Their parents will want to help them but they will not have the means to do so. The consequences are simple: Australia will become a much less fair place. Students, teachers, nurses and a whole lot of people on low incomes will have massive debts. (Time expired)

Senator McKENZIE (Victoria) (16:11): It gives me much pleasure to rise today to speak to this motion about the effect of the government's higher education reforms on communities that I represent as a National Party senator—on regional students; on the universities, which play a significant role in the communities we represent; on our industries; and on our communities more generally. Senator Carr, we do not support an American style of higher education. That is a system borne out of the cultural experiences of the American state. That is very different from how universities in this nation were set up and, indeed, it is very different from the whole culture of our education system in Australia, which is based on egalitarian principles. The government is opening up the higher education system to an additional 80,000 young Australians by 2018. The great proportion of those students will be from low-socioeconomic families—first-generation students seeking to take advantage of all that a higher education degree can bring you as an individual and to contribute significantly to our economy and our communities.

You would think the Labor Party would be celebrating the fact that we will be increasing the number of young Australians accessing higher education. Instead, they roll out Senator Carr, the man responsible for ripping out so much from our higher education system. And, I tell you, they do not want him back. Under Labor we saw the system opened up and increased without the subsequent changes that had to happen on the other side of the equation. The coalition government has committed to implementing the reforms from the Kemp-Norton review, which look at increasing the supply of university places throughout higher education. This includes not just bachelor degrees but sub-bachelor degrees, diplomas and associate diplomas—postsecondary qualifications.

The majority of young people in regional Australia do not go into higher education. I do not think it is because they are not as clever as their urban cousins and I do not think it is because they cannot get into university or do not want to. I think it is a combination of factors. Some of it, obviously, is the financial barriers that many families from regional areas face in ensuring that their young people can move away from home and access higher education in urban centres. These are things that we are addressing within our reforms.

It is quite disappointing that Senator Carr is not onboard to further develop and reform the higher education system. As a developed economy in the 21st century, with developing economies snapping at our heels, we need to be innovative and we need to be competitive in a
global market. That only comes from an education system which is world class. We are not
going to have world-class institutions operating on every street corner. That is just not
possible, it is not sustainable and it should not be what we are aspiring to do.

But we need to create an environment where some institutions and some universities are
able to go out and take it up to the best in the world and where others are able to meet our
domestic requirements in terms of research, vocational supply of teachers, nurses et cetera
and the professions more generally. That is the type of education system that we need in this
country in order to be globally competitive going forward. That is the type of higher
education system that our government seeks to create through these fundamental and
historical reforms which, as a whole package, seek to strike a balance between equity of
access and global competitiveness. To actually strike a balance is tricky. You cannot go to the
lowest common denominator, as Senator Carr would seek to do. You have to have diversity
within the system, which means that some will be better than others at different things. And
that is okay.

Obviously, within a system like that we also need to ensure that student mobility is
increased. One of the exciting things about our package is that not only will we be seeing
regional students studying locally—and thanks to our Commonwealth Scholarships program,
starting at the best universities in the nation and the best universities in the world—but we
will see reverse migration where regional universities are able to compete against those urban
universities, those 'sandstones', if you like, where they can actually say, 'Getting a quality
education in this country is about a variety of criteria and you as a student have to make up
your mind what matters to you.' That will mean different things for different students. We
need to give people choice and we need to allow an environment where universities can
decide what they are going to excel at.

It is our fourth largest export industry. We want to be the best. It is important. Our
government has committed $274 million in regional loading over the next four years to
support regional universities. I just want to briefly touch on some of the fabulous research that
is occurring at our regional universities. A couple of weeks ago I was at Deakin University, in
Geelong, where we celebrated the opening of the Carbon Nexus centre. We have world-class
researchers who have created fibre that will change the way we communicate and the way we
construct everything from racing cars and beyond. It is very exciting, particularly for that area
in my home state, which is undergoing such challenges at the moment, to have such a
fabulous research program going on at Deakin University.

Similarly, James Cook University, in North Queensland, is world renowned when it comes
to marine biology. Thanks to the government's investment into that regional university it will
now take on the world when it comes to tropical disease research.

La Trobe University, again in my home state of Victoria, is looking at the Murray-Darling
Basin and how we can better use our water more efficiently. Those are fabulous things that
regional universities can be good at. You can be a world-class regional university. Harvard
University is not in a capital city. Oxford University is not in a capital city. This reform
package as a whole, if taken with all the measures that the government has been able to put
together, can actually result in regional universities taking on the world in their area of
specialisation. I think it is very exciting.
I am quite disappointed, again, with Senator Carr's rhetoric. We heard it in estimates and I will not repeat it here because it was quite unparliamentary. But check it out in Hansard. Again, he talks about the biggest losers being the universities that my constituents attend and the universities whose research programs address the issues that my community needs addressed. He calls them the biggest losers. We have to stop the myth and stop the rhetoric. It is a bit like with agriculture: you have to stop talking it down. Let us start talking about the positives that are occurring in regional universities, the positives for regional students and regional communities rather than going on about being the biggest losers. It is absolutely incorrect.

Senator Carr talked about pressures being put on the university sector. I can tell you that the pressures under the previous government were horrendous. The ALP policy settings were the things that put pressure on our university system: extra students, no extra money. Anyway, we will not go into that at the moment, because there is too much good news in the coalition's higher education package for regional students, regional universities and regional communities.

If you had been listening to Senator Carr, you would have thought that all regional universities were against our changes and that there was a lack of understanding or collaboration. The minister has been touring throughout Australia over recent months, attending higher education universities in urban and rural areas. He has been getting firsthand experience of the type of education and research that you can undertake in a regional community. The Regional Universities Network fully supports the federal government's budget. The chair of the Regional Universities Network, Professor Peter Lee, is pleased that equal participation is such a high priority for the government. I quote Professor Lee:

We are particularly pleased that the Government has decided to keep the demand driven system for bachelor places and extended it to sub-bachelor places. This will assist in providing pathways and lift participation in higher education in regional Australia for less well prepared students.

I think that is exciting and that the government has actually listened to the concerns of regional universities in the construction of this package. Again, I turn to Professor Lee's comments:

We welcome the simplification of the Higher Education Participation and Partnerships Program, and look forward to working with the Government on the detail of its implementation.

Prior to that, regional universities were calling on us as a government to make the tough decisions, to go ahead with the reforms that the sector needs in order for us to become globally competitive and to ensure that access and equity of participation are balanced against our desire to be the very, very best in the world.

The Regional Universities Network called for the government to turn to lower socioeconomic background and regional students, who have been largely ignored by previous governments. The fact that we are debating this as a result of a motion by Senator Moore and Senator Carr is fabulous. If only they had paid a little more attention to regional students and regional higher education providers when they were in government we would not have seen the youth allowance debacle and the lack of access that that precipitated and the changing of rules every five minutes. That was absolutely deplorable. So to have you in here championing the interests of regional Australia is something I wish we could have more of, Senator Carr.
We have listened to the regional universities when they called for us to be focusing on levers and initiatives that would actually increase participation for low socioeconomic students and regional students. To ensure that, we have extended the Higher Education Loan Program to encompass such things as sub-bachelor and associate diplomas. That is a positive thing for regional students because they are more likely to access those sorts of programs. I find it quite interesting that the Labor Party is making a very loud ruckus on the back of those parents who are unable to pay those fees up-front now. Is that the issue? Why should regional Australians, who typically earn less than anybody in urban Australia—

Senator Polley: Why are you taxing families?

Senator McKENZIE: Senator Polley, I love that you are looking incredulous. We earn less—our median income is lower in every single place right across regional Australia. Yet you expect taxpayers in regional Australia who earn less per capita than anyone you would represent, Senator Polley—

The ACTING DEPUTY PRESIDENT (Senator Gallacher): Senator McKenzie, please address your remarks through the chair.

Senator McKENZIE: The taxpayers from those communities, Mr Acting Deputy President, are expected to subsidise the philosophy degrees of middle-class Australians attending G8 universities. What about the taxpayers I represent?

Senator Polley: You've got your degree.

Senator McKENZIE: The taxpayer dollars that the mums and dads in Burke or the mums and dads in Metung who are running a mechanics workshop contribute to the federal government are going to fund the majority of the degree of somebody who went to Melbourne Grammar and is attending Melbourne university studying philosophy. That is just not fair, I am sorry. They are happy to do it, but it is just not fair. I think and I am sure they would agree that part of our taxes should be going to subsidise the higher education of our young people, because that ensures that our community builds capacity. There is a public contribution from individuals completing higher education. However, there is also a significant private benefit. I do not know why my mechanic in Metung has to subsidise the son of a Toorak doctor doing their arts agree at a G8 university. It is not fair. That is why I think it is fair that he subsidises 50 per cent of the cost—not the majority of it, half of it.

Senator Polley: They're going to come out with a debt.

Senator McKENZIE: If you go back to your membership, Senator Polley, in whatever union you represent here today I am sure your hardworking union members would back me up on this. They know that their taxpayer contribution should actually be a fair contribution. That is why I am so proud of our government for ensuring that we are providing a significant amount of support, a historic amount of support, to those young people who are going into the trades. I just paused there, Mr Acting Deputy President, because I was hoping I would get a clap for that one from the other side. We are actually supporting those going into trades with a historic amount of investment—yet nothing, no claps. There was silence.

One of the great things about our package as a whole is that it does address the parameters that affect potential first-generation graduates in families, those going into trades, those doing diplomas and associate diplomas. That is the important thing, that we have a suite of arrangements that does not just benefit the middle-class and entrench privilege, as Senator
Carr said. It ensures that, no matter what you choose as a young person and no matter how you want to contribute and what future you see for yourself, you will have the opportunity to do that through post-secondary education in this country. It is not a bottomless pit.

**Senator Polley:** They'll all come out with a debt. It's out of reach for most young people.

**Senator McKenzie:** Senator Polley, Universities Australia sees that there are issues and we are talking about that. The minister has set up working groups to work through the level of detail on what we do with the cluster arrangements, how we structure Commonwealth scholarships to ensure they meet our targeted goal of opening up equitable access to higher education so the very brightest students from regional Australia will not be held back by financial barriers anymore. We need to ensure that student mobility increases so that the communities I represent within regional Australia can benefit from an influx of young people from urban centres and right around the country who want to study at providers where the research specialisation is in their area and they are connected in a way you can only be on a regional university campus and in a regional town, so they can experience a world-class education in the regions with a low cost of living. What we are trying to do is ensure that the options available to young people right across Australia are transparent, open and flexible, because that is exactly what our higher education system needs.

Australian universities are dropping in the world rankings—not that that would worry everybody who just wants a lowest-common-denominator approach to education: 'That doesn't matter; let's just make sure that everyone is on a C. We don't want anyone at an A; everyone is a special snowflake and everybody gets a prize.' That is actually not how the real world works. There are winners and there are losers globally, and I want to make sure—and I know that the minister wants to make sure and that our government wants to make sure—that there are more winners in Australia than not: that we are able to compete against the best in the world when it comes to research that is going to drive future innovation and competition, that is going to create the industries we will need to underpin our economic advancement going forward in the 21st century and that is local research.

We do not want to have to import our brains; we do not have to—we are such a creative, innovative people. We need to be able to have institutions available to our great thinkers in order to grow and compete. I just do not know why those opposite do not want to get onboard. I look at Senator Carr's decisions on terminating programs that he had in place: there were things like our fundamental research infrastructure. Senator Carr actually halted funding on that. We have stepped into that gap and funded that program so that our physicists can use the research infrastructure they need to do the world-class research they are currently doing. I commend the minister. *(Time expired)*

**Senator Rhiannon** (New South Wales) (16:31): The anger at the coalition's brutal higher education changes is growing. We can see very clearly why this is the case from the speech that we have just heard from Senator McKenzie.

The policies that came down in the budget with regard to higher education—the savage cuts, the increase in debt and public money going to private higher education institutions—you would expect from the Liberals. But the Nationals try to walk both sides of the road on this one. They are out there in their communities, saying that they are fighting for strong, well-represented and well-funded regional universities. But when you look at the policies that they have signed off on it is going to be very much the opposite.
We have just heard from Senator McKenzie about how she is out there for the mums and dads so that they can send their children to university. In fact, what she is signing off on—and again, we have the Nationals tailing behind the Liberals when it comes to higher education policies—is effectively working to end public higher education in this country. Entry into our universities will no longer be on one's academic ability but on one's ability to pay.

The budget uses the euphemism 'expanding opportunities'. In fact, what will happen under what Senator McKenzie and her colleagues in the National Party are backing when they just sign off with the Liberal Party on this policy is a range of budget measures that will suck money and resources out of our regional universities and make it harder for people in our regional areas to go to university because of these extreme changes.

Together, these changes are higher fees, sweeping cuts and more money for private for-profit education providers. We know that this is going to lead to much higher university fees—some as high as $100,000 to get a degree—and the burden for those costs is being shifted by the government onto students. This is a very savage way to run education policy and it will have an enormous impact on people deciding to go to university.

In many cases, universities—particularly regional universities—will have no choice but to increase fees, in many cases by at least 50 per cent. It is expected that most will increase fees by between 100 and 200 per cent or even more. Then there are these contingent HELP loans. They will accrue real interest from the moment students are granted the loan, and that will continue. This form of compound interest just becomes an enormous burden and that is why the Greens have identified this as a very sexist policy. I will detail the impact that it will have on women, particularly women who choose to take time out to have children.

Already, I find that people are telling me they are thinking about what they should do for their future. Do they take on higher education? Is that the path that they should take? Their thoughts are about whether they should take out a mortgage—should they get a mortgage on a house or get an education? These are issues that people are weighing up.

The University of Western Sydney is one of many campuses where students and staff, with community support, are coming together to raise their voices in opposition to what the government is doing. One open letter has come out of the University of Western Sydney, signed by 204 staff, with 113 community supporters. It is a very informative letter and very worrying. It has been circulated to many of us. For example, the University of Western Sydney has identified: Many of our students already have families to support, and such levels of debt will represent an unmanageable burden.

Again, that is a message that I get from many of the regional university vice-chancellors and managers who I have met with: that so many of their students are mature-age students, usually with families and often with jobs, and that they are seriously considering whether they can continue with their education or whether they should even start it.

The University of Western Sydney letter goes on to say:

Many of our students come from families with no previous tertiary background and are usually unfamiliar with the nature of university education.

The concern that they then go on to raise is:
Many will opt for alternative sub-university providers who promise cheap qualifications but without the intellectual rigour and cultural capital that comes with the university environment.

Why is that? Because—and again, this is something that the Nationals have signed off on—under the coalition plan, if it is successful, public money will go for private higher education providers in the university sector for the first time.

It is also worth remembering that another very concerning aspect of this is that the standards regulator, TEQSA, will have reduced funding. So at a time when we actually need more oversight because there will be public money going to these private institutions—many of them with little or no experience in the education sector—we have a regulator that will have fewer resources and less ability to follow through on this.

The issue of private institutions being given access to federal funding has had limited coverage in the current debate. Understandably, much of the public debate about the government's cruel policy has concentrated on the issues of fees and debt, but we also need to examine the plan to put public money into private, for-profit institutions. This was one of the concerns raised by the people who signed the UWS letter. It said:

We at UWS will continue to strive to provide an excellent education; but we enter the market as a relatively new institution. With the system no longer geared to promoting high-performing research across all institutions, some of our best researchers may be drawn to the expanding elite. The great gains from public investment in UWS by successive governments risks being squandered as we are forced to compete on price with bottom-end private institutions that have no pretence to provide a true university education.

Education standards will be driven down and people will be conned—many people.

I can very much relate to this. I was the first in my family to have had the opportunity to go to university. I went to university not having very much knowledge about how such institutions worked, but I did have confidence that the university I went to, the University of New South Wales, had standards. This was in the 1970s. I can understand that many people would make the assumption—like the assumption I made then—that the institution they intended to go to was good. If I had been going to university or into higher education now, I could have ended up in one of these bottom-end private institutions who are out to make profits—and who put that pursuit of profit before teaching standards.

As I said in my opening remarks, anger is growing about what the government is trying to do. Awareness is building that this is wrong. Polling commissioned by the Greens into the coalition government's elitist changes to higher education has shown that those changes are opposed by the majority of the community. Two-thirds of the people polled oppose plans to remove the fee cap, to allow universities to set their own fees and to increase interest rates on HECS-HELP debts. Further, almost two-thirds of those polled opposed plans to give private, for-profit education providers access to federal government funding.

What we are seeing here is the Americanisation of our universities. There are many excellent aspects of US universities, but the changes that have been put forward by the coalition would mimic the worst aspects of the US system. As we know—we hear this statement so often—US students are collectively more than $1 trillion in debt. The average US graduate comes out of university with a debt of $31,000. It is interesting to compare that with the situation in Australia. The Grattan Institute has produced an interesting study. It was undertaken by the higher education policy adviser to the coalition government. It establishes...
that student fees will be significantly higher under the coalition, with a teaching degree coming in at $49,000; a nursing degree, $38,000; and an engineering degree, $61,000.

From the many meetings I have had since the May budget, I am picking up that, in regional areas, people are thinking twice about whether they will go to university. If they are thinking about universities, very often they are looking to go to city universities. That is really worrying their parents and their communities. When I speak to people on shire councils, they tell me how worried they are that the coming generation of young people will go to universities in the bigger cities, the capital cities. They tell me that their experience is that, very often, young people who go away to study do not come back to regional areas. They say that the best way for their region to have a future is for those students to study locally. That is another reason these developments are so serious.

In trying to advance their policy, the coalition's spokespeople have just created confusion. The Prime Minister and the education minister, Mr Pyne, have often contradicted each other—about when the changes would be implemented, for instance. Mr Abbott would not rule out the possibility that fees could double, and many experts in the area have been quite emphatic that it is very likely that they will. In the meantime, Mr Pyne, when interviewed, has not been able to decide whether fees would go up or down. He has contradicted not only the Prime Minister but what he himself has said at different times.

I think it is important to look at the impact on different cohorts of students. I am very concerned about the impact that the fee increases and the changes to the debt arrangements will have on women, on people from disadvantaged backgrounds and on people who remain on low incomes after they graduate. This is because, if these changes go through, people with HECS-HELP debts will be facing the effects of compound interest. That means that people with less money will be paying off their debt for much longer and will have to pay back a greater amount of money. If women take time off to have children—and many women obviously do take time off to have children; it is very common—that will impact enormously on the amount they have to pay back. Again this demonstrates very clearly how wrong these policies are.

These policy changes will also hit our postgraduate research students. I have received some very useful information from the Council of Australian Postgraduate Associations, CAPA, about the changes to the research training scheme that will come in if these budget measures are passed. It will be possible for the new fees to be imposed on all enrolled higher-degree-by-research students, not just on those who enrol after 1 January 2016. CAPA have had that confirmed. This is again something that Mr Pyne and Mr Abbott, when talking about this issue, have tried to gloss over—when these cost increases will actually hit. CAPA, in their letter, said that they have great concern regarding Australia's over 60,000 higher-degree-by-research students, and we believe that the changes will have a significant impact on Australia's future research workforce.

Here we have changes that will go to the heart not just of our higher education system but also of the type of society we are and, indeed, of our economic viability into the future, because our investment in higher education is an investment in our future and an investment in the economic development of the country. That money needs to be put into higher education so we have the very best higher education we can have in our country, because we
cannot be an educated, innovative nation under what this government proposes to bring forward. We need to put the money into research. We need to put money into our universities.

CAPA have taken this issue up very strongly. They believe that the budget proposals will impact on decision making around undertaking research studies in Australia. They have recognised that a number of future students will, again, be assessing whether they can undertake research and whether they can undertake it in Australia. They have identified how we could, in fact, have another brain drain. That is a term that we have not heard for many years, but, from the work that they have undertaken, that is something that clearly is on the books, because students are often looking at whether they will undertake their research studies in Europe or in North America or whether it is possible to do it in Australia. They said that from some of the work they have undertaken there is an unwillingness to accept existing offers to commence research studies in 2015 because of the cost burden that now hangs over them. They have gone on to say that some students are indicating an unwillingness to sign up until their prospective university has indicated whether they will charge fees to domestic research training scheme students.

About 1,500 people have signed the CAPA online petition against changes to the Research Training Scheme. I do congratulate them for the work that they, along with the National Union of Students and the National Tertiary Education Union, have undertaken in this area. They have been providing the real facts on what will happen if these changes come in. As the government attempts to muddy the waters, these people are really getting into the details of how serious this will be. CAPA makes the point, and this is a quote from their letter: 'It seems especially contradictory to be promising funding for medical research while simultaneously proposing to charge higher-degree-by-research students in the medical sciences, our future medical researchers, higher fees than their peers in other research fields.'

That is taking up another aspect of the dishonest way the government is trying to sell their budget measures, and particularly higher education, by making out that they now have this huge bucket of money for medical research and trying to sidestep the damage that their policy will, in fact, do to research. We do know, and I would really like to put this on the record, that research students make an enormous contribution to our research output and our national knowledge base, and that is what we stand to lose if these changes go through. I would just like to emphasise that, because I think it is something that should really be very troubling to senators, particularly to Liberal and National senators. They need to realise what they are signing off on. I made the point earlier that we could face another generation of brain drain to our overseas competitors. Clearly, it is deeply wrong for us to head in that direction.

What we have here is a very sexist, a very cruel and a very brutal set of changes to how higher education would operate in this country. But the good news is that more people are becoming aware of it, people are working together across universities, between students, between staff and between supporters in a whole range of organisations. They realise that this is not about some individuals who may want to go to university; this is about how Australia develops into the future and that we should not be bringing forward a system that benefits just private education providers and the rich and wealthy. If these changes go through, they will bring a great divide to Australia. Our education system should operate to reduce the divisions and to bring benefits to our society, not to further inequality. Right now students and families have every reason to be concerned and to be upset. It is our responsibility to study these
changes closely to ensure that where they are damaging to the very fabric of Australian society they are not allowed to go through. The students and staff who wish to benefit Australia and themselves through attending our regional universities and our city universities should not be allowed to suffer because of a government that is unwilling to bring forward a fair higher education policy.

Senator CAMERON (New South Wales) (16:51): I am very pleased to be able to speak on this issue of the vicious cuts to higher education and the devastating impact that this will have on regional students, families and universities. I regularly get accused of class warfare in this place. If you want to see an example of class warfare, have a look at the Abbott government's budget that drags billions of dollars out of the pockets of our pensioners, of our seniors and of our sick. It is just absolutely unbelievable that this type of class warfare can take place in this country in this day and age.

To understand the scope of the class warfare being carried out by the coalition against the poor of this country you have to look at all aspects of the budget, not just at education. But on higher education in particular, the coalition have form. The coalition have done this before. There is a book called The Australian Moment, by George Megalogenis, one of the most praiseworthy and praised academic writers in this country. He looks at issues that are important for this country and in The Australian Moment he says, 'On 20 August 1996, Costello—the then Treasurer of the coalition government; one of the worst Treasurers this country has ever seen—announced $7.2 billion in savings, $800 million short of their original two-year target of $8 billion. The spending cuts were valued at $5.2 billion.'

It all sounds a bit 'here we go again'. He went on: 'The revenue measures were another $2 billion. The single largest cut was to tertiary education funding.' The cuts were to our universities. Mr Megalogenis continued: 'The savings were expected to secure a small surplus of $1 billion in 1998-99, but this time Treasury was being too pessimistic. The budget was balanced a year ahead of schedule and it went back to surplus, as Keating had said it would, jumping to $3.9 billion in 1998-99—almost four times above Costello's original estimate—and then to $13 billion in 1999-2000. Costello subsequently reversed many of the spending cuts, though not those to universities or to the public broadcaster, the ABC.'

So, it is in the DNA of the coalition to attack the ABC and higher education. Mr Megalogenis said: 'These choices were ideological. Howard and Costello agreed with the Hawke and Keating governments on the broad outline of the economic reform program to float financial deregulation, tariff cuts and surplus budgeting but they rejected Labor's cultural agenda and used the budget to wind back Hawke's "clever country" spending and Keating's funding for the arts. The savings from universities, for example, were not banked but used to promote private sector schools.' So if ever there has been a position of class warfare it was when the Howard-Costello government—picked up now by the Abbott government—attacked the fundamental issues that allow working-class people to get ahead: access to university.

I am one of the few people here who have never been to university. I was a tradesperson. I left school at 15 and got an apprenticeship. My sister and my brother have university degrees. My two kids have university degrees. I know what it is like to try to assist two children from a working-class background to get through university. Most people know what that is like. My two kids—like many other kids—had to work hard. They had to take jobs to get themselves
through university, because I could not afford to do it on one wage in my house. So I know what it is like, and I know how important it is to get to university.

Getting through university now is a bit like getting through high school in the days when I went to school. In those days you had to get through high school to get a job; now you have to get through university to get some jobs. Even some engineering and trades jobs require people with degree qualifications. So it is different now, and to make it hard for young Australians to access university is a class warfare attack of some significance.

This government came to power based on lies and deceit. There were going to be no cuts to health, no cuts to education, and no cuts to the pension. You cannot trust this mob one inch. And the impact of this budget on regional students, families and universities is absolutely huge.

You have to ask yourself: what do they have against working-class people getting access to an education? Why do they constantly rip billions of dollars out of higher education so that it is only the rich and privileged who can get their kids a university education? Why do they do that? They have done it now and they did it back in 1996. So these people on the government benches have form. In my view it is ideological. It is as George Megalogenis said: it is an ideological obsession of this government.

And this government are now trying to argue that universities will be better off with less funding. They argue that universities will be better because you can privatise and get more players coming in; there will be more competition. That really is a sort of social Darwinism from the coalition: the strong will survive and the weak can just die away. I have heard them say that this is not an Americanisation of the Australian university system. Rubbish! It is exactly all of the worst aspects of the United States university system being imposed on this country because of their ideological bent that it should be basically the rich and the well-off who can get their kids into university. What have they got against working-class kids getting into university? What is the problem here, other than the ideology? It is okay if you have gone to a private school. Megalogenis said that money was taken out of the universities, where working-class kids were getting access to a good education, and put into private schools. I just had a look at what the fees are in private schools. If you go to Canberra Grammar, it is $20,140 for a term. With what the government wants to do here—get the cleaners back on to $17 an hour—how many cleaners in Canberra will be sending their kids to Canberra Grammar? The answer is: none. If you go to SCEGGS in Darlinghurst in New South Wales, it is $32,179.

An opposition senator: How much?

Senator CAMERON: $32,179. If you go to Brisbane Grammar School, it is $23,345. In South Australia, if you go to Pulteney Grammar, $21,530. In Victoria, Geelong Grammar, $34,000. In Western Australia, Christ Church Grammar, $24,200. I am sorry, I cannot give you Tasmania's, because the figures are not there; they must be a secret.

The kids that go to these private schools get money that is taken out of the public school system and put into the private school system. Their parents can afford to spend 30-odd thousand dollars to put them into a private school. Will they have a problem like my kids had when they went to university? They will not have to worry about going out and getting a job. There will not have to worry about whether their parents can buy them a book. They will not
have to worry about whether their parents can buy them a beemer to head off to university every day. They will do it easily. But working class kids in the western suburbs of Sydney will not be able to do it.

When I get accused of class warfare, I say, 'Accuse me all you like, because if I am going to stand up for kids in the western suburbs of Sydney—I am a New South Wales senator after all—I am going to stand up for them.' The kids that go to SCEGGS, the kids that go to Sydney Grammar, the kids that go to Canberra Grammar and the kids that go to Brisbane Grammar do not really need me standing up for them here because they will do okay, thanks very much. Their parents will give them more than enough money to look after them and get them an education in university.

I have to say to you I am absolutely appalled the more I hear from the National Party. If anyone was here when Senator McKenzie gave her speech, and if you managed to go through the 20 minutes without falling asleep, you would have heard some interesting points. What she was saying was that you have to have these innovative universities that can match it with the best in the world. And for the rest, you have to have universities that can meet domestic demand. Now, 'meet domestic demand' is really code for 'going to second-class universities'. That is what that is about. And she says that, 'You want to bring everyone down to the same level.' Well, I have news for Senator McKenzie: I would like every university in the country to be at the same level as the best universities in the country. But I would like them to be supported financially to do that. The coalition certainly will not do it.

She went on to say, 'You have to balance equity of access against global competition.' Well, 'equity of access' simply means that if you have plenty of money, you will get in. If you do not have a lot of money, you will not get in. And 'global competition' means that if you have plenty of money, you will go to the best universities. If you are a working class kid in the western suburbs of Sydney, you will go to the 'domestic demand' university—the second-class university. And she says that they are putting in $224 million to support regional universities. This is the debating trick that this mob over there use all the time. They look at the budget and say, 'We are spending $224 million in unis.' But they do not tell you how much they have pulled out. They have pulled $5.8 billion out of higher education in this country. That is what has come out from this mean-spirited, class-warfare-ridden coalition—$5.8 billion.

Going back to what Senator McKenzie said, she actually should get her facts right if she is coming in here and making these claims. She says that the great universities—and quotes Harvard and Oxford—are not universities that are in capital cities. Well, I have news for her: Boston is the capital city of Massachusetts, and that is where Harvard is. It is 12 minutes from the CBD of Boston. Oxford is one hour and 16 minutes from London. That is about the same time it takes for you to drive from Penrith to the CBD.

On the other issue she raises, she said, 'We are going to help the tradespeople of this country; we are going to give them all this money in the Trade Support Loans.' What she does not say is that $914 million has been taken away from apprentices. The Labor government had the Tools For Your Trade program to help young working class kids get access to tools so that they could get their trade training. That was worth $914 million. If you go to the budget papers, you can see quite easily that $914 million was pulled out of that program. Guess how
much they are going to spend on the trade support program in 2015-16: they are going to spend $2.7 million. So $914 million disappears and $2.7 million comes in.

Then we have the argument from the National Party that there are winners and losers. They say, 'You have to be in the real world.' That means that government should just step away and let the market rip. 'Government should just step away and let ordinary working people in this country just battle away without any government support.' This mob is all about small government. It is not about looking after people that need help. This budget epitomises that. This budget absolutely epitomises that.

The National Party should hang their heads in shame because this budget will affect regional and rural Australia more than the CBDs—it will affect it much more than the cities. In rural and regional Australia, you are going to get hammered with more costs. In rural and regional Australia, that is where people depend on support through family tax benefit A and B. More people who depend on that support live in rural and regional Australia than in many of the capital cities. The electorate of Page, on the North Coast of New South Wales, is one of the biggest recipients of family tax benefit A and family tax benefit B. What has happened to that benefit? It is being cut. There are more pensioners up in that area. What has happened to their pensions? They are being cut. There are more seniors in those areas. What is happening there? Their benefits are being cut. These are the big problems that we have.

The Liberal Party are not the Liberal Party that people think they are. They are not the Liberal Party who are supposed to be standing up for a fair go for everyone. They want to Americanise our system, and that is just unacceptable. The problem for them is that, if you lie to the public and you come to power based on a lie, you will pay a price.

**Senator Cameron:** I have to tell you: we know well what the public do when they reckon you have told lies. We know that well and that is what you have to accept. You have not only lied once; you have lied twice; you have lied three times; you have lied scores of times to the Australian public. The Australian public do not trust the coalition. They do not trust you because you said there would be no cuts to health, there would be no cuts to education and there would be no cuts to pensions. This budget is an absolute shock for the Australian public who voted for the coalition. They are rolling up, one after the other, saying to me, 'I don't want to tell anyone I voted for that mob. I did, but I'm not doing it again because they lied.'

**Senator Mason:** And they won't vote for you either!

**Senator Cameron:** It does not matter whether they vote for us or not; they will not be voting for you. The coalition will pay a huge price because ordinary working people will not be able to get access to a decent education—and we heard Senator McKenzie talk about innovation and new jobs. If the working class of this country cannot get access to universities because it is $100,000 to get a degree, or you can only get in if you are pretty rich or your parents can help you, they will not vote for you. If you are going to end up with a $100,000 debt when you come out of university, how many working-class kids are going to get into that? How many parents are going to get into that?
I just do not accept the proposition that you can have a fair country and reduce inequality with a budget like we have seen—a budget that hammers working people, hammers the seniors of this country, hammers the pensioners and screws the sick. Every time you go to a doctor, it will cost $7. This is a disgrace. Do not ever accuse me of being a working-class warrior again—(Time expired)

Senator BACK (Western Australia) (17:11): I am absolutely delighted to contribute to this motion of Senator Carr’s, regarding the Abbott government’s impact on regional students, families and universities. I do so with the advantage of having had 11 years as a member of the faculty at Curtin University’s regional campus at Muresk in Northam, and also a history of having been a visiting academic at the University of California, Davis in 1979-80 and the University of Kentucky in 1980.

Senator Cameron will not be surprised or disappointed to learn that I will not be dignifying anything that he has contributed this afternoon with a response, simply because the font of human knowledge has not been advanced by one drop as a result of Senator Cameron’s discourse this afternoon. What I do want to comment on, if I may, are some statements made by Senator Carr in moving his motion. I was absolutely blown away that an otherwise intelligent person could have come out with the statement that there had been no support from the university sector for Minister Pyne and Prime Minister Abbott’s initiatives. Let me commence my contribution with a couple of comments from people who might know what they are talking about. Let me start with the Labor member for Fraser here in the ACT, Dr Andrew Leigh, who said that Australian universities should:

… be free to set student fees according to the market value of their degrees. A deregulated or market-based HECS will make the student contribution … fairer, because the fees students pay will more closely approximate the value they receive …

You, with your distinguished career academically and in the world of finance, Mr Acting Deputy President Whish-Wilson, could relate to this.

I go to that luminary of Labor, Professor Gareth Evans, who said, along with the vice-chancellor of the ANU: ‘The education reform package announced in the budget will allow the ANU to offer an education that is like no other in Australia, amongst the best in the world.’ He went on to say that they were 'delighted to see that this government has heeded and included in the package the recommendation of ANU chancellor Gareth Evans' in the sense that the universities be required to put a proportion of their fee income 'towards equity scholarships'. So that is coming into my discourse. The Group of Eight universities are themselves fairly substantial in this country. I quote their president:

In particular we support: expanding the demand-driven system to non-university providers, with adequate quality controls; extending funding to sub-Bachelor Degree programs (e.g. Diploma and Associate Degrees);

That was the Group of Eight recently—in only May of this year—so where Senator Carr has been hiding I can only guess.

I now go to the Regional Universities Network, since that is the topic of our motion. What did they do in May of this year? They welcomed:

… the announcement in the Budget of an ambitious program of reform for higher education which recognises the importance of the sector to Australia—
one which I had the pleasure and pride to represent and to contribute to in those times. They went on to say:

The Treasurer and the Minister are to be congratulated for highlighting the important role Universities—

these are the regional universities—

play in Australia’s future.

I quote the Australian Council for Private Education and Training—again, from only a month ago:

The changes the government has announced tonight offer all students funding support …

Isn’t it a shame that Senator Cameron is not here, so we could listen to him rant about people not having the opportunity to participate in higher education? If he had only done some research himself—if he had only looked at what the Australian Council for Private Education and Training has said:

They will support genuine student choice and competition among all of Australia's 173 higher education providers.

It gets better. I now go to Monash University's President and Vice-Chancellor, Professor Ed Byrne, from 14 May:

The approach in the budget lays out a series of steps for an ambitious deregulation of the sector. The future of universities will be more in their own hands than ever before.

I now come back to Western Australia and the Chancellor of UWA. Dr Michael Chaney said this as a result of the left-wing students all out there protesting:

I’m a bit bewildered to see left-wing students campaigning for lower fees on the basis that people who don't go to university should be funding their education … What they're saying is people who don't go to universities should through their taxation be funding university students who, in due course, earn higher incomes.

What a tragedy that Senator Cameron is not here to hear that.

Now I go to another quote if I may, very briefly, before I get into the text of my own contribution. This is from the retired Vice-Chancellor of the University of New England—

itself a regional university—Professor Jim Barber. This is what he said in response to the commentary about fees going through the roof:

I have no doubt the big end of town in Australia will begin jacking up their prices in response to fee deregulation, but they will be doing so just as a range of new online, low-cost yet high-quality competitors are entering our domestic market.

Isn’t it amazing what competition does, Mr Acting Deputy President? You have lived a life in the competitive world of finance and you know that as well as I do. But one moment: I now come to the last of my contributions. This is from the Vice-Chancellor of the University of Wollongong—itself a tremendously entrepreneurial university—Professor Paul Wellings. He commented that universities should anticipate changing behaviours from undergraduate students who—you would not believe this!—will want greater engagement in return for the changes to the funding model. Isn’t that revolutionary? The students might actually get out there and make a cost-benefit analysis. They might get out there and say: ‘Which course is most appropriate to me? Which one is best to invest my future funds in, because I want to make sure I get the best qualifications for the career I want to pursue?’
The only comment I will make to Senator Cameron, before he gets off his high horse, is that I too am the son of a man who started his working career in the Depression days on the wharf in Fremantle. My mother was a bank secretary because she had to leave school early to support the farm. So my own background matches that of many others in this place. I had to get to Queensland University on a cadetship fully paid for by the department of agriculture. Do you know what happened? I had to work to pay it off. That was in 1971. I should have worked for five years; I worked for 2½ of the five years under my bond. Then what did I have to do? Through you, Mr Acting Deputy President, to Senator Ruston: I paid the other half back. There is nothing new about this.

Those are the comments that Senator Carr does not know about—what the university sector is saying and thinking. Allow me to comment for one second on the American system because I have, as I told you, worked in it on three occasions with a great degree of pleasure and pride. Unlike Australia, where every person starting up their career from diploma, to advanced diploma, to sub-degree, to degree, to master’s degree, can walk in without paying a single, solitary penny and start their course—borrow that money and not pay a penny—in the United States, it is a very different situation. You either borrow within the family or you might receive some sort of city or parish based support. You might get some financial aid.

My own daughter-in-law went through university at the University of Louisiana. It was a three-year degree; she came out with a $40,000 debt. The interest rate is interesting. The bond rate in the United States at the moment would be one per cent—you would probably know that better than me, Mr Acting Deputy President; would it be about one per cent, the bond rate? She is paying four per cent on her debt. And do you know when she started repaying it? She started repaying it the day the loan was given to her—not when she earned $50,000, and not at 2.9 per cent when our bond rate is 3.75 per cent. It was none of that—it was four per cent. The American government is making money. Yet we are invited here, by the likes of Senator Carr, Senator Cameron and others, to vilify what Australia is doing when it comes to financial support.

Let me turn, if I may, to regional universities in particular. Remember this: you can start your course without putting up a penny. But it gets better, because a student could start a part-time course. They could be working and they could say, ‘I want to do economics. I want to follow Senator Whish-Wilson’—at least, as far as your stock-brokering; not as far as you have got, Senator Whish-Wilson. We will stop at that. That loan is available to that student from the day they enrolled in their course of study, be it at university, an advanced diploma or whatever.

It gets even better again for students, in regional universities in particular, but also students anywhere. My own experience at the Muresk Institute of Agriculture was that there are a lot of students from farming backgrounds. There would occasionally be a tragedy in the family. The father might have become very ill or whatever. That student would have to terminate their studies for a period of time. Do you know what you can do under this new scheme? You can suspend your studies—suspend your loan—and you still have not paid anything off. You have paid nothing. You can go away for that one or two year period, sort out whatever the issue is and come back and recommence your studies and your loan. How much better is it than that?
Previous speakers have spoken about cutbacks in funding. Let me tell you what the figures are. In Labor's last budget for 2013-14, higher education funding was $8.97 billion. Our budget shows that growing to $9.47 billion. Last time I was at school, probably even a school similar to Senator Cameron's, 8.97 was a lesser figure than 9.47. When it comes to the Commonwealth Grants Scheme, our funding is going up from $6.2 billion in 2013-14 to $6.7 billion in 2017-18. Those are the figures.

Let us talk about this new opportunity. It is now being extended to colleges and institutions that run higher degrees, advanced degrees and associate degrees, and this government is putting in $370 million over three years. Why is this so important? My experience at places like Muresk and others is that quite often young people were not of themselves at that time qualified to get to university. They might not have studied the right English subjects. Because of their limited academic or educational opportunities, particularly young boys and men, they may not have had that confidence to go to university. What they can now do is enter into a diploma course or an advanced diploma course and build up that confidence, build up that love of learning that they did not know they had, with the loan, without paying a cent, until they actually start earning $50,000, which, with CPI linkage, we know is going to be more than $50,000. But what they do is they learn to love to learn.

The opportunities that now exist with this new program, and we are seeing it already, are that colleges are talking with universities so that we can have that seamless movement. No longer these silos, these hierarchies, where that is a TAFE, that is a college of advanced education, this is a university. It is not like that any more. Break down those stupid silos and barriers and guess what we end up seeing? We see that happening. And in my own state of Western Australia it is already happening in country areas. In the City of Bunbury, Notre Dame University and UWA work very collaboratively in the health sector. In Bunbury! I asked those vice-chancellors, 'Why can't you do that in Perth?' 'That's the city, Senator; it's different'. In Geraldton we have a circumstance in which an eastern state based university, Charles Sturt University—which I wish to come to in a moment—is involved in a program with Western Australian institutions.

Further to that $370 million, we are putting $450 million over three years into Commonwealth funding for Australian higher education in the non-university institutions that do offer bachelor degrees. The third initiative is to open up Commonwealth funding for privately owned universities and privately owned non-university higher education providers—tremendous genuine competition. Eighty thousand new students by 2018, and who are a lot of them? They are the low-socioeconomic people that Senator Cameron seems to think do not have the capacity to realise an interest delayed loan, a nil upfront payment loan. Well I have a lot more confidence in young people in general, and particularly low-socioeconomic people.

I come to the point, from my own experience, that the big issue we have in Australia at the moment is non-completion of up to 50 per cent. All of us have been to university—Senator Mason, Senator Ruston; I do not know whether Senator Lundy, Senator Bilyk, Senator Moore or Senator Bullock may have this experience—and you may recall the tradition used to be that the vice-chancellor would line you up on day one, and in my case it was in Winthrop Hall in Perth, and he would say, 'Shake the hand of the person next to you because they're not going to be there next year.' There is a 50 per cent drop out. We will see far less dropping out when
we see students have the opportunity to choose their own course, to choose a course that will be tailored by universities because in a deregulated environment they know they are going to have to sink or swim—and they cannot wait. They cannot wait to get out there and be part of it. So we are going to see higher completion rates, we are going to see greater choice for students and, in my view, we are going to see greater engagement of students. I have absolutely no doubt about that.

Let me turn for a moment to the current situation, as opposed to the new one. In fact, the comment was made earlier by one of the professors I have quoted. At the moment, and I do not know if people realise it, the Australian taxpayer pays 60 per cent of the education of a student. Now many Australian taxpayers are themselves not from university backgrounds, so therefore you have people who were not at uni paying for the course of somebody who does go to uni. And then you get the odd student who wants to spend a year or two in the library or at the local bar and never bothers graduating—and guess who helped to pay for their early efforts at university, where they did not see a lecture theatre or a tutorial or too many laboratories? What it will do is go from a 60 to 40 ratio to fifty-fifty. At the moment the HELP scheme, or the HEC Scheme, is at the interest rate of 2.9 per cent. The government borrows at the bond rate, which at the moment is about 3.75 per cent. Who picks up the difference, do you reckon, between the 2.9 and the 3.75? The taxpayer does. At the moment we have got a $6 billion or $7 billion unpaid HECS or HELP debt and, once again, you guessed it, it is the dear old taxpayer of Australia who picks up those figures. Surely we have got to see some more fairness and equity in that situation.

I come back to the comment I made earlier: remember, someone can do the course part time; be working and do the course part time. They could probably afford to borrow, but, no, they do not have to. They can take that low-interest loan—if they were to get a personal loan to buy a motor car, eight or nine per cent; if they were going to get a loan to travel overseas, 11 or 12 per cent possibly; even if they have a housing loan, 5½ to six per cent—and this particular loan has absolutely no repayment at the time. Put it in the bank and make some money out of it, but do not tell people that, Senator Bullock—through you, Mr Acting Deputy President. Those are the sorts of advantages.

When it comes to regional universities, let me tell you our own recent experience of cross-fertilisation, happening now as a result of this new deregulated world. Muresk started the first ever agribusiness degree course in the 1970s. For various reasons I will not go into, it no is longer operating. It has burgeoned around Australia. Probably one of the most excellent courses of this type at the moment is run by Charles Sturt University at Wagga. As of February this year, the Wagga course—yep, you would not believe it; across state boundaries—run by Charles Sturt University is now being run at the Muresk Institute for Western Australian agribusiness and agriculture students. That is the sort of process we are going to see with deregulation. Why wouldn't we have the merging of international universities? Online opportunities are going to expand. People say to me, 'Fees are going to go up!' If you are a vendor of shoes in Manuka, and there are other shoe shops in Manuka, and if you wandered down there and said, 'I'm going to go into this market selling the same brands and I'm going to double the price of everyone else', how long do you reckon you will stay in the marketplace? Not very long at all.
Regional universities, contrary to what Senator Carr said, and my own experience bears this out, have tremendous opportunities. For example, in my own state it is in agriculture and mining. I was in Kalgoorlie the other day—Senator Bullock would know the excellence of the WA School of Mines. It is already attracting international students from everywhere: Africa, Asia, South America. That will only expand in a deregulated world because they can set those prices, along with those for Australian students. So the opportunities are boundless.

The cost of living in country towns is often less. Then there is the enjoyment of living. I asked veterinary students at Wagga, when I went to give the occasional address for their first graduating group, 'Wouldn't you prefer to be in Sydney?' They looked at me as if I were mad: 'Why would you want to be in Sydney when you can be in Wagga? The cost of living is cheaper and the quality of life is much better.' As we all know—and it does reflect a little on Senator Cameron’s observations—a graduate is likely to earn $1 million more in their career than a nongraduate. Is having a loan to put yourself through university, which you start paying back only when you earn $50,000 a year—and you are going to earn $1 million more than you otherwise would—too big of an impost on a person? I do not think it is, particularly if that is available to every family across the horizon, including low-socioeconomic families.

It is available to every student—students getting diplomas, advanced diplomas, pre-university degrees and degrees. What we want to see in the future is a better scheme—and it will come—for those going on to masters and higher degrees.

I am delighted that Senator Carr raised this issue. I have loved the contributions.

Senator Lundy (Australian Capital Territory) (17:31): I too rise to speak on the motion moved by Senator Carr:

That the Senate condemns the Abbott Government’s vicious cuts to higher education and the devastating impact they will have on regional students, families and universities.

The Australian Labor Party is the party for universal education. Like most Australians, we oppose the idea of having to pay $100,000 for a degree and we certainly oppose cutting funding for university courses. We believe that everyone should have the opportunity to receive higher education and we look forward to the prospect of our children and our grandchildren having the opportunity to achieve a higher education. We believe the system should be fair. The system should pursue excellence and help secure the future of the nation by ensuring as many people as possible have that opportunity. That is why the Australian Labor Party condemn the Abbott government’s vicious cuts and will be doing all we can to stop this attack, including opposing the legislation when it comes before this place.

Labor’s record speaks for itself. Back in 1973, under Gough Whitlam, the Labor government was the first government to put university education within the reach of ordinary Australians, people without wealth, by making it free. When the Hawke government sought to move higher education to a mass system so that many more Australians could obtain a degree, we kept it affordable and introduced HECS and set that at $1,800 for a full degree. Next time we were in government, the Rudd-Gillard government, Labor’s support for higher education saw an additional 190,000 students in our universities. We had targets to increase the number of Australians from a disadvantaged background accessing higher education. The coalition has abandoned these targets and now it will be more difficult for people to go to university, particularly people from a disadvantaged background and particularly people from a lower socioeconomic background. We should not be surprised about this ideological attack on
higher education and direct attack on aspiring students. The coalition has always had a different agenda.

I was very interested to hear Senator Cameron refer very heavily to what occurred in the 1996 post-election mini-budget by the newly elected Howard government. Immediately they increased the cost of HECS by an average of 40 per cent and allowed wealthy full-fee-paying students unprecedented access to universities. It was described at the time as wealthy kids being able to jump the queue.

Senator Cameron was also correct to reflect on the writings of George Megalogenis in The Australian Moment. He made an observation of the magnitude of the Howard government cuts at the time. When seeking to make savings, within those budget cuts the highest single cohort was higher education. I remember it well. There was much distress because people, like now, had heard nothing foreshadowed in the election campaign of 1996, which lead to the election of the Howard government, of the magnitude of cuts and nothing of the depth of the cuts to our higher education system. And, on a related note, none of the cuts to research and development were forthcoming in that mini-budget, if you like, and the subsequent 1997 budget.

These things did combine to do a great deal of damage to Australia's capacity to innovate. We have smarts in our universities—that is, the human beings with great brains who go on to run businesses that contribute to the research effort. We did endure a brain drain during that period. There was a great deal of commentary and report after report talked about taking the high road rather than the low road, which was the road we were perceived to be on as a nation. A great number of reports reflected on the fact that we had to as a nation come back from this bleak place where the early Howard government had left us and reinvest in our clever people and our clever institutions and allow those institutions to work their magic, working closely with industry and so forth.

This is an area Labor is incredibly strong in. Each time we have been in government we have mapped out strong reform agendas and increased funding in a clever and efficient way. Most recently under the Rudd-Gillard government we were able to engineer, under the leadership of Senator Kim Carr, a funding regime for both our higher education system, investing in people, and our industry suite of policies, investing in our businesses' capacity to grow and improve exports. The two go together with our research and development investment and yet again under this coalition government we are seeing these things being specifically unpicked measure by measure in the most recent budget. Again, like in 1996-97, there is a budget that in no way reflected what the coalition government took to the election campaign preceding the budgets of their early period of government. It is a pattern of behaviour. Let's not be slow learners, Australia.

The Labor Party warned many people going into this election campaign that we could not trust the coalition. That is a truth that has come to pass, and I hope that, next time, as the cycle unfolds itself over the next couple decades or whatever, there are enough people who remember this pattern of behaviour and that they cannot be trusted—certainly not in the area of higher education, research and development, and industry program support.

The Howard government did a few more things. In 2005 they had their own effort to deregulate fees, allowing them to be charged at an additional 25 per cent, and then attempted to rebrand HECS as Commonwealth supported places in 2007, before the election, which
meant that students could only undertake a maximum of seven years of full-time study under HECS. And now we see the Abbott government teaming up with the Group of Eight universities to push through what can only be described as an ideological, ill-thought-out and unfair attack on higher education. It is not a single-pronged attack—there are many spears to it—and it will see higher education become less accessible than it has been before.

I will go through the suite of measures that they are imposing. They are reducing funding to universities and driving that funding down in perpetuity. I will expand on these points shortly. They are deregulating university fees, which will drive up student costs, and at the same time they are increasing the interest on HECS and HELP debts and lowering that repayment threshold. It is the combination of these ideological measures that had University of Canberra Vice-Chancellor Professor Stephen Parker describing these changes as 'the worst piece of policy' he has seen in Australia—policy that he went on to explain in an address to students in June of this year at the ANU as being 'unfair, unethical, reckless, poor economic policy, contrary to international evidence and woefully explained'. In the same address, which I will reflect on extensively today, Professor Parker cited Simon Marginson, one of Australia’s leading higher education scholars, when noting:

… no government anywhere in the world has introduced a full-blown capitalist market in higher education, despite three decades of talk, because they realise the public good component of education would be destroyed.

It does not seem that there was too much thought of the impact put into this raft of changes by those opposite—indeed, by the Abbott government.

The changes, as I mentioned earlier, certainly came as a surprise to the Australian public, considering that in the lead-up to last September’s election Mr Abbott promised that he would—and this is a very important point to make—‘ensure the continuation of the current arrangements of university funding’. Forgive me, but to me that is unequivocal. When you say that in an election campaign, people take that as being the party’s policy, and yet we now find ourselves debating these significant measures, these substantive cuts to higher education. In vast contrast to this unequivocal statement—now demonstrated to be completely untrue—there will be around a 30 per cent cut to funding for universities. This will have the effect of slashing the government's contribution from 60 per cent to 40 per cent of course funding. At no point could any reasonable person consider this the continuation of the current arrangements of university funding.

I reflect again on Professor Parker's comments. He said:

On average universities will need to increase student contributions by about 30% from where they are now just to compensate for the Commonwealth reductions to course costs: that is, just to stand still. So expect about a 30% increase anyway.

Some universities like Sydney and Melbourne, the point has been made elsewhere, estimate that some course fees will have to rise by up to 60 per cent just to cover the cuts.

This immediate cut is not the only cut our universities are facing under the Abbott government. Commonwealth funding will be cut in perpetuity by the change in indexation. Linking indexation to CPI rather than the higher education grant index means that funding is on a downward trajectory and fees will inevitably go up again over and above what I have already described for students. Not just on the back of these cuts but also as the government pushes universities into a competitive, non-collaborative, user-pays environment through fee
deregulation—and, make no mistake, when you hear the words 'fee deregulation', under a coalition government this is not some kind of red tape reduction. This is not about some kind of reform. With all due respect to you, Mr Acting Deputy President Back, it is certainly not about creating some student utopia of engagement and being able to demand the course one wants to study.

Fee deregulation means that universities will be able to charge essentially what they like for a university degree. The only upper limit is the international student fee level. This is an irrational concept in itself, being exposed to currency and world market considerations. In addition, as Professor Stephen Parker again points out:

... where a university models that it would gain more in domestic fees than it loses in international fees it will just put its international fees up to give it more headroom to gouge Australian students.

It is interesting to note, as Professor Parker has pointed out:

Fee deregulation is poor economic policy, particularly from a conservative government’s perspective.

He cites research from Penn State University that has found a significant negative correlation between the changes in student loan debt and the formation of small businesses. Professor Parker also suggests:

... if anyone had taken time to evaluate fee deregulation they would see alarming evidence elsewhere. In the UK, which in some ways now has a scheme more favourable to the student than Australia will have, the Institute for Fiscal Studies has recently found that an average school teacher who has no breaks in their career will still not have repaid their debt by their early 50s.

That is right: schoolteachers and, for that matter, nurses, with student debt until their early 50s. Is this the kind of Australia we want? Professor Parker goes on to say, as my colleagues have noted:

In the US, student debt has tripled in the last 8 years and now exceeds credit card debt. That is an amazing piece of statistical information and it should put this government, which claims that it is so afraid of debt, on notice. This is the Australia that these policies will create.

The government did not stop at fee increases that will see students graduating with inordinate debt for their qualification. To compound the impact on students, their loans will be subject to a lower repayment threshold. This will subject the loan to a real interest rate, which will compound even when the student is not in graduate employment, further decreasing their ability to pay off their loan. They will essentially have to pay more off. This increase will hit all students, even those students who took out their loans under the condition that there was no interest on them and they were only indexed to reflect their present value. This is a fundamental breach of faith.

But what is possibly the most troubling about these ideological changes is that, with students paying up to six per cent compound interest on their debts, we will see people—for example, women and those who take career breaks or go overseas—unfairly disadvantaged.

It seems that those opposite just do not understand that not all students have the support of parents who can pay off or reduce their debts while they are studying. Not every student finds themselves in the high-paying job that the statistics that are used like to indicate. And not every person who undertakes study ends up in the field in which they studied. That is a good thing, to have an education system that is open and accessible and in which highly educated
people move around in different careers, exploring their own abilities and their own aspirations.

This lack of understanding could come as a result of the free or low-fee education that the majority of the decision makers in cabinet perhaps received. I generally think one should avoid speculating on one's own education experience. I do not have a great depth of material to draw on myself and, in so doing, I think it is difficult to draw analogies about our individual experiences with respect to the policies that we are contemplating and debating. In this regard, our responsibility is to keep an eye on the future of Australia, to understand the current market conditions and to act out our responsibilities for the future of Australia. In this way whilst, again, I respect the commitment and perhaps the fees paid by many a senator past, it is not a relevant point to make in the context of a system that will sustain a nation of highly educated young Australians into the future.

Professor Stephen Parker notes that these changes are on the wrong track. I move to my conclusion by quoting him once again. He said the reforms:

… are on the wrong track because higher education is an investment in the economy, not a cost to it. And they are on the wrong track because research should not be funded by students. If you want to engage in an arms race with the US and China over top-ranked universities—which this Government seems to want—then simply merge the Group of Eight into a single powerhouse institution that would shoot into the top 20. You could call it “The Australian National University”, save on 7 Vice-Chancellor salaries, and leave the rest of us alone.

That is what he purported. I should say that, importantly, that was said in a highly sarcastic tone, none of which is ever reflected in Hansard, which we subsequently read. It was a sarcastic comment but, nonetheless, a cutting one. He makes the point, I think very succinctly, that these policies are not the way to achieve excellence in the Australian university system; it is a race to the bottom. What we need to do is take care of our current conditions and remember that education is an investment, not a cost to the nation. We must ensure that our universities have the best capacity, the best ability to engage in and collaborate with the wider community, and that they respond to industry needs and work with the research community. We must allow that group of incredibly clever people to collaborate so that the new ideas that they are coming up with will filter through the whole community. We will be able to start new businesses, innovate existing businesses and keep our whole society up to date and at pace with the massive challenges that we are facing as we go forward.

Professor Parker speaks with authority on this issue. As the vice-chancellor of a leading university, the University of Canberra, he clearly thought deeply about this statement, given its provocative nature. I was proud of the points he made on behalf of the University of Canberra and I am pleased to be here today supporting Senator Carr's motion. (Time expired)

**DOCUMENTS**

**Great Barrier Reef Marine Park Authority**

Debate resumed on the motion:

That the Senate take note of the document.

**Senator IAN MACDONALD** (Queensland) (17:52): The Great Barrier Reef Marine Park Authority report for 2012-13 is a good indication of the work the authority does looking after one of Australia's and, indeed, the world's greatest natural assets. But, Mr Acting Deputy
President, you would have seen in this chamber and elsewhere that many of the radical green groups are doing their very, very best to denigrate this wonderful natural asset that we have in the Great Barrier Reef. You will recall that the Wilderness Society and WWF and the Greens political party keep telling the world that the Barrier Reef is in real trouble. I have mentioned in other contributions I have made to the Senate how the science is showing that the Barrier Reef is able to regenerate.

I am continually concerned that these radical environmental groups denigrate the Barrier Reef principally with lies and the inability to use factual information. I have mentioned before how the Greens are selective in their concern about the Barrier Reef. When anyone else even suggests that they might conduct some commercial activity in the Barrier Reef you have the Greens jumping up and down. But when the Sea Shepherd vessel, operated by a group that former senator Bob Brown is in charge of, leaks oil into the Barrier Reef you do not hear a word from the Greens political party—not a word. I am delighted to hear that the court case which I have mentioned in this chamber before was concluded a couple of months ago and the people responsible for that leak into the Barrier Reef were fined $15,000 by the Cairns magistrates court. But have we heard anything of that from the Greens political party? Of course not.

The Joint Select Committee on Northern Australia recently held some hearings in Weipa and a Greens senator was there asking the representatives of Rio, the operators of the bauxite mine at Weipa, about the number of ships going through the Great Barrier Reef. That Greens senator was actually propagating the sort of dishonest campaign that the Greens and the Wilderness Society have been using for some time. The transcript of that joint committee hearing is in Hansard now and I would refer colleagues to that. The Greens senator could not understand that their rhetoric about the ships going through the Barrier Reef was factually incorrect.

The Hansard record clearly shows that with the expansion of mining activities at the bauxite mine at Weipa there will be no additional ships going through the Barrier Reef. Yet if you had listened to the Greens political party over the years you would have been led to believe that whereas in the past there were about 300 ship movements a year that was going to increase to 700, because that is the rhetoric they used. When they sought to ask the people who run the ships just how many ships were going through, the Rio person painstakingly and very patiently explained to the Greens senator that, whilst there was more bauxite going out of Weipa, a lot of it was going from Weipa direct to China and not going through the Barrier Reef. As the executive from Rio said very patiently to the Greens senator, there are no additional ships going through the Barrier Reef as a result of the expansion of the bauxite mine. Again, that is an indication of how the Greens will do anything to destroy this wonderful natural asset we have—an asset that is so well looked after by the Great Barrier Reef Marine Park Authority. I commend their annual report to the Senate.

Question agreed to.

Australian Human Rights Commission

Debate resumed on the motion:
That the Senate take note of the document.
Senator XENOPHON (South Australia) (17:58): I rise to speak on the Australian Human Rights Commission audit report *Review into the Treatment of Women at the Australian Defence Force Academy*, but before I do so I would like to make some remarks that I did not get the chance to make during the previous debate in this chamber on higher education.

I just want to put on the record very briefly that I have serious concerns about the government's proposed reforms of deregulation in the higher education sector because it will mean that many young Australians will not have the same access to education. I think that is something that ought to be taken into account. It is something where I disagree with the education minister, Christopher Pyne.

I should disclose that about 25 years ago the Hon. Christopher Pyne was a student of mine at what is now the University of South Australia. It was a legal practice course and I can honestly say that I taught Mr Pyne everything that he does not know! But I think that there are real issues in respect of those reforms.

I agree with Ross Gittins, the economics editor of the *Sydney Morning Herald*, who says that in terms of base economics university fees will rise dramatically and that it will lead to greater rather than less lack of equity in the system—that it will lead to greater inequality. And he does make the point—and I agree with him—that universities are highly inefficient, bureaucratic organisations dominated by administrators. He also says that the safest prediction is that giving unis greater revenue-raising ability will lead them to employ more administrators. I tend to agree with Mr Gittins.

So the government should have gone to the people about this particular proposal at the last election. These are radical reforms, they have not been well considered and I would urge the government to reconsider them.

In relation to the audit report of the Australian Human Rights Commission *Review into the Treatment of Women at the Australian Defence Force Academy*: the Human Rights Commission does very important work in this regard. There is currently a Senate inquiry that I instigated into the defence abuse issues, which will be dealt with, and I suppose it traverses similar issues in some ways.

Question agreed to.

Productivity Commission

Debate resumed on the motion:

That the Senate take note of the document.

Senator XENOPHON (South Australia) (18:00): In relation to report No. 2, the Productivity Commission *Safeguards inquiry into the import of processed tomato products*: this is a vexed issue. Dumping is defined briefly under WTO rules as occurring where a product is brought into a country at below the cost of its own domestic market. That is dumping and it is illegal under the WTO rules. I do not think that we have done enough as a nation under successive governments to tackle this issue. We have seen many job losses and industries being destroyed by dumping. There was a partial win in respect of this latest issue in relation to tomatoes and SPC. Some duties were imposed and this was welcomed, obviously, by SPC.
Fundamentally, I believe that we need to impose what would be in effect a reverse onus of proof in respect of dumping. We had a situation where one small company with 22 employees wanted to take on a dumping case and they were told that the legal fees would be $1 million and up in respect of that. Fortunately, there is the Trade Remedies Advisory Service, initiated by the previous government and supported by this government, which is a very good thing and gives some real relief and assistance to those small companies that cannot afford the enormous legal costs involved. If we have a reverse onus of proof, as promised by the coalition prior to the last election, that would go a long way in having some equity in respect of the issue of dumping and we could level the playing field.

In respect of that, the Productivity Commission does valuable work in its overview and its scrutiny of these issues. But I think that the framework must be strengthened so that we actually have a situation where the rules are changed so that the playing field is levelled. There is no other country in the world that takes such a literal and fundamental approach to free trade as Australia does. We are not even taking on our rights pursuant to the WTO. We have squibbed on that over many years and we have destroyed Australian industries and Australian jobs in the process. That is why this report is important.

Question agreed to.

**Australian Customs and Border Protection Service**

Debate resumed on the motion:

That the Senate take note of the document.

**Senator IAN MACDONALD** (Queensland) (18:04): I would like to take note of the Australian Customs and Border Protection Service report for 2012-13. I do want to congratulate the Customs and Border Protection Service, not only on their report that has been tabled in the Senate but on the work that they do generally. It is a vast organisation and it employs many Australians in all different facets of work. Whilst in recent times we know of the great work they have been doing in Operation Sovereign Borders, protecting Australia’s borders, we should also remember that every time we come through an international airport or have goods come through a sea port the Australian Customs and Border Protection Service are there doing a fabulous job. I congratulate their leadership and, indeed, each and every individual working for the service.

It is not an easy job. Operation Sovereign Borders, as we have heard, is a complex and difficult operation. There have been media reports and questions asked in this Senate by the Labor Party and the Greens about what might be happening on the high seas at the moment. Sensibly, the government has not commented. But you get all of these comments and you might ask, 'Where do the Labor Party and the Greens political party get this information from?' Is it from the people smugglers? Is it from the criminals? Certainly, the criminals’ modus operandi—their business operation—only flourishes because the Labor Party and the Greens continually give succour to those criminals and, in fact, publicise their businesses.

I read in the paper about parents being very concerned about the fate of their children who are allegedly on these boats. I ask those parents: why did they let their children get onto these very small boats for hazardous journeys allegedly, according to newspaper reports, coming from India to Australia?
Yet these parents are distraught, so they say, about the fate of their children. I cannot help but think: why would you allow your spouse, your children and your grandchildren to get on those leaky boats? Why would you pay people smugglers a lot of money to take that hazardous journey that could well end in tragedy? That disturbs me. That is why I am so pleased that the Australian Customs and Border Protection Service have, at the direction of Minister Morrison, been so good at protecting lives by stopping that vile, illegal trade.

We all have sympathy for refugees living their lives in squalid detention camps right around the world, waiting for their chance to come to Australia. But then we read in the paper today that many of those on these Sri Lankan boats were not coming here because they feared for their lives or their liberty in the country they were leaving. Rather, they quite openly said that they had come to Australia for a better job, for a better education for their kids—and I well appreciate that. That is something any parent would do. But it does not fall under the Refugee Convention.

Australia has a very generous refugee program under which we do take genuine refugees, but when people who, by their own admission, are not genuine refugees attempt to jump the queue, that makes it all the more difficult for those who are genuine refugees—who have been determined to be genuine refugees—waiting in those squalid refugee camps around the world, waiting desperately for their chance to get to Australia. That is why I am so pleased with the work the Australian Customs and Border Protection Service do, the sort of work mentioned in their report for 2012-13. I conclude by again congratulating all those involved in the fabulous work they do for Australia.

Question agreed to.

Royal Commission into Institutional Responses to Child Sexual Abuse

Debate resumed on the motion:

That the Senate take note of the document.

Senator MOORE (Queensland) (18:10): I rise to speak on the motion to take note of government document No. 20, the interim report of the Royal Commission into Institutional Responses to Child Sexual Abuse. The two volumes of that report were tabled earlier this week. It is important that we see what has happened in the royal commission and what their process has been. Most important, however, is the second volume of the report, which is about the individual stories of people who have had the courage to come forward to the royal commission to speak about their own life experiences. It is clear in the report from the commission that one of their key intentions was to ensure that the voices of people who had suffered the horrors of sexual abuse could be heard through the royal commission process—that they had the opportunity to tell people what had happened to them and to talk about the impact on their lives and on their families.

When the commission was instituted, it was the result of years of advocacy from people in our community. This was not just a royal commission instituted by the government of the day; it was a response to years of advocacy from people who had told what had happened. Many times they had not been heard. Many times their voices had not been strong enough. Many times the voices of the institutions they had worked within—or had been the victims of—had been much too powerful to allow the voices of the victims to be heard. After those many years
of advocacy, we set up the royal commission, and there was great joy in the community when that happened.

But then the work began. Volume 1 of the interim report documents the way the commission set about doing the job. It outlines how, for the first time ever in a royal commission process, a series of private hearings were set up. Understanding the sensitivities of the issues being discussed and understanding the vulnerabilities of the people who had been victims—and of the friends and families of victims of sexual abuse—the commission has done something extremely important. Within the royal commission process, they have arranged for hearings where people could speak privately with the commissioners. The evidence from these private hearings, which may otherwise never have come to light, will now all be part of the final report of the commission. I think the idea of private hearings establishes a valuable model that other royal commissions in the future can look at when they are considering how they should operate. We now have a model that lends itself to helping individuals find the strength to come forward and have their voices heard.

The royal commission also has a public hearing process. There have been a number of public hearings and these have received great interest from the media. That is no doubt partly due to the horrific nature of these issues, but it is also, I think, an acknowledgement of the strength of the people who have come forward. The royal commission has also instigated a series of research projects linked to the issues the commission is looking at. These research projects will ensure that we learn and that we share knowledge about these issues. They will help us focus on the background to, the impacts of and the reasons for people getting caught up in sexual abuse. Some of those research projects have published papers, and a couple of roundtables have been held already on the issues covered by those research projects, issues such as safety checks in institutions and how to develop and strengthen regulations so that this kind of horror cannot occur—particularly in places which have been set up to provide safety.

One of the core elements of this report has been the request of the commission to the government that their work be allowed to be extended for a period of time. The last couple of pages of the report indicate why the commissioners believe there needs to be an extension of time and budget for the commission to fulfil its work. I have spoken in this place about my belief that this is an important element for all of us and that to not allow this commission to continue would be a betrayal of the very people for whom this commission was set up. I add my voice to the commissioners and to many others in the community who are saying we need to consider extending this time to make sure that we do have the evidence, to make sure that we do have the research and to make sure that we are able to look into the future about how the issues of sexual abuse can be identified and eliminated from any form of care in our society. That was the intent of the commission. We have the stories in volume 2 to consider, and we have a challenge to all of us to ensure that we see that this work is done. Many people, not only in Australia but internationally, are interested in the work of this commission. It is an extraordinarily valuable exercise. This is not an academic process. This is a way for us to be able to listen to people whose experiences are important and need to be acknowledged. We need to extend the commission. I seek leave to continue my remarks.

Leave granted; debate adjourned.
The following orders of the day relating to government documents were considered:

Productivity Commission—Report No. 64—Safeguards inquiry into the import of processed fruit products. Motion of Senator McKenzie to take note of document called on. On the motion of Senator Ruston the debate was adjourned till Thursday at general business.


Climate Change Authority—Report for 2012-13. Motion to take note of document called on. On the motion of Senator Bilyk the debate was adjourned till Thursday at general business.

Productivity Commission—Report No. 68—Safeguards inquiry into the import of processed tomato products. Motion of Senator Bushby to take note of document called on. On the motion of Senator Ruston the debate was adjourned till Thursday at general business.


Workplace Gender Equality Agency (formerly Equal Opportunity for Women in the Workplace Agency)—Report for 2012-13. Motion of Senator Moore to take note of document called on. On the motion of Senator Bilyk the debate was adjourned till Thursday at general business.

Productivity Commission—Report No. 65—Mineral and energy resource exploration, dated 27 September 2013. Motion of Senator Gallacher to take note of document agreed to.

Paid Parental Leave Act 2010—Paid Parental Leave Scheme—Review report by the Department of Social Services. Motion of Senator McEwen to take note of document called on. On the motion of Senator Bilyk the debate was adjourned till Thursday at general business.

Independent National Security Legislation Monitor—Report for the period 1 July 2013 to 28 March 2014. Motion of Senator McEwen to take note of document called on. On the motion of Senator Bilyk the debate was adjourned till Thursday at general business.

Defence Abuse Response Taskforce—Report on abuse at HMAS Leeuwin. Motion of Senator McEwen to take note of document agreed to.

Defence Abuse Response Taskforce—Sixth interim report to the Attorney-General and Minister for Defence. Motion of Senator McEwen to take note of document called on. On the motion of Senator Bilyk the debate was adjourned till Thursday at general business.

Orders of the day nos 18 and 19 relating to government documents were called on but no motion was moved.
COMMITTEES
Consideration

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

School Funding—Select Committee—Equity and excellence in Australian schools—Report. Motion of the chair of the committee (Senator Collins) to take note of report called on. On the motion of Senator Moore the debate was adjourned till the next day of sitting.

Environment and Communications References Committee—Environmental offsets—Report. Motion of Senator Bilyk to take note of report agreed to.

Economics References Committee—Australian Securities and Investments Commission—Report. Motion of the chair of the committee to take note of report called on. On the motion of Senator McEwen the debate was adjourned till the next day of sitting.

Abbott Government's Commission of Audit—Select Committee—Final report. Motion of the chair of the committee (Senator Di Natale) to take note of report agreed to.

Economics References Committee—Performance of the Australian Securities and Investments Commission—Interim report. Motion of Senator McEwen to take note of report agreed to.

Education and Employment References Committee—Technical and further education system in Australia—Report. Motion of Senator Bilyk to take note of report called on. On the motion of Senator Moore the debate was adjourned till the next day of sitting.

Electoral Matters—Joint Standing Committee—Conduct of the 2013 federal election: Senate voting practices—Interim report. Motion of Senator Faulkner to take note of report agreed to.

Abbott Government's Commission of Audit—Select Committee—Second interim report. Motion of Senator McEwen to take note of report agreed to.

National Broadband Network—Select Committee—Interim report. Motion of Senator McEwen to take note of report agreed to.

Rural and Regional Affairs and Transport References Committee—Qantas' future as a strong national carrier supporting jobs in Australia—Report. Motion of the chair of the committee (Senator Sterle) to take note of report agreed to.

Foreign Affairs, Defence and Trade References Committee—Australia's overseas aid and development assistance program—Report. Motion of the chair of the committee to take note of report called on. On the motion of Senator Moore the debate was adjourned till the next day of sitting.

Education and Employment References Committee—Government's approach to re-establishing the Australian Building and Construction Commission—Report. Motion of the chair of the committee (Senator Lines) to take note of report called on. On the motion of Senator Moore the debate was adjourned till the next day of sitting.

Order of the day no. 1 relating to committee reports and government responses was called on but no motion was moved.
Debate resumed on the motion:
That the Senate take note of the document.

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (18:02):
I would like to take note of Auditor-General's report No. 52 of 2013-14. I would like to place on record my appreciation for an excellent report, yet again, from the Auditor-General and his staff, who have consistently provided very technically accurate and insightful reports into a number of Defence procurement activities. The comments in this report support many of the findings that the Senate review of Defence procurement in 2012 found, but they do not highlight some of the interactions between Defence, DMO and government that have shaped the outcomes that have been so accurately reported in the ANAO report. I would just like to go to a few of those, because if Australia is to learn from our past mistakes and make sure that we have successful Defence procurement in the future we do need to understand that no part of the Defence procurement system operates in isolation. Just as we apply systems engineering concepts to technical equipment, we do need to apply the same process to understanding all of the inputs and constituent parts of the process that guides and shapes the efficacy of Defence procurement.

I note that the report goes into quite some detail about the fact that the requirements definition was not as thorough as it could have been. Both the operational concepts document and the functional performance specification were identified as having significant gaps in areas, which then led to the Commonwealth having no contractual basis to require performance from the contractor. As highlighted in the Senate report of 2012, there were a number of reasons for this lack of knowledge. One of the clearest was that the people with the appropriate skill sets to identify risk, the people who are best qualified—and the ANAO report specifically looks at the degree of immaturity of the platform and the status of its development and certification—are people with developmental, test and evaluation expertise. In fact, the ADF for many years, across all three services, has funded the training of personnel and the maintenance of organisations to provide those skill sets to support exactly this kind of procurement activity.

The interaction, though, of government and the expectations around the outcomes of things like the Kinnaird and Mortimer reviews, where there is an emphasis on military off-the-shelf acquisition, means that a culture develops where people say, 'We no longer need those skill sets, because we are going to be buying things off the shelf.' The risk appetite of the government, of the media and of Defence is set around this expectation that everything is going to be off the shelf and therefore all the risk is carried by the contractor and the Commonwealth does not need to invest in understanding that.

And we saw with MRH—and again it was highlighted in the Senate report—that what is known as a preview evaluation was not conducted, which means that the people who were technically competent to identify the risk were not employed by the Commonwealth to go and do that activity, because it is supposed to be a military off-the-shelf acquisition. So the very people who would have been able to say, 'There are problems with maturity' were not tasked, because of the expectation that was set by government to Defence.
If you read the report you will find there is a table that looks at certain elements of capability that were fully defined. They highlight the fact that there was a pre-contract functional performance specification as well as a contract functional performance specification. My strong recollection, when I used to run the ADF's flight-test organisation—it is of some years ago, so I am happy to be corrected—was that some of the people who worked for me were working within the acquisition organisation, helping to create the functional performance specification pre-contract and faithfully following Defence's laid-down procedures of tracing requirements from the operational concept document to what that meant functionally for the platform. But the directive came through quite late in the process: 'This was a military, off-the-shelf aircraft. We're not going to be able to change anything, anyway, so take out all of those detailed requirements because we will live with what we are delivered.'

The flaw in that process has now been shown, in that, whilst the government and Defence seek to minimise risk in the acquisition process, by going for an off-the-shelf acquisition the people who have to operate the aircraft—normally the service chief is the responsible person, the airworthiness authority, for that particular platform—are responsible for making sure that it is safe for the people who are using it. There are a number of standards that they need to meet in terms of things like crashworthiness or the ability of the aircraft to operate in a given environment—for example, by night. So things like crashworthy seating and the infrared searchlight that is used when operating by night were flagged ahead of the contract. Yet, because it was delivered as, 'We'll take what we get,' the service chief could not put his hand on his heart and send people into the field with that. So it has had to be rectified at some considerable cost.

So this interaction of government expectations drives deficient functional performance specification in the contract, which then drives further cost and delays in the actual program. So we need to step back collectively—as the executive on this side of the lake, with Defence on the other side of the lake and with industry—and be open about the fact that if we are going to acquire Defence capability that is modern, current, there is a good chance that there will be some technical risk. That is not always the case, but it often is. And if we pretend that we can transfer all the risk to industry, or if we pretend that risk does not exist, we will end up, again and again, being disappointed.

Government, the media, industry, and Defence need to recognise that there will be risk. We need to retain the skill sets in the appropriate organisations within Defence so that they can be tasked to identify the risk, because only when it has been identified—when our systems are transparent enough that that is then elevated to the appropriate decision makers—can we manage the risk.

And if that risk had been identified and managed earlier—we have seen the same things in the refuelling aircraft and the armed reconnaissance helicopter and other Defence projects—and if expectations had been managed, then both the schedule and the cost would have been managed so that Defence got the capability it wanted and when it expected it and could have retired its legacy capabilities and had postings in place for its people, as opposed to having high expectations of a quick delivery, which did not result.

It also results in particular types of aircraft being unfairly blamed. People are making the comment that European aircraft are dreadful and that we should never go there again, we
should only buy aircraft from the US. They forget, perhaps, that in the early days of the Black Hawk fleet—again because of spare parts and other design issues—the availability of that fleet was very low, and it took some time for it to reach the mature capability that it has now demonstrated.

So I am sure that both ARH and MRH will, in time, develop to be very capable aircraft. There are still some inherent issues with the MRH in terms of things like the door gun and the fact that that impedes the roping device and the ability for people to get through the door while the gun is in place. That will be a lifelong issue that, again, could perhaps have been picked up had a preview evaluation been done. But the reality is that any capability is a system of systems. And we need to look at the role of government, Defence, industry and even the media, in terms of setting expectations and schedule pressures so that we work collaboratively to understand those elements. We need to work towards a system where we identify risk and manage it so that the taxpayer can be assured that their money is being used effectively and we can be assured that the men and women in our Defence Force have equipment that is safe and fit for purpose, so that they can achieve the tasks that we give them. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

AUDITOR-GENERAL’S REPORTS

Consideration

The following order of the day relating to reports of the Auditor-General was considered:

Auditor-General—Audit report no. 52 of 2013-14—Performance audit—Multi-role helicopter program: Department of Defence; Defence Materiel Organisation. Motion to take note of document moved by Senator Fawcett. Debate adjourned till the next day of sitting, Senator Fawcett in continuation.

Orders of the day nos 1, 3 and 4 relating to reports of the Auditor-General were called on but no motion was moved.

ADJOURNMENT

The PRESIDENT (18:28): Order! I propose the question:

That the Senate do now adjourn.

Regional Western Australia

Senator SMITH (Western Australia) (18:28): I rise this evening to discuss a subject very close to my heart—namely, regional Western Australia, and the enormous opportunities that are now within the grasp of our regional communities. Specifically, I will focus on those parts of Western Australia that together comprise the federal electorate of Durack, which, as many Senators will be aware, is the largest electorate in Australia in geographic terms and indeed is the second largest single-member electorate in the world, bested only by the electoral riding of Nunavut in northern Canada.

In our last sitting period, we farewelled from our ranks Western Australian Liberal senator, Alan Eggleston, after a parliamentary career of 18 years. Eggy held a special affection for the communities across central and northern Western Australia. He had an affinity for those communities because, fundamentally, he was one of them, having served the people of Port Hedland and surrounding regions as a medical practitioner for over two decades before he embarked on a parliamentary career.
With now former senator Eggleston's retirement, I have agreed to step into the breach and help our Liberal member for Durack, Melissa Price, elected just last year, to provide a strong and effective voice within government for our north-west. It is an enormous challenge, but one I have accepted with great relish. While I cannot claim the long-standing residency in that part of the state that 'Eggy' could, like him I do have some personnel connection to the region. I, too, spent some years living in Port Hedland in the early 1970s, when my father served the community for a time as a local police officer. I was quite young at the time so I do not have perfect recall of everything. But I do remember some aspects of the challenges that come with living in regional communities that are so far removed from major metropolitan centres.

While there is no doubt that things have improved in the years that have elapsed since that time, I think it is fair to suggest that we still have quite some way to go. I have often said in this place that Western Australia is very different to the rest of Australia. That is doubly so in the case of the north-west, where local communities face a range of challenges that, frankly, would never occur to those living in suburban Sydney or Melbourne. There is the constant battle to attract and retain professional, qualified staff to provide the high-quality health and education services to which people living in regional and remote communities are entitled. There is the challenge that comes from Mother Nature—high temperatures, flooding and the occasional cyclone have always been a part of life in the north-west of Western Australia. But facing a flood in a small remote community where there is only one road in and out is a very different prospect from dealing with the issue in a metropolitan community. Those living in the north-west routinely have to plan for such contingencies.

Cost-of-living issues are especially significant for many people across the region. Food and other goods have to be transported long distances—all of which adds to the cost. Yes, the mining industry is a magnificent feature of the Pilbara and of Western Australia's north-west. But its strength has also produced externalities that are often the companions of strong economic growth—increased housing costs, additional pressure on limited local services and a pressing need for better infrastructure to meet the needs of growing communities.

I do not offer all this as a catalogue of complaint. But I think it is important to correct a perception that I think exists in some other parts of our nation—and that perception is that there are limitless rivers of money flowing throughout Western Australia, including the north-west. Sadly, there are not. While no sane person would seriously question the benefits that the mining and resources sector have brought to this part of Western Australia, I am mindful always of our obligation to look after the interests of those living across the region who are not directly working in mining and resources but who have every right to participate fully in their life in their local communities.

This is particularly true of the significant population of Indigenous Australians who live within the Durack electorate, for whom Alan Eggleston had the highest respect. He carried a determination to work with Durack's Indigenous communities to find ways to include them in the growth of the region, and, in particular, he worked with mining companies and industry bodies to provide apprenticeships and job opportunities for local Indigenous people. This is a commitment I am keen to carry forward.

As I said a few moments ago, the years ahead offer enormous potential for growth across the north-west of Western Australia. This is an exciting time to be living and working in the region, and I am particularly enthusiastic about several aspects of the Abbott coalition...
government's forward program that I think will be key to, at last, unlocking the potential we all know exists. Yesterday, we saw our own Prime Minister accompany the Prime Minister of Japan, Shinzo Abe, to the Pilbara region. While the focus of much of the commentary on that visit has been on mining, I think it is only part of the story. The historic trade agreement signed between our two countries yesterday will be a significant boost for the export of the high-quality produce of Australia's agricultural producers, of which there are a great many in the Durack electorate.

I also think that the closer economic ties between our two countries will inevitably witness increasing levels of tourism from Japan to Australia. It is up to us to harness this by highlighting to the market the benefits of choosing Australia's north as a holiday destination—not least of all, the spectacular unspoiled beauty of the Kimberley. It is easy to imagine that time spent relaxing in a sparsely populated region would be a welcome break from the pace of some of Japan's hectic and crowded cities. In addition to the growth driven by increasing demand overseas, there is the question of what more can be done by ourselves—what more we can be doing to achieve the enormity of these tasks.

I am pleased that with the Senate changeover that occurred last week I have become a member of the Joint Select Committee on Northern Australia. The interim report that committee has already released amply demonstrates some of the challenges before us if we are to make the most of our opportunities. The report is complemented by the Abbott government's Green paper on developing Northern Australia, which is the first phase in the development of a comprehensive white paper that sets out a clear plan for development in the lead-up to 2030. Not all of this work will be done by government; in fact, much of it will not be. As the coalition has made clear, we believe our role is to create a policy and regulatory framework that allows businesses and communities to chart the course they believe best suits their own needs.

Already in the last few months, I have visited many towns across the Durack electorate—among them Geraldton, Jurien Bay, Cervantes, Green Head, Moora, and, just last week, Derby and Broome. In each of these visits, which have involved talking with local residents, businesses and local government leaders, two things have struck me in particular. The first is that despite the hysterical claims from the government's political opponents, people do generally accept that Australia's budget position needs to be put back on a sustainable footing. People are imbued with a lot of common sense—they know that we cannot keep spending as we have been and that we need to provide the nation with a buffer to guard against our future economic shocks. The second is that there is a genuine excitement about the high priority this government is placing on the development of northern parts of Western Australia through developing better road and transport infrastructure, and through the white paper process and associated reviews of agricultural competitiveness, energy and, most importantly, the white paper on reform of the Federation, which will finally reverse the seemingly endless growth of Canberra control over our local regional communities.

But it is here I also want to inject a note of caution. The enthusiasm will only be sustained if we make genuine progress. The time for talking is over. My sense is that communities across Western Australia's Kimberley, north-west and Gascoyne regions have heard enough talk about the potential transformation of the region. They are now eager for words to be translated into action. I am confident that the Abbott coalition government is up to the task,
and I look forward to playing an energetic and active role in that over the years immediately ahead.

**Whitlam, the Hon. Edward Gough, AO, QC**

_Senator FAULKNER (New South Wales) (18:36):_ A fortnight ago, _The Sydney Morning Herald_ reported that Rupert Murdoch had once directed his editors to 'kill Whitlam'. Notwithstanding that, I am delighted to report that Edward Gough Whitlam is very much alive. Tomorrow, 11 July, marks Gough's 98th birthday, a time to celebrate his longevity, his resilience and his extraordinary contribution to this nation.

At 98, Gough will be amongst the oldest living former heads of government in the world. He is the third oldest in a group of political leaders born during the early years of the First World War, surpassed in age only by the Netherlands' Piet de Jong and Jamaica's Howard Cooke. Gough is a little more than a year younger than Piet de Jong. De Jong, like Whitlam, served his nation in war and led his country as Prime Minister afterwards. De Jong was a distinguished naval officer, representative of the Catholic People's Party and Prime Minister of the Netherlands from April 1967 to July 1971. Gough is only months postwar younger than Sir Howard Cooke. Cooke was President of the Jamaican Union of Teachers, was a minister in Michael Manley's government from 1972 to 1980 and served as Jamaica's Governor-General from 1991 to 2006.

De Jong, Cooke and Whitlam each served their countries at a time of rapid economic and social change, as a postwar generation demanded greater social freedoms and the certainties of the old economic order began to unravel. The stories of these leaders converge when we consider the role each has played in public life after their political careers. Cooke was a Governor-General, de Jong a respected business leader and statesman.

In honour of Gough's endurance, I want to tonight acknowledge his continuing contribution to Australia after politics, through his writing and commentary and his service in diplomatic posts, statutory authorities and community organisations. After politics, Gough served as visiting fellow at the Australian National University. In the Department of Political and Social Change, with characteristic foresight he focused on Australia's role in the Pacific and Asia. Visiting professorships at Harvard and the University of Adelaide followed, his work concentrating on the roles of China and Australia in the Pacific and on constitutional change and electoral reform. In 1983, he was appointed as Australia's Ambassador to UNESCO. Gough served on the Independent Commission on International Humanitarian Issues and the World Heritage Committee. In 1989, he chaired the general assembly of the World Heritage Convention.

Whitlam's ambassadorship came at a time when some questioned the integrity and importance of UNESCO. Margaret Thatcher's Britain and Ronald Reagan's United States threatened to withdraw from UNESCO. Reagan's threat became a reality. In December 1983, the United States withdrew—in Gough's words, 'taking its bat and ball and going home'. In 1984, Thatcher packed up the UK's kitbag too. At the time, Whitlam was not blind to the institution's flaws but argued passionately for Australia's ongoing commitment to international cooperation. I quote him:

The world of UNESCO is the world we live in. We in Australia cannot be indifferent to our particular place in that world … Australia should stay firmly in the institution—a critic where it is seen to be
inefficient, illiberal or misguided, but a participant at all times. If the brave idea of UNESCO fails, the world will be a more dangerous place.

Gough served with distinction on the Senate of the University of Sydney both before and after his time in Paris. In 1985 he was appointed to Australia's Constitutional Commission and from 1987 to 1990 he served as the chairman of the National Gallery of Australia. Close to a decade later he campaigned passionately for the republic during the 1999 referendum. In 2008, aged 92, Gough, the early prime ministerial champion of land rights in this country, the man who decades earlier had poured earth into Vincent Lingiari's outstretched hand, returned to parliament to witness then Prime Minister Kevin Rudd's apology to the stolen generation. All this and so much more.

Any list of his achievements omits how often Gough was there—in his office, at the end of the phone, responding to sometimes detailed inquiries that often only he could answer; certainly only he could add the minutiae, the colour and the human interest. If he could, he would attend quite minor occasions because his presence lifted the event. His loyalty to his friends and to the Australian Labor Party has never wavered.

In the fullness of time, a researcher using Gough's formidable RAAF navigator's logbooks, continuous from their beginnings during the war until his very last flight, will be able to track his movements and what he did at each end. The lectures, keynote addresses, book launches and eulogies—these works will add several more volumes to Gough's formidable range of writings. Let me remind the Senate that in 1997, aged 80, Gough Whitlam published *Abiding Interests*. In the foreword he notes:

If I begin this book with a short review of the dismissal of my Government, it is to emphasise that my abiding interests for Australia did not end with it. They shall only end with a long and fortunate life.

Gough Whitlam's long and fortunate life continues. Age may have limited his mobility but not his mission; his senses are slower but his spirit still strong. Last Thursday, we shared our regular glass of Passiona. His verdict on the vintage: 'Bloody good, comrade.'

Gough Whitlam remains an inspiration to the millions of Australians who seek reform for the good of the many, not the few. He remains an inspiration to those of us who understand that, during this short moment of life, we will sometimes be lifters and at other times we may have to lean on others; that politics at its best does not divide society but reminds us of the collective responsibility that we have to each other. Happy birthday, Gough.

Australian Broadcasting Corporation

Special Broadcasting Service

Senator LUDLAM (Western Australia) (18:45): It was nice being in the chamber for that, Senator Faulkner. Happy birthday, indeed.

I rise to speak as a friend of the ABC and a friend of the SBS—the Special Broadcasting Service. I am one among many friends of Australia's broadcasters. I am speaking as an admirer of the group Friends of the ABC—and the friends of the SBS—who do great public advocacy, inform their membership and play the role, I suppose, of watchdog and advocate in defence of public broadcasting in Australia; and also, in the broader sense of the term 'friends of the ABC', as one Australian among millions who admire, respect and trust the work of our public broadcasters.
There is, unfortunately, a problem. The problem is what passes for a policy development process under the Abbott government, which was elected without much of a clue as to what it wanted to create if it did win government. It had a bit of an idea of what it wanted to destroy, but not a great deal about what it wanted to create. It effectively outsourced its policy development process to a rather ambiguous organisation known as the Institute of Public Affairs.

The IPA published a hit list of 75 policy recommendations, followed by another 25 a short while later. Three of them are relevant to people who consider themselves friends of the SBS and friends of the ABC. Item No. 47: 'Cease funding the Australia Network'—silence Australia's voice in the Asia-Pacific region, our diplomatic voice, the public broadcasting arm of the ABC that reaches deep into China, Japan and other countries in South-East Asia. Item 50: 'Break up the ABC and put out to tender each individual function.' And item 51: 'Privatise SBS'.

Having outsourced policy to the Institute of Public Affairs, and being reasonably awake to the demands of the Murdoch press—which we could probably say played quite an important role in the change of government, and the events leading up to it, last September—the Abbott government, particularly the Prime Minister and the communications minister, Malcolm Turnbull, have basically proceeded to work their way through the IPA's hit list. This is where we find ourselves tonight.

If you are going to start softening up the broadcasters to the demands of the Institute of Public Affairs and its unknown financial backers, and those in the Murdoch press who would probably just like to see their competitor eliminated from the market, you would probably commission an efficiency review recommending that the ABC and SBS cut hundreds of jobs, merge their back office functions, replace more content with advertising, charge for content which was previously free, outsource all production to the private sector and cancel new building construction. And what do you know? Such an efficiency review was commissioned and then tabled.

Efficiency appears to have a curious meaning to this government. Where is the efficiency in funding for absurd urban freeway projects that have no cost-benefit analysis, no business case and no environmental impact assessment? What is efficient about handing 920 million bucks to the Roe Highway for a project that will never go ahead? What is efficient, exactly, about purchasing $24 billion worth of fighter aircraft that cannot take off because they catch fire? There is not a lot of efficiency there. The ABC and SBS, on the other hand, will be subject to 'efficiency', in pursuit of the ends identified by the IPA.

This is all cloaked in statements by the communications minister claiming that he, too, is a friend of the ABC and by the Prime Minister, in the lead-up to the election, saying there would be no cuts to the broadcaster. That has not worked out very well, has it? The efficiency review has effectively identified the down payment that was made by the ABC: the abolition of the Australia Network cuts tens of millions of dollars out of the broadcaster's overseas arm which will hit current affairs and news reporting in the region back into Australia. So that is efficiency; it is not working out particularly well.

Then what you would probably do is stack the board in a rather dismal repeat of what I imagine you got up to in your student politics days. And, if you cannot stack the board by direct political appointment, you would abuse the process set up by Labor minister Stephen...
Conroy, and supported by the Greens, of making board appointments at arms-length from politics. That is what appears to be underway now.

I am going to read a series of quotes relating to the ABC and public broadcasting. Let's see if we can identify who said them. How about this: 'It is a Soviet-style workers collective'; or, 'It is a sort of private club promoting its own ideology at the taxpayers' expense, with no apparent control by its board and no real incentive to change'—fascinating, isn't it? Here is another one: '... most of its news is opinion, its "fact checking" is the new way of declaring the commercial media.' Here is another one: 'It gets a herd mentality ... and takes an official view about what you, the citizen, should believe in.' What about this one—this is a cracker: 'Mark Scott should resign.' Or better yet: 'I think it should be sold. The best thing to do might be to start again.'

As you might have guessed, these are comments by very high-profile commentators who have, over the past several years, declared their loathing of public broadcasting. That is not unusual, and both of the broadcasters are strong enough to stick up for themselves. In fact, those kinds of attacks on public broadcasters, or on any media organisation, should probably tell us that they are doing their job well. William Randolph Hurst said years and years ago: News is something somebody doesn't want printed; all else is advertising. So if the ABC and SBS are not copping a flogging from somebody, then they are probably not doing their jobs very well.

Both of the broadcasters are built on fairly strong foundations—they are run by strong minded people and they can stick up for themselves—but there are times when the ABC and SBS will need friends, and in my view this is very much one of those times. Because the Abbott government, through its communications minister and through the office of the Prime Minister, has declared war on broadcasting, war on editorial independence, war on board independence and war on funding and function, let us not pretend that this government is a friend of public broadcasting at all. Why else would you appoint people like Janet Albrechtsen and Neil Brown, to whom those quotes that I read into Hansard a moment ago can all be attributed, to a four-person panel which then oversees future board appointments to the ABC and SBS? These are people who hate the ABC and want it to die. Why would you put them in charge of selecting the board of an entity that they think either should not exist at all or who have been profoundly critical of its editorial direction and tone? This is sharply at odds with the views of the vast majority of Australians, who trust and depend on the ABC, particularly for the regional broadcasts and for those who have rather limited alternative channels for news and current affairs. Why would you put people like that in charge of this important role?

It was something that the Greens voted for in an attempt to place these appointments at arms-length from politics, and of course the Abbott government has just gone around them. Very clever, extremely cynical, and it needs to be fought. Janet Albrechtsen is obviously a fairly strident commentator for News Ltd publications, who just wants to get rid of a competitor. They are not ambiguous about it; they do not try to pretend that is not what they are up to. Neil Brown is a former Liberal MP and minister. These are not people who are outside the political process. Mr Brown wants the ABC to be scrapped and started again from scratch. That is where we have come to.
Polling by Essential Research that was published late last year shows, as it always does, that the ABC is Australia's most trusted media outlet, and that SBS is only a few percentage points behind. Trailing them significantly after that are the commercial publications and commercial channels that—some are worse than others obviously—have done so much to undermine the credibility of public broadcasters, to very little effect, I should say, because most Australians are still strongly affectionate towards the ABC and SBS. If this is the kind of government that is struggling desperately behind in the polls, picking one fight after another indiscriminately with every part of Australian society, under attack from our allies overseas and from groups right across civil society here in Australia, what would you do? Would you declare yourself a friend of the ABC or would you just go and attack it? That is what is underway. It needs to be resisted, and the ABC and SBS need their friends.

**Aviation**

**Senator FAWCETT** (South Australia—Deputy Government Whip in the Senate) (18:55):

I rise to make a few comments this evening on the state of aviation and its regulation in Australia. But first I wish to note the appointment of Jeff Boyd to the CASA board by the government, which I welcome. Mr Boyd has a long history in the aviation industry, as a LAME—understanding the engineering and the mechanical side—as a flight instructor and with his ownership and running of Brindabella Airlines. He has a depth of experience which will be very welcome on the board, and I look forward to the government's appointments of other board members in the near future—particularly as the board will have a key role in implementing the recommendations, as the government approves them, from the Forsyth review into aviation safety regulation.

The issue I would like to touch on tonight though is about a small group of people in the aviation environment. One of the characteristics of a plural liberal democracy such as we have here in Australia is that we respect and look after the rights of minorities. Amongst the pilot population in Australia—the estimates vary, but it is well over 30,000—there is a small group, numbering in their hundreds, potentially around 400, who have a colour vision deficiency. For many years—in fact going right back, I think the first publication that dealt with this was in 1926. People made the assumption, as they looked at aircraft deriving from the days of sailing ships and steamships where they had red and green lights for navigation lights, that if a pilot could not discriminate colours, then he was not safe to fly by night. And since 1926, that document has formed bodies of thought that have flowed through into regulation.

The current ICAO—the international organisation that looks after aviation—document recognises that, to use climate change terms, the science is not settled. They are not actually sure what difference a colour vision deficiency makes to an individual's ability to safely pilot an aircraft by day or by night. Despite that, regulators around the world have tended to err on the side of safety and say, 'We won't let people fly by night unless they pass one of a number of tests'. What that has meant is that for around nine per cent of the male population around the world, those who would aspire to be pilots or even air traffic controllers, are often denied that opportunity.

That changed here in Australia about 25 years ago. In the Administrative Appeals Tribunal there was a case that has become known as the Denison case where a colour-vision-deficient pilot took the regulator to the tribunal saying: 'This is unfair. I can demonstrate that I'm
competent to fly.' The Commonwealth, because of the degree of interest, funded the applicant as well as the defence, through the then CAA, and so you had a test case where both parties brought in lots of experts. At the end of it, the judgement was made that in fact pilots who had a colour vision deficiency should be able to demonstrate their competence and be licensed to fly. The only condition that was put on that was that they could not captain high-capacity airline aircraft.

As a result of that, Australia is unique in the world in that we now have some 25 years of experience of people with a colour vision deficiency who have been flying, and they have been flying everything from light aircraft by day through to regional type airliners; single pilot, for example overnight freight or the Royal Flying Doctor Service, through to co-pilot roles, particularly in regional type aircraft. We also have—because a number of the principal medical officers within the Civil Aviation Safety Authority have sought to facilitate people with a colour vision deficiency to fly and have implemented things like practical flight tests for people to demonstrate their competence—some people now captains large capacity aircraft and they have been doing so quite safely for a number of years and in some cases have well over 10,000 hours of flying. That says that, despite the theory, much of which has its origins in that 1926 document, practice shows that people with a colour vision deficiency can operate aircraft safely.

There are four key areas that people raise concerns about. One is to do with the tower. If you lose your radio and there is a control tower, you have to look for the red, green or flashing lights to tell you whether you can land, take off et cetera. People are concerned that if you cannot distinguish the lights then you would not be able to land safely. Again that was probably valid in 1926, but the reality is that on the top of the approach plates that I and other pilots use when we fly is the phone number for the tower. It says, 'If you lose radio contact, phone the tower.' The headset I use, like many others, has a bluetooth connection for a phone so you can quite safely, if you need to, have a redundant system that is specified in the publications to call the tower. So I think that argument is somewhat outdated.

There is also the argument that, with the advent of EFIS screens or glass cockpits, the increased use of colour means that you must be able to distinguish the colours in order to be able to operate safely. One pilot recently underwent a test in a simulator with a CASA flying operations inspector. He specifically asked to be tested on all the night sequences information from the cockpit and he was assessed as being quite safe to operate. In my own experience of modifying aircraft and certifying them for use with night-vision goggles one of the common applications in the cockpit is to put a large green filter over the glass displays so all the colour hierarchies are essentially diminished and yet we certify the aircraft, and pilots fly quite happily by day and night with no incidents. So, whilst the colour is nice to have, clearly it is not an essential characteristic of the cockpit.

There is also concern about traffic and whether you will see the position lights on aircraft. The reality is that many aircraft now have bright white strobe lights for collision avoidance. The interesting part is that the aircraft that most these people have been able to fly over the 25 years are aircraft that do not have automated systems to support the pilot. The one type of aircraft they are not generally allowed to fly in Australia—your larger airlines—has things like white strobes; predominately flies in controlled airspace where air traffic control provides a degree of separation; and has traffic collision avoidance systems, TCASs, that give
automated warnings of proximity to other aircraft. So there appears again, both in practice and just conceptually, to be a problem with the restriction that has been placed on people there.

The last area is the PAPI, the precision approach path indicator, which is a glide slope indicator that is positioned next to a runway for pilots to use at night. Because it relies on a combination of red and white lights there is a concern that certain kinds of colour-vision-deficient pilots would not be able to interpret those lights. Again, the confound for that theory is that over 25 years hundreds of pilots have flown thousands of approaches at night using PAPIs quite safely, which says that either the PAPI itself has additional cueing, such as the intensity of the lights, or, more probably, there are enough redundant cues in the surrounding environment that the pilot can land safely. That is backed up by the fact that CASA will provide an exemption if the PAPI is unserviceable: you can still fly your aircraft and land it. That says that the PAPI is a nice thing to have but it is clearly not essential for landing an aircraft.

For this minority group of pilots there has been a change in CASA's view. They have decided to review the safety of these people flying aircraft. They have written to the individual pilots and to employers saying that research, which they have not published, has shown that these pilots may be unsafe. But they have not clarified what that is. The history over the last 25 years shows that that is not the case. Previous principal medical officers in CASA have shown a willingness to support pilots. I am concerned that the attitudes of a few within the regulator may be putting at risk this group, albeit a minority group. In our democracy we look after the rights of minorities. There is an injustice being done to this group. I will be working with the government to fund either another test case or research to make sure that this group receives the justice that the last 25 years have shown that they are due.

Senate adjourned at 19:06

DOCUMENTS

Tabling

The following document was tabled by the Clerk:

Tabling

The Assistant Minister for Immigration and Border Protection (Senator Cash) tabled the following documents:

Defence—Air Warfare Destroyer project—Letter to the President of the Senate from the Minister for Defence (Senator Johnston) responding to the order of the Senate of 9 July 2014 and raising public interest immunity claims, dated 10 July 2014 and attachments.

Tabling

The Assistant Minister for Immigration and Border Protection (Senator Cash) tabled the following document:

Corporations Amendment (Streamlining Future of Financial Advice) Regulation 2014—Letter to the President of the Senate from the Minister for Finance (Senator Cormann) responding to the order of the Senate agreed to earlier today (see entry no. 14), dated 10 July 2014.