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SITTING DAYS—2014

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- BRISBANE 936AM
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FORTY-FOURTH PARLIAMENT
FIRST SESSION—SECOND PERIOD

Governor-General
Her Excellency the Hon. Quentin Bryce AC, CVO

Senate Office holders
President—Senator Hon. John Joseph Hogg
Deputy President and Chair of Committees—Senator Stephen Parry
Temporary Chairs of Committees—Senators Cory Bernardi, Thomas Mark Bishop, Suzanne Kay Boyce, Sean Edwards, David Julian Fawcett, Mark Lionel Furner, Alexander McEachian Gallacher, Scott Ludlam, Gavin Mark Marshall, Anne Sowerby Ruston, Dean Anthony Smith, Ursula Mary Stephens, Glenn Sterle and Peter Stuart Whish-Wilson

Leader of the Government in the Senate—Senator Hon. Eric Abetz
Deputy Leader of the Government in the Senate—Senator Hon. George Henry Brandis QC
Leader of the Opposition in the Senate—Senator Hon. Penny Wong
Deputy Leader of the Opposition in the Senate—Senator 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 Australian Labor Party—Senator the Hon Penny Wong
Deputy Leader of the Australian Labor Party—Senator the Hon Stephen Conroy
Leader of the Australian Greens—Senator Christine Anne Milne
Chief Government Whip—Senator Helen Kroger
Deputy Government Whips—Senators Christopher John Back and David Christopher Bushby
Chief Opposition Whip—Senator Anne McEwen
Deputy Opposition Whips—Senators Catryna Louise Bilyk and Anne Elizabeth Urquhart
Australian Greens Whip—Senator Rachel Siewert

Printed by authority of the Senate
Members of the Senate

<table>
<thead>
<tr>
<th>Senator</th>
<th>State or Territory</th>
<th>Term expires</th>
<th>Party</th>
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<tr>
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Pursuant to section 42 of the Commonwealth Electoral Act 1918, the terms of service of the following senators representing the Australian Capital Territory and the Northern Territory expire at the close of the day immediately before the polling day for the next general election of members of the House of Representatives:

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(1) Chosen by the Parliament of New South Wales to fill a casual vacancy (vice H. Coonan, resigned 22.8.11), pursuant to section 15 of the Constitution.

(2) Chosen by the Parliament of Western Australia to fill a casual vacancy (vice J. Adams, died in office 31.3.12), pursuant to section 15 of the Constitution.

(3) Chosen by the Parliament of Tasmania to fill a casual vacancy (vice Hon. N. Sherry, resigned 1.6.12), pursuant to section 15 of the Constitution.

(4) Chosen by the Parliament of Tasmania to fill a casual vacancy (vice Hon. B. Brown, resigned 15.6.12), pursuant to section 15 of the Constitution.

(5) Chosen by the Parliament of South Australia to fill a casual vacancy (vice M. J. Fisher, resigned 15.8.12), pursuant to section 15 of the Constitution.

(6) Chosen by the Parliament of Western Australia to fill a casual vacancy (vice C. Evans, resigned 12.4.13), pursuant to section 15 of the Constitution.

(7) Chosen by the Parliament of Queensland to fill a casual vacancy (vice B. Joyce, resigned 8.8.13), pursuant to section 15 of the Constitution.

(8) Chosen by the Parliament of New South Wales to fill a casual vacancy (vice M. Thistlethwaite, resigned 9.8.13), pursuant to section 15 of the Constitution.

(9) Chosen by the Parliament of Victoria to fill a casual vacancy (vice D. Feeney, resigned 12.8.13), pursuant to section 15 of the Constitution.

(10) Chosen by the Parliament of New South Wales to fill a casual vacancy (vice R. Carr, resigned 24.10.13), pursuant to section 15 of the Constitution.

**PARTY ABBREVIATIONS**


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**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>
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<tr>
<th>Title</th>
<th>Minister</th>
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<tr>
<td><strong>Prime Minister</strong></td>
<td>The Hon Tony Abbott MP</td>
</tr>
<tr>
<td><strong>Minister for Indigenous Affairs</strong></td>
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<tr>
<td>Minister Assisting the Prime Minister for the Public Service</td>
<td>Senator the Hon Nigel Scullion</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for Women</td>
<td>Senator the Hon Eric Abetz</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 (Deputy Prime Minister)</strong></td>
<td>The Hon Warren Truss MP</td>
</tr>
<tr>
<td>Assistant Minister for Infrastructure and Regional Development</td>
<td>The Hon Jamie Briggs MP</td>
</tr>
<tr>
<td><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>
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<tr>
<td>Parliamentary Secretary to the Minister for Foreign Affairs</td>
<td>Senator the Hon Brett Mason</td>
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<tr>
<td><strong>Minister for Employment</strong></td>
<td>Senator the Hon Eric Abetz</td>
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<tr>
<td>(Leader of the Government in the Senate)</td>
<td>The Hon Luke Hartsuyker MP</td>
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<tr>
<td>Assistant Minister for Employment</td>
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<tr>
<td>(Deputy Leader of the House)</td>
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<td><strong>Attorney-General</strong></td>
<td>Senator the Hon George Brandis QC</td>
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<tr>
<td><strong>Minister for the Arts</strong></td>
<td>Senator the Hon George Brandis QC</td>
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<tr>
<td>(Vice-President of the Executive Council)</td>
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<tr>
<td>(Deputy Leader of the Government in the Senate)</td>
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<tr>
<td>Minister for Justice</td>
<td>The Hon Michael Keenan MP</td>
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<tr>
<td><strong>Treasurer</strong></td>
<td>The Hon Joe Hockey MP</td>
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<td><strong>Minister for Small Business</strong></td>
<td>The Hon Bruce Billson MP</td>
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<tr>
<td>Acting Assistant Treasurer</td>
<td>Senator the Hon Mathias Cormann</td>
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<td>The Hon Steven Ciobo MP</td>
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<td>Senator the Hon Richard Colbeck</td>
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<td><strong>Minister for Education</strong></td>
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<td>(Leader of the House)</td>
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<td>Senator the Hon Scott Ryan</td>
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<td>The Hon Bob Baldwin MP</td>
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<td>Senator the Hon Mitch Fifield</td>
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<td>(Manager of Government Business in the Senate)</td>
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<td>The Hon Paul Fletcher MP</td>
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<td>Minister for Veterans’ Affairs</td>
<td>Senator the Hon Michael Ronaldson</td>
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<tr>
<td><em>Minister Assisting the Prime Minister for the Centenary of ANZAC</em></td>
<td>Senator the Hon Michael Ronaldson</td>
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<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>
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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.
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The PRESIDENT (Senator the Hon. John Hogg) took the chair at 10:00, read prayers and made an acknowledgement of country.

COMMITTEES
Rural and Regional Affairs and Transport References Committee
Government Response to Report
Senator FAWCETT (South Australia) (10:01): I seek leave to make a brief explanation under standing order 191.
Leave granted.
Senator FAWCETT: I seek to correct the record with respect to remarks I made during a debate last week regarding aviation safety. The review of aviation safety regulation and the appointment of additional members with relevant aviation experience to the CASA board are coalition policy measures developed in response to the issues raised by many aviation industry stakeholders during and following the Senate Rural and Regional Affairs and Transport References Committee inquiry into the reporting of aviation accidents. My statement that these policy measures were derived from the recommendations of the Senate report as well as in response to broad industry concern was correct in respect of the review of aviation safety regulation. However, I wish to clarify that the recommendation of the report pertaining to the requirement for aviation specific experience in leadership pertained only to the ATSB.

BILLS
Minerals Resource Rent Tax Repeal and Other Measures Bill 2013
Second Reading
Debate resumed on the motion:
That this bill be now read a second time.
Senator IAN MACDONALD (Queensland) (10:02): I want every senator who did not understand that it was coalition policy at the last election to repeal the minerals resource rent tax to raise their hand. There are no hands raised. I ask the same question of the Australian public, particularly people in my home state of Queensland and in the state of Western Australia: can you raise your hand if you did not know that it was the coalition's policy to repeal the mining tax. I cannot see them but I am sure there would not be a hand raised anywhere in Australia, particularly in my home state of Queensland or in Western Australia. Why do I refer particularly to my home state of Queensland and to the state of Western Australia? They are the states which contribute most to Australia from mining resources and from the taxes currently paid by the mining industry.

Everyone in Queensland and in Western Australia knew that, if they voted for the Liberal and National parties, the mining tax would go—and people wanted it to go. There were a couple of reasons for that. Perhaps the most important reason was that it discouraged investment in the mining industry. It meant that those international and Australian companies
with current investments in the mining industry were drawing back. What does that mean? You do not have to be a great economist to know that, without continuing investment in the mining industry, things start to slow down—and that means jobs.

I know that in Western Australia jobs in the mining industry are so very, very important, as they are in my own state of Queensland. So many of those people of whom the Labor Party allegedly are the representatives in this parliament are the people who are now starting to lose their jobs. They are the people who, thinking that the mining industry had a great future in Australia—before the Gillard government came along—went out and got a good job in the mining industry, in Western Australia or in Queensland. They then, with the expectation of a good income for many years, went out and bought a house, mortgaged to the bank, and set their lifestyle and their business plans for their family on the basis that the mining boom would continue forever.

It is those people who went to the polling booths and said, 'We understand; we can cut through the Labor Party rhetoric, we can cut through the false promises, we can cut through the lies. We understand that the CFMEU no longer looks after our interests. We can work that out.' As I said, you do not have to be an economic genius to see what is happening on the mine site. That is why so many people in Queensland and Western Australia voted for the Liberal and National parties.

Mr Deputy President, I ask you and I ask other senators, because this is the Senate chamber: which states in the last election returned three coalition senators almost on the first count? Was it South Australia? No. Was it Tasmania? No. Was it Victoria? No. It was Queensland and Western Australia who returned three coalition senators. I think in Western Australia Labor got one senator, was it? One senator. In Western Australia, one of those elected in addition to the three Liberal senators was a representative of the Palmer United Party, which at the time made it very clear that they opposed the mining tax. Now, I am not quite sure where the Palmer United Party is at the moment but I suspect that, if the PUP nominee is returned at the upcoming by-election, he will have his own views. I know he is a person who has been involved in business in Western Australia and understands just how bad the mining tax has been for Western Australia.

I am labouring the point, but I want those opposite to understand that Australians, being in a democracy, have an opportunity to express their view on what is happening—and, when they express that view, you would think that the parliament would follow that view. We are not in South Australia, where you get 53 per cent of the vote and the other party gets to be in government! Nationally, things are not like that. Australians have the opportunity to indicate which policies they want adopted; and, quite clearly, in the last election Australians as a whole but particularly those in Western Australia and Queensland indicated they wanted to get rid of the carbon tax and they wanted to get rid of the mining tax.

I mentioned one of the reasons they voted that way was that they were concerned about their jobs and their mortgages—because they understood that the mining tax was discouraging investment in Australia’s mining resources industries. I now know why Paul Howes is resigning from the Labor Party and the union movement today. I assume he is honourably abiding by his promise to resign if just one job was lost. I think even Mr Howes has been able to understand that it is not just one job lost; literally thousands and thousands of jobs have been lost because of the carbon and mining taxes.
That is principally why people voted against the mining tax and for the Liberal senators in Western Australia. But the other reason, of course, was that it was a tax that cost more to collect than it raised. Only the Labor Party and the Greens working in harmony could devise a tax that lost money!

That must go down in the political history of the world, I would say, as a unique situation: the Greens and the Labor Party could devise a tax that lost money.

I have never forgiven Xstrata, BHP and Rio, and every time they come knocking on my door the first part of the conversation is me saying to them, 'I've never forgiven you for how you did that deal with Wayne Swan.' But, in retrospect, I can only think that the three CEOs of those three major international mining companies must have thought all their Christmases had come at once when they were called upon by Ms Gillard, the then Prime Minister, to go and negotiate with Mr Wayne Swan, the then Treasurer, on how to devise a mining resource rent tax. Those three CEOs must have said: 'There is a God. Christmas comes every day when we've been asked to go and meet with Wayne Swan and devise a mining tax.' What happened with their devised mining tax that Mr Swan was lured into? Those three did not pay any tax, but all the other miners ended up somewhere along the line with a tax. Again, only a Labor Treasurer, only a member of the Labor Party, advised by the Greens political party, could possibly have fallen for that trap and devised a tax that simply raised no money.

Mr Deputy President, you have already heard in this debate and you will hear again, but I must repeat, that since 2006-07 the mining industry has paid tax—very considerable tax. In spite of what the Labor Party and the Greens, particularly, say about 'these wealthy miners ripping Australia off and taking their profits overseas', since 2006-07, the mining industry has paid $117 billion in company tax and state royalties, and that is just in company tax and state royalties alone. It does not include the huge amount of tax generated from income and other payments that are made.

I am delighted to see that a council up in the north-west of Queensland, the Cloncurry Shire Council, has come to a good arrangement with the mining companies in that shire so that the mining companies there also contribute quite substantially these days to the community facilities established and run by the Cloncurry Shire Council. All credit to Mr Andrew Daniels, the mayor up there, and his council for the way they have looked after their shire by making sure that all of those working in the shire pay their way. The mining companies in that area, happily, pay a substantial part of the revenue to that shire. But that is just one instance. There are 117 billion other dollars in company tax and state royalties, plus all the tax that those working for the mining companies pay.

Mr Deputy President, you will remember that in its original form the resource rent tax—the mining tax, let me call it—was forecast to raise $49.5 billion in five years from 2012. Not only did it not raise that money but it lost the Prime Minister at the time his job. It cost Mr Rudd his job, as I recall, and the new Prime Minister then, Ms Gillard, said that she would fix the impasse with the resource sector, and the minerals resource rent tax was born. Mr Swan, I regret to say a member from my state of Queensland—I only regret to say it because if people judged Queenslanders by Mr Swan they would have a very low opinion of us—indicated that the tax had raised $126 million in the first six months. Remember that it was supposed to get, in the first five years, $22.5 billion. In the first six months it raised a tiny $126 million, most
of which went in advertising the tax, in setting it up and in running this very complex tax system.

I hope there are some members from the Greens political party participating in this debate because I would like them to explain to me how you can devise a tax that actually costs the taxpayer money. I saw at first-hand how the Greens political party initiated an inquiry into Qantas, one of the biggest businesses in Australia, and it was an embarrassment, I have to say, to attend that hearing and see some of the puerile questions from Labor and Greens members trying to tell Qantas how to run its business. I digress, Mr Deputy President, to tell you that one of the Greens or Labor senators—I will not be nasty enough to identify which one—could not work out the difference between cash flow and profit and loss. It was an embarrassment when Mr Joyce, the CEO of Qantas, had to sit down and give senators a lesson on something as simple about economics as the difference between cash flow and profit and loss. So here we are with the Labor and Greens political parties devising a tax which made no money.

Only 20 taxpayers have so far paid the tax over the first year. Those 20 taxpayers paid $400 million—remember, it was supposed to get $22.5 billion over the first five years; so a tiny $400 million has been raised—but 145 other miners have been required to submit all the paperwork associated with the tax. If you wonder why international investment is going to South America and Africa and not to Australia anymore, it is because of the red and green tape, the filling in of paperwork. That is a great example: 20 pay the tax and 145 had to fill in the forms. To set up this tax there was $40 million in advertising. That advertising was mainly to try and convince the Australian public that it was a good idea. It was political advertising paid for by the taxpayer but, in a typical Labor Party way, using taxpayers' money to run election campaign advertising. So some $40 million was spent on that and $50 million was spent on setting up this tax: all the public servants, all the bureaucrats, all the form filling, all the papers, all the expert advice, so-called. So, just to set it up, it was $90 million, almost as much as the tax collected in the first six months. Then, on top of that, there was a conservative estimate of some $20 million a year to administer the tax—to administer a tax that does not raise any money.

My colleagues have spoken on the mining tax, and I refer people particularly to the speech of Senator Back from Western Australia. I urge Labor and Greens members to look at it, because they might learn something if they focus on that speech and understand just how the figures do not stack up. Again, this is so important to my state, and that is why I am taking part in this debate. I hate to admit this as a Queenslander but I recognise that the mining tax has a greater impact on the state of Western Australia because Western Australia eclipses even my state of Queensland as the mining giant of Australia and, indeed, the world. So much of the Western Australian economy depends on the mining industry. So many jobs in Western Australia depend on the mining industry. So many community facilities are built from the royalties and taxes already paid by the mining industry to state and local government. Yet we have seen, lamentably, a downturn in investment in mining.

The Labor Party and the Greens do not understand this. They see an industry doing well for 12 months or 24 months and they think they can tax it. But what they do is tax it out of existence. I hope that the Labor Party are going to follow the promise of the leader of the Labor Party ticket in Western Australia—a Mr Bullock, who I have never heard of, although he has probably never heard of me either. Mr Bullock has promised that they are going to get
rid of the carbon tax. On the day he was promising to do that, his colleagues in this chamber voted against the repeal bill. So who knows where they stand? Senator Pratt, who is facing annihilation at the Western Australian Senate election next Saturday, has actually claimed that Kevin Rudd already got rid of the mining tax and the carbon tax. Yet we see the Labor Party, when presented with the opportunity to get rid of the carbon tax just last week, failing to do so.

Neither Senator Pratt nor Senator Ludlam, both Western Australian senators, will be taking part in the debate here in the chamber on this issue of vital importance to Western Australia. They are both over there trying to save their political skins. I hope the Labor Party understand the mandate the coalition were given at the last election to remove the mining tax and I hope they pursue that at the by-election in Western Australia.

Senator FURNER (Queensland) (10:21): I oppose the Minerals Resource Rent Tax Repeal and Other Measures Bill 2013. The Australian Labor Party believes in a fair go, equality and opportunity. We believe that the profits of our country's resources, which can only be dug up once, should be shared amongst all Australians, not just enjoyed by a handful of mining magnates. That is why we in government introduced the minerals resource rent tax—to share the wealth and spread the benefits of Australia's mining boom by providing tax breaks for small businesses through the instant asset write-off and the tax loss carry-back, by helping young families through the schoolkids bonus and by assisting low-income earners through the low-income superannuation contribution.

But this government is deadset keen on making cuts. As my colleague Senator Bilyk mentioned the other day in this debate, the coalition campaigned on cutting the mining tax and the carbon tax, but they did not tell the electorate where these cuts would come from. They did not tell the Australian people that they would lose out on assistance that so many of them rely upon. Why are we on this side not surprised? This government has done nothing but cut, cut, cut since it came into office. It reneged on grants by the Regional Development Australia Fund which had not yet reached the stage of contracts being signed. The Australian government cancelled the round 2 grants of the Tourism Industry Regional Development Fund. This program offered matched dollar-for-dollar funding of between $50,000 and $250,000 to assist tourism operators. TIRF grants offered unique opportunities for regional and rural tourism operators to improve the quality of their tourism products and increase the numbers of visitors to their regions. North Queensland, where I have recently travelled, is an area where we particularly need to make sure tourism is supported—not put into mothballs.

Last year the Labor government announced $40 million for the National Crime Prevention Fund to help address gang violence and street crime. This initiative was fully funded in last year's budget. A number of community organisations in areas with high crime rates across Australia received funding based on the quality of their submissions. There have also been cuts to pay increases for the childcare and aged-care sectors. The NBN website was removed. The list goes on. There were cuts to the Building Multicultural Communities Program. Some organisations who had been told they had been successful received letters notifying them that the federal government was withdrawing its funding. In another low blow by Mr Abbott, payments were cut to the children of veterans who had been killed or injured. It only cost the government $250,000 a year to provide assistance to 1,200 children under the Veterans' Children Education Scheme and the Military Rehabilitation and Compensation Act 2004.
Education and Training Scheme, yet Mr Abbott still has his mind set on introducing a paid parental leave package to benefit the wealthy.

It is a sad day to be in this place with the government wanting to repeal all these Labor government initiatives so that they can keep their big business and mining friends content—friends like Gina Rinehart, who thinks Australians get paid too much and should 'spend less time drinking or smoking and socialising and more time working'. Ms Rinehart also supports reducing the minimum wage. She told the Sydney Mining Club:

The evidence is inarguable that Australia is becoming too expensive and too uncompetitive to do export-oriented business.

Africans want to work, and its workers are willing to work for less than $2 per day. Such statistics make me worry for this country's future.

Surely we cannot afford to have situations where we have migrants coming to this country willing to work for below the minimum wage and at $2 an hour. That type of mindset is from way back in ancient times.

These comments by someone who inherited her wealth and is worth an estimated $19.89 billion put a knife through the hearts of our working families—families who are struggling with cost-of-living pressures and who were receiving assistance from a Labor government. I am a former union official. Ensuring that workers have a safe work environment, fair pay and overtime conditions and access to leave entitlements is the principle of my working life. Those workers that I represented relied on every dollar they earned to keep food on the table for their families, to pay their bills and to send their children to school, and yet we have people who have no financial woes saying that these workers deserve a pay cut. It is a bit rich.

Ms Rinehart also had no second thoughts on looking down on those who need help most and blaming welfare recipients for receiving government funding, yet she sees no problem in big business and corporations receiving tax cuts or financial assistance. An article called 'Gina Rinehart hits out at welfare recipients and the Left for dragging Australia into debt', on The Daily Telegraph website, indicated that Ms Rinehart had double standards when it came to her views on welfare. It said:

She wants to be a bigger welfare recipient herself … She's against social welfare but she's very much in favour of business welfare for herself … I think that's an appalling double standard, there is no bottomless pit of money and that should apply to Gina as much as the people she's bagging today.

It is important that support is reciprocal, not just directed one way in supporting mining magnates like Gina Rinehart or others. It should be generated through our society to make sure that it gives a fair and equitable system. That was the message and the ideology behind our taxation: to make sure it was spread across our communities.

Now I will have a look at the schoolkids bonus. The Labor Party has always believed in investing in education. With a good education, no matter their background, young Australians can strive to achieve whatever they set their hearts and minds to. In 2009, we invested heavily—$16 billion—in the Building the Education Revolution program to upgrade facilities in our schools and allow schools to build much-needed new infrastructure, including sites—

Senator Kroger: Mr Deputy President, I raise a point of order in relation to relevance. I understand that we are actually debating the minerals resource rent tax, and the good senator has actually said that he is now turning to education. I do not quite see how that is—
The DEPUTY PRESIDENT: Thank you, Senator Kroger. There is no point of order. Senator Furner is relevant.

Senator FURNER: Thank you, Deputy President. Once again, we demonstrated our commitment in terms of education, and part of this bill is to withdraw education funding from the schoolkids bonus. I was saying how we had committed $16 billion to the BER program, Building the Education Revolution, updating facilities in our schools. In schools in my seat of duty, I opened around 135, and we saw science labs, language centres, libraries and classrooms rejuvenated as a result of that funding. I have also spoken many times on this topic. I am very passionate about investing in our next generation, and that is why I am disappointed that this government is scrapping the schoolkids bonus through this bill.

There are 1.3 million Australian families who receive the schoolkids bonus; and, of those, 481,588 children are from my state of Queensland. This bonus is worth $410 a year for primary school students and $820 for high school students. Being a father of three I know how expensive it is to send our children to school. Certainly, many of the parents I spoke to when we launched this bonus were very thankful to the Labor government for assisting them in providing the cost of the bare necessities to send children to school. Mr Deputy President Sterle, you yourself would know the cost of sending children to school. It is a costly exercise but well worthwhile to make sure that children are taken care of in their early years and get a great education.

The schoolkids bonus went towards books, uniforms, shoes, music lessons, excursions, school camps, stationery and school fees. It all adds up, as you would know, Mr Deputy President Sterle. It is always great to receive some sort of benefit from a government that is committed not only to children but also to education. While the schoolkids bonus does not cover all educational costs, it is definitely a helping hand, especially over 12 years of schooling—nearly $7,000 per child in assistance that will now be eliminated as a result of this Liberal-National Party government stripping away the schoolkids bonus. Over four years, this equates to $4.5 billion being ripped away from our families. Does that really seem fair to you, Mr Acting Deputy President Sterle? I would not think so. The government provide a tax break to big mining companies but take money out of the pockets of those who need it the most. That is the flip side of this bill.

Turning to small businesses, this repeal bill also leaves 2.7 million small-business owners worse off, taking away a tax break and ripping away $2.9 billion from small businesses over the forward estimates—hardly a helping hand from the party that says it is the party that supports businesses. We increased the instant asset write-off threshold to $6,500, but this repeal bill drops it back to $1,000. I remember speaking to a copious number of small businesses when we introduced that initiative, and they took advantage of it, as it made sure that they could go out and purchase maybe an additional car. Close friends of mine, Nabil and Awatef Karam, with a florist business in the seat of Lilley, on Sandgate Road in Virginia, went out and purchased some additional refrigeration to keep their flowers viable. They keep them in coolrooms to make sure they do not wither and die in a matter of days. So small businesses like that took advantage of that threshold increase, but now it is going to be dropped back to $1,000. In effect, 110,000 businesses will be affected by this threshold reduction from $6,500 to $1,000.
On 5 November 2013, in *The Australian Financial Review*, the article 'Business challenges tax changes in MRRT repeal' stated that the Australian Industry Group said the small business asset write-off threshold should not be reduced from $6,500 to $1,000 because it would add an extra administrative burden. On 27 November 2013, Dr Peter Burn from the Ai Group told the Senate Economics Legislation Committee during its inquiry into the Minerals Resource Rent Tax Repeal and Other Measures Bill 2013:

Everyone who has been a small business person knows what a hassle it is to trace, over the life of an asset, the deductions that have been made in previous years and the statutory accelerated depreciation rates and to make small deductions over a number of years. Making a single big deduction in the year that it is purchased is simple. It relieves business of all the paperwork, it reduces the costs they have to pay to their accountants and it gives them more time in their businesses—less money to the accountants and more money for reinvestment.

This is another example of not a union but an employer organisation saying to the government: 'Don't do this. This is a silly thing to do in terms of stripping away and reducing conditions for small businesses.'

But there are other commentators as well who are indicating that this government is on the wrong path when it comes to small businesses. On the same day the Australian Chamber of Commerce and Industry's Peter Anders told the committee:

What it does do is provide the essential lubricant for small and medium business people in particular to be able to grow and expand their businesses, and that is access to a greater degree of cash than they otherwise would. And we should not underestimate that, because if they are not getting cash through a measure like this then most of them are having to go out there and borrow on the markets and pay the relevant interest rates and the like on cash and put up further assets as security et cetera. So, it has a beneficial impact not just in providing a mechanism by which they can fund business growth and expansion; it also avoids those businesses having to further mortgage or further put up security in order to access the cash they need for those purposes.

This bill also proposes to delay the superannuation guarantee. You and I know from our backgrounds, Mr Acting Deputy President Sterle, how important the superannuation guarantee is for workers in many of our workplaces. Dating back to the 1987, when it first came into place, the SGC provided three per cent and over the term of a Labor government that increased from three per cent up to nine per cent. We were at a point where we were proposing an increase to 12 per cent, but we know that is going to be put on hold by this government.

So in order for Australians to have adequate retirement benefits the Labor government passed legislation to allow the superannuation guarantee to increase progressively from nine to 12 per cent. As Senator Wong mentioned earlier in this debate, the current guarantee of 9.25 per cent was supposed to increase to 9.5 per cent in July this year. This bill pushes back that increase by two years—or who knows when? It may even be further. Pushing back this increase saves the government almost $1.6 billion, but what does this mean for our young Australians and our working mums and dads? This might seem like a small amount of money to those opposite, but over the working life of young Australians it can mean a lot to their retirement benefit.

Also, low-income superannuation contributions are going to be targeted. If withholding an increase to the superannuation guarantee was not enough, the government is also getting rid of the low-income superannuation contribution. This will affect 3.6 million low-income
workers, who will lose a yearly tax refund of up to $500. This will hit the retail and hospitality sectors the most, those that are most vulnerable in our communities and in their working careers and who need this benefit the most. The removal of the low-income superannuation contribution will also have a detrimental effect on 2.1 million women. Already we know that women retire with less in their retirement benefit than men, usually because they take time off from work to raise children. Taking away the super contribution is taking away $500 from a woman's benefit when a significant number of these women are part-time workers with young children. What makes it worse is that once again Mr Abbott is taking from those who need it the most to provide a boost to others who are not struggling financially: 16,000 of the wealthiest people in Australia who have $2 million in retirement savings will receive a tax break on their superannuation earnings. How is this fair?

On the income support bonus, as part of this bill the government is also taking away the income support bonus which provides $250 a year to eligible singles and $350 for eligible couples receiving assistance through the Abstudy living allowance, Austudy exceptional circumstances payment, Newstart allowance, parenting payments, sickness allowance, special benefit, transitional family payment and youth allowance. This cut will save the government $1.1 billion over the forward estimates, but what about the recipients of this bonus who use it for unexpected bills? What happens to them? Once again, we see an example of the Liberal-National coalition taking away from those who need it the most.

In conclusion, I think we have heard enough reasons to sum up why these Labor initiatives should be sustained. They will assist those in our communities who are worse off and need that assistance in harsh times when struggling with circumstances in their lives. Labor's measures assist them throughout their careers and in raising their families. Using the example of the schoolkids bonus, our initiatives help people to raise their children, get a better education and have a better lot in life as they move towards a career.

The Abbott government have all their priorities around the wrong way. They want to take from those who are struggling the most and give to their rich mates. They want to take away taxes on big businesses and make small businesses and low-income workers pay more. They want to take away school assistance from hundreds of thousands of Australian families but give women earning more than $150,000 a year $75,000 to have a baby. How is it that you can tell a woman who earns $60,000 a year that her baby is worth less than someone else's just because the other earns more money? At least our paid parental leave scheme is fair. It provides the same payment to every eligible woman no matter their salary.

The Labor Party has always believed in a fair playing field. Those who work hard deserve a fair wage. Those who study hard deserve the best education. That is why we oppose this bill here today.

Senator MILNE (Tasmania—Leader of the Australian Greens) (10:42): In rising to speak on the Minerals Resource Rent Tax Repeal and Other Measures Bill 2013, I pose the question: whom does the mining tax serve? We really need to get to the bottom of the nonsense that we have heard from the coalition that getting rid of the mining tax is somehow going to create jobs and is somehow going to help Western Australia. In fact, when you look at it you see that mining is a massively capital-intensive exercise and it is not the major jobs creator that the coalition pretends it is. In fact, we have had very clear evidence that, as the mining boom continues, the problems that it creates are intense, particularly in a place like
Western Australia, where you see that those people who are not part of the mining industry are suffering as a result of very high rents and homelessness.

We are seeing already that this boom has not been used to advance the interests of the whole nation or to build towards a society post the mining boom. The profits have been taken by the companies concerned and have been funnelled overwhelmingly to overseas shareholders. The money has not circulated in the Australian economy to create jobs. Indeed, as Ross Gittins warned recently, mining is 'hugely capital-intensive' and accounts for 10 per cent of GDP but only 'a mere 2.4 per cent of total employment'. He went on to say that, for all the mining industry and government say about this tax being bad for jobs, it is important to remember:

For the income earned by an industry to generate jobs in Australia, it has to be spent in Australia. And our mining industry is about 80 per cent foreign-owned.

... ... ...

For our economy and our workers to benefit adequately from the exploitation of our natural endowment by mainly foreign companies, our government has to ensure it gets a fair whack of the economic rents those foreigners generate.

This, of course, is the justification for the minerals resource rent tax. And the fact that, so far, the tax has raised tiny amounts of revenue doesn't mean mining is no longer highly profitable, nor that the tax isn't worth bothering with.

Because Labor so foolishly allowed the big three foreign miners to redesign the tax, they chose to get all their deductions up-front. Once those deductions are used up, the tax will become a big earner. Long before then, however, Tony Abbott will have rewarded the Liberal Party's foreign donors by abolishing the tax.

This will be an act of major fiscal vandalism, of little or no benefit to the economy and at great cost to job creation.

That is the fact of it. This is fiscal vandalism at a time when we have not an economic crisis or a debt crisis but, if anything, a revenue crisis. We need to be raising money in Australia so that we can spend it on the things that we need that will set up the community and the economy for the future. We need to be spending it on education at every level, from universities right down to schools and early childhood education. Here we have a scenario where the government wants to abolish the mining tax and, at the same time, is not honouring the fifth and sixth years of funding for the implementation of the Gonski reforms in education, which would allow those who are most disadvantaged in Australia to get equal access to education. That is just one area. Another area is the National Partnership Agreement on Homelessness. Why haven't we got money to be able to support the people who are providing crisis accommodation for people when they need it? The plea is always, 'We don't have enough money.' We apparently have no money to support single parents either, and now we hear that the government intends to cut the wages of the lowest paid people in the community—in particular cleaners. We hear all of this, and the reason is that we do not have the money. And suddenly we are prepared to repeal a tax which should be raising money from the miners.

I want to come to that point, because Ross Gittins is right when he says that the fact that the mining tax is not returning much revenue does not mean that mining is no longer highly profitable. Let us go and have a look at the profits of the mining industry just to make the...
point on the extent to which they are profitable. I will read the figures that have been released recently:

The miners made combined half-year profits of $US14.58bn, compared with $US8.04bn a year earlier, a period in which the iron ore price crashed to as low as $US87 a tonne.

I just want to repeat those figures: after a half-year profit in the previous year of $US8.04 billion, the miners made a combined half-year profit of $US14.58 billion. If that is not a superprofits tax candidate, I do not know what is. They are making megaprofits, and the way they have framed this debate is, 'Oh, the iron ore price is down; therefore we should not have to pay the superprofits tax.' With the iron ore price down, they have almost doubled their profits, and that is in a half-year, not a full year, so goodness only knows what they are going to end up with in terms of that assessment. So never let it be said that somehow they are not making superprofits. They are most definitely making the superprofits which should require them to pay some of that back to the community.

So why aren't they? Originally the tax was meant to be a 40 per cent tax on superprofits above $50 million and applied to all minerals. The tragedy is that it was watered down to an effective rate of 22.5 per cent on profits above $75 million and restricted to only a few minerals. That is where it went horribly wrong, and that is where the mining industry absolutely pulled the wool over the eyes of former Prime Minister Gillard and Treasurer Wayne Swan. There is no doubt about that. They came out of those negotiations with a political fix. They needed a win leading into the 2010 election, and the mining industry needed to get out of paying the superprofits tax, so they went for a deal which said, 'We'll give you a political win in the short term, and we get the long-term win of not paying the superprofits tax.' That is what happened in those negotiations, and Australians have been sold out absolutely by that.

But that does not mean to say that you would get rid of the mining tax just because it is not raising much revenue. What you would do is fix the mining tax so that it is, and the Greens have pushed that all along. We said that in the very first place. When the legislation went through the parliament in the first place, we tried to amend it to make sure that the states could not get away with continuing on the loophole that allowed them to raise the royalties and the Commonwealth to pay it back to them. That was always a stupid move. We tried to get it amended at the time and did not succeed. So we called a Senate inquiry. Everyone who came before the Senate inquiry made it clear that, if you redesigned the tax, you could make more money from it. Going into last year's federal election, we got the assessment of what the mining tax would raise if it were fixed in the ways that we suggested, and of course we got the answer back that we could have raised $21 billion from the mining tax if we had fixed it.

In the light of where we are now, surely we have reached the point where there is an acceptance that we need to raise more money. Everyone from Ken Henry to the former Treasurer and every economist is out there saying: 'If we want to pay for the big reforms that will set up this country post the mining boom, that is massive investment in education, absolutely in our universities, and research and innovation. If we want to drive the low-carbon economy, absolutely make sure that we are competitive in a low-carbon future. If we want to make sure that we have appropriate health care for people to be able to live in a way that gives them a good quality of life into the future, if we are going to adequately look after people as we always have in this country—and that means the poorest and the people most in need of
housing and income support at times when they are under pressure—then you have to raise money.’ And that is not to mention national disability insurance. Everyone agrees that this is a good social reform for the nation, but it has to be paid for. So let's raise the money.

That is why I am moving a second reading amendment—and this has been circulated—specifically in relation to this:

At the end of the motion, add:

"but the Senate calls on the Government to recognise that the benefits of the mining boom should be enjoyed by all Australian society by:

(a) applying a 40% tax rate to all minerals,
(b) rebating only those royalties that were in place at July 2011, and
(c) allowing depreciation on the book value of the amounts actually spent on mining infrastructure only."

With this second reading amendment, the Senate calls on the government to withdraw the bill and redraft it to ensure that the benefits of the mining boom can be spread throughout Australian society by (a) applying a 40 per cent rate, as applied under the petroleum resource rent tax, and extending the MRRT to all minerals; (b) only rebating royalties that were in place at July 2011, rather than letting state governments raise royalties that are paid by federal taxpayers, not the mining companies; and (c) only allowing depreciation on the book value of the amounts actually spent on mining infrastructure, because that was another one of the absolute rorts in this mining tax.

But also I will be moving another second reading amendment, because one of the things hidden in this package is what it is taking away. Some publicity has been given to the schoolkids bonus, but not a lot has been given to the impact of taking away the low-income superannuation contributions. That again is another attack on the lowest paid people in Australia. We all talk about the gap that there is, particularly the gender gap, in superannuation entitlements and how Australia is going to pay in the future in terms of pensions. One of the ways is to help people make up that gap, and that is what the low-income superannuation contribution was all about. So I am moving another second reading amendment. Again, it has been circulated.

The ACTING DEPUTY PRESIDENT (Senator Sterle): I am sorry to interrupt you, Senator Milne, but I just have to let you know that you have moved one motion. You can foreshadow the second motion.

Senator MILNE: Thank you, Mr Acting Deputy President. I foreshadow, then, that I will be moving a further second reading amendment. I foreshadow that I will move:

At the end of the motion, add:

"but the Senate is of the opinion that the repeal of the Low Income Superannuation contributions should not be concealed in this legislation as it will:

(a) diminish, by around $27,000, the retirement savings of one in three Australians,
(b) negatively impact on almost one in two working women and 80 percent of women who work part time, and
(c) will place further pressures on future governments due to increased costs to the aged pension."

Having foreshadowed that second reading amendment, I want to go to the particular case of Western Australia.

CHAMBER
All the talk relating to the Western Australian Senate by-election has been about what the Liberals' plan for Western Australia is. The plan is: get rid of the mining tax—as if that is going to help people in Western Australia. As I said, it is not helping people in Western Australia when it comes to jobs, because job numbers are falling. The fact that Minister Abetz has tried to stand over the Public Service and make them massage the figures shows you that the government knows jobs are not going to come from mining.

In the midyear economic update, it was forecast that jobs in the mining industry would fall by 4.5 per cent. After you massage those figures to give you what the government wants—that is, the government's so-called one million jobs plan—the fall would be 3.2 per cent. Even with the massage, it is a fall of 3.2 per cent. But that shows you that the government knows full well that getting rid of the mining tax is not going to help Western Australia. We already have a massive fall in job numbers in the mining industry.

In addition to that, when you consider what Western Australians will lose—in particular when you take away the low-income superannuation entitlement—you are looking at significant losses for people in Western Australia. By keeping the mining tax and restoring it, the Greens will save 469,344 Western Australian families $881 million over four years. By not repealing the mining tax, you actually help people in Western Australia. By repealing the mining tax, you do not.

If you look at the savings measures, you see that the government is making a cash grab—to the value of around $27,000, or 15 per cent of expected retirement savings—for the retirement savings of one in three workers. That means that, in Western Australia, 353,613 workers will be punished and that, every single year, $93 million in retirement savings will be lost. That is pretty significant.

In this Western Australian by-election, once again we are back to slogans. What is the government's plan for Western Australia? 'Repeal the mining tax.' What does that mean, though? Nobody has said to the people of Western Australia, 'Actually, more of you will be worse off if you repeal the mining tax, because the low-income superannuation contribution is gone.' That is pretty significant and I think people need to be aware of the extent to which this is hidden in the slogan. It is hidden in the slogan about getting rid of the mining tax that they are also going to get rid of a decent retirement for low-paid workers in Western Australia. That is a message we intend to be out there delivering very strongly to people in Western Australia.

We will not stand by and see those who are currently benefiting so much from megaprofits continue to do so at the expense of the poor in our community. Rio Tinto last year made a profit of $9.5 billion from iron ore and paid no tax. BHP Billiton made an after-tax profit of $6.5 billion from Western Australia's iron ore in its last half-year and paid only a very small amount of tax. Then there is Andrew Forrest's Fortescue Metals. It made $1.7 billion last year but paid no mining tax—and so on and so forth. You get this happening over and over again.

What is clear from talking to people around Australia is that jobs are more important than returning the budget to surplus. They want to make sure that there is a plan for post the mining boom. I can tell you, Mr Acting Deputy President, the Abbott government have no plan for Western Australia post the mining boom. All they see is more mines. They do not recognise that the future for Western Australia is in something very different. That is why the Greens' plan is out there as a very stark alternative, and that is: let us actually use the benefits
of the mining boom through the superprofits tax; let us restore the tax and have that money circulating so that we can spend it on the education, research and development that will be necessary to sustain us in the long term.

That is now supported today by a report which has been brought out by Deloitte. It identifies 25 areas that could provide a vital cash injection into the economy and produce jobs to fill the void from the resources boom that is winding down. We do not agree with everything they have said. We certainly do not agree with their idea of next-generation nuclear energy, but we are absolutely on board with solar. Solar energy and the jobs in renewable energy are much more important to Western Australia in the longer term than abolishing the mining tax.

I can tell you, Mr Acting Deputy President Bishop, that the loss of the renewable energy target in its current form will have a mega impact on jobs and businesses in Western Australia. So what we are seeing here is the Abbott government motto: ‘Let the rich get richer; let the poor get poorer.’ Let those who donate to the Liberal Party get maximum benefit, and those who stand to lose—low-income earners—suffer the most. That is why we should not be repealing the mining tax but instead fixing it so that we get the returns to spend in the community.

Senator EDWARDS (South Australia) (11:02): I too rise today to speak on the Minerals Resource Rent Tax Repeal and Other Measures Bill 2013, which will abolish the failed mining tax from 1 July 2014. It is very clear that in Australia we have three very big mining states: Western Australia, Queensland and South Australia. It is very clear now what the Greens' Western Australian Senate election strategy is. It is to tax more. That is what we have just heard from the Leader of the Greens. Their plan is to keep the tax, to continue to run deficits and to maintain the downward spiral of investment in mining in Western Australia, Queensland and South Australia.

Over the last decade Australia has had the good fortune to be able to benefit from the ongoing expansion of worldwide demand for our natural resources, particularly in Asia. While resources long contributed to government revenues under the prudent stewardship of the Howard government, the coalition left no debt for the incoming Labor government. Having eliminated the $96 billion worth of net debt that it had inherited from the previous Labor government, the coalition instead left the Rudd Labor government a surplus of $20 billion and a $60 billion investment fund for the future.

This prudent fiscal management was clearly squandered by the former Labor government, a government that spent more time concerned about their own personal agenda, looking over their shoulders in an effort to head off any leadership coups, instead of properly managing the finances and providing for good governance of our country. Labor's legacy to Australians has been 200,000 more unemployed, a gross debt projected to rise to $667 billion and $123 billion in cumulative deficits. To add to that, there are also the 50,000 illegal arrivals by boat and now the world's biggest carbon tax.

Our promise at the last election, prior to 7 September and during all of those years in opposition—and we were very truthful—was that we were going to repeal the carbon tax and abolish the minerals resource rent tax. That was our promise. Instead there was reckless spending on the other side, and now what have we inherited? A bare cupboard—in fiscal terms, a slow-moving train wreck. We have to arrest this and the policies that go with that
slow-moving train wreck. The mining tax is a clear example of poor economic policy and mismanagement. It is a complex and unnecessary tax which struggled to raise the substantial revenue predicted by the former government—a complete embarrassment for them, I would say. It damaged business opportunity and confidence in one of our most important industries and took away likely investment and jobs growth across the nation.

This repeal of the mining tax is significant in safeguarding Australia's economic future. It is about repairing Labor's damage and mending the fiscal destruction Labor inflicted on our finances. The repeal of the mining tax is an important step, in the same way the repeal of the carbon tax is designed to help stimulate economic growth. This is important not just in my home state of South Australia but in Western Australia, where the all-important Senate re-vote is fast approaching, in several weeks time.

Just last week, Labor voted to keep the carbon tax, and we were all here that Thursday. Obviously the Labor Party's No. 1 ticket holder in Western Australia for the election on 5 April is not in concert with his federal parliamentary colleagues, because Mr Joe Bullock proudly declared that Labor was scrapping the carbon tax. That was reported last week, much to the chagrin, I would think, of the Leader of the Opposition, Mr Bill Shorten, because, while Mr Bullock was out there championing that to Western Australians, his Western Australian colleagues were in here voting down the repeal of the carbon tax.

Those in the Labor Party, those seeking to get an advantage from the re-run of the Senate election in Western Australia on 5 April, are out there saying to the Western Australian people the same sort of thing that Julia Gillard said in 2010. She said, 'There will be no carbon tax under the government I lead,' and then she introduced it under the government she led. Now Mr Bullock is out there in Western Australia proudly declaring that they are going to repeal the carbon tax, and they are clearly not going to. So bring on that by-election. The Western Australians, I am sure, in their infinite wisdom, will see the mining industry for what it is in that state, an industry that they want to keep quite vibrant.

Labor continue to join forces with the Greens—whom we have just heard from in this chamber—and voted last Thursday to maintain the carbon tax, that toxic tax. Labor are all about representing themselves as one thing on this issue when it comes to the electioneering that is going on—it happened in my home state of South Australia in the last few weeks and now it is happening in Western Australia—but their representation is somewhat misguided and requires scrutiny from all of those that are looking to vote for them thinking that they are going to do what Mr Bullock has recommended and scrap the carbon tax.

Let us talk about the truth of what the mining tax is. The MRRT is representative of the policy dysfunction of the Rudd-Gillard-Rudd government. They seemed to lose the plot, and the mining tax was just one of many examples of a government just taxing and spending. The mining tax was an attempt to disguise the omnipresent rampant waste and chronic mismanagement of the public purse under the previous government, a regime that squandered the coalition's legacy, which I talked about earlier. Every Australian has now been burdened by the Labor government with record levels of debt. In 2010 the MRRT was forecast to raise $26.6 billion over five years, and the revenue estimates have only been downgraded ever since, and at every opportunity. This of course is of absolutely no surprise to us on the other side of the chamber, who know how fiscal management works.
The MRRT did not raise $26.6 billion. It raised nothing close to this amount. From its beginning, it raised a mere $340 million in net terms. Of most concern, the former Labor government locked in more than $16.7 billion of expenditure on an underlying cash basis over the current forward estimates and $18.4 billion of expenditure on a fiscal basis over the current forward estimates. Of particular significance in this was Labor’s rushed commitments to round 5 of the Regional Development Australia Fund. Prior to the election, Labor promised to fund another round of these regional projects, falsely and cruelly raising the hopes of many communities around the country. After the election was held, local governments and regional development authorities all came running. Their greatest fears were realised, because these commitments were made in a caretaker period, with absolutely no hope of being funded by the funds garnered from the MRRT.

Of particular significance to us in this debate is the issue of foreign investment. It must be made clear that the MRRT overlooked the fact that the very strength of the industry is dependent on attracting huge amounts of investment from abroad. Only by complementing domestic investment with that from abroad can Australia fully capitalise on the opportunity of a rapidly rising Asia, hungry for our resources. How can we make use of these opportunities and provide jobs and growth when sovereign risk is at the forefront of everyone’s conversation, undermining investment and the investment policy settings that surround it? Under Labor, Australia was not seen as an attractive business destination. Its perception as a place to do business changed, leading to hesitation and concern from investors.

During the inquiries into the mining tax, the CEO of the Minerals Council of Australia, Mr Mitch Hooke, noted how the introduction of the mining tax contributed to increasing the perception of sovereign risk. This same point was made on 26 October 2011 at the Commonwealth Business Forum in Perth, where the chief executive of the South African goldminer AngloGold Ashanti, Mark Cutifani, stated that Australia is:

… one of the top sovereign-risk countries in the world on the basis of government policy and its demonstrated behaviour in terms of taxation policy and its inconsistency in policy.

That is hardly a glowing endorsement of the policy regime that was present at that time. Similarly, in my home state of South Australia, in a submission to the original mining tax inquiry, Business SA stated:

The design of the MRRT is flawed. There will soon be two different types of mining tax regimes in place. Indeed, while companies subject to the MRRT receive a refund from the Commonwealth Government on the State mining royalties that they also pay, the administrative and compliance costs of two different mining tax regimes are far higher than they should be.

This tax has driven foreign investors to question whether Australia is really serious about staying at the forefront of the resources industry. Mining companies already pay vast amounts of company and payroll taxes, and all their employees pay tax. The more employees they employ, the more taxes get paid. In addition to these, there is the rich vein of royalties that keeps the rest of the economy strong. The coal industry, for instance, pays $3.1 billion in royalties to the people of Queensland every year, while those in New South Wales receive $13 billion from their industry. So that is $3.1 billion for the people of Queensland and $13 billion for those in New South Wales.

Now, you might remember that, since 7 September, Australia is now open for business. The coalition is committed to creating and delivering good governing policy to strengthen and
build our economy. We on this side of the chamber know what good government policy is. We understand the importance of a strong economic management system and, significantly, the need for proper process—asking questions and then responding methodically and systemically with the formation of good public policy. With the change of government also came, loud and clear, the new message to the world that Australia was, indeed, open for business. Investors can be assured that they are dealing with the grown-ups. I see, Senator Sterle, you are nodding there in furious agreement. This is a government committed to creating certainty and a fair playing field which balances the future interests of all peoples of this nation.

This bill puts confidence back into Australia's economy, both locally and internationally. It will help put doing business in Australia back—

Senator Sterle: Mr Acting Deputy President Bishop, on a point of order: I was not nodding; I was laughing at the silly statement.

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

Senator EDWARDS: Thank you for the protection, Mr Acting Deputy President. This bill puts confidence back in Australia, both locally and internationally. It will help put doing business back on a level playing field. It represents a government that can and will balance its books to balance the needs of all industry. Australian mining tax rates are at a higher level than most other resource-rich countries.

I want to take you to my particular South Australian experience. BHP Billiton's $28 billion Olympic Dam expansion was shelved in August 2012, blamed in part on crippling development costs. Poorly considered government policy makes Australia a high-cost place to do business compared to other resource-rich countries. The decision was a huge loss for the South Australian economy and for the general confidence of the people of South Australia, as the Olympic Dam expansion had been expected to create 8,000 construction jobs, 4,000 permanent jobs and, like all of these things, another 13,000 associated jobs servicing that industry. Olympic Dam is still the biggest mine in South Australia, paying $90 million a year in royalties and spending $664 million on goods and services in the state in 2012-13.

While Olympic Dam was a highly visible loss in South Australia, the Australian Bureau of Statistics figures released earlier this year reveal mining exploration expenditure in South Australia decreased by 53.7 per cent in 2013 from 2012—the worst result in the nation. In the six months to December 2013, mining expenditure in South Australia decreased by 28.7 per cent—the worst result in the nation also. In trend terms, mining expenditure in South Australia has decreased for seven consecutive years. I guess that will be the job of the new Premier of South Australia: to arrest something that has been clearly obvious to those that can read the economic indicators. It will be up to him now, over the next four years, to try and arrest this roller-coaster of economic mismanagement that has beset the South Australian parliament.

There are a string of problems in South Australia in the mining industry as a result of state and federal Labor reckless mismanagement. It includes the closure of the Angas zinc mine near Strathalbyn, the reduction of output and loss of jobs at Honeymoon uranium mine, Centrex Metals' backwards step on the WISCO Fusion iron ore joint venture, the scrapping of
the $1 billion Arafura rare earths processing plant and the loss of 61 jobs at OZ Minerals' Prominent Hill site. Labor, at a state and federal level, have mismanaged the economy, hindered exploration and prevented investment in this important mining industry. In a state where 25,000 full-time jobs have been lost since the June 2013 budget and with an unemployment rate of 6.6 per cent—the highest of all mainland states—the importance of supporting what is a job-generating, wealth-creating, globally competitive industry cannot be overstated.

It is time to get Australia back on track and repeal this mining tax. That would be a first step in getting this industry, and confidence in it, back into the focus that is required from all the world's boardrooms and all the world's miners. Repealing the mining tax is something we here can do to help revive investment and exploration confidence in Australia—importantly, in South Australia, Western Australia and those areas that are resource rich. In light of the appetite from around the world for all our rare earths, it is something that we should be embracing, not trying to tax inconsistently. (Time expired)

Senator STERLE (Western Australia) (11:22): Before I make my contribution on the Minerals Resource Rent Tax Repeal and Other Measures Bill 2013, I think it is absolutely fantastic that senators from every other state want to talk about Western Australia. As a Western Australian, I think we should be talking a lot more about Western Australia. The truth of the matter is, they cannot help themselves. They have been told to get down to the chamber and do everything they can, because of the Senate by-election—even if they know nothing about the mining industry or Western Australia. The dog whistle is out.

I made a contribution in this chamber the other day because everyone wanted to talk about Western Australia. And here we go again. You can see that the campaign by Mr Abbott and the Liberals is all about what they are not going to do: they are not going to have a mining tax, they are not going to have a price on carbon and there is no way known we can let anyone come to Australian shores if they want to seek asylum. That has already been touched on by Senator Macdonald. I listened intently to Senator Milne. I listened intently to Senator Edwards and still scratch my head. He is a very intelligent guy but he is quite way off the mark on this issue.

Senator Edwards talked about sovereign risk and quoted Mr Mitch Hooke, from the Minerals Council of Australia. He also quoted—I didn't catch the gentleman's name—the CEO of AngloGold Ashanti saying that Australia is facing sovereign risk. I think he was alluding to this in the context of having a minerals resource rent tax. This is the South African CEO of AngloGold Ashanti, a gold company. These are misleading comments that come from that side of the chamber in this debate. Gold is not even affected by the minerals resource rent tax. So we do not even have senators making an intelligent contribution on the tax, working out where it is paid or who it affects.

I also heard Senator Edwards talk about foreign investors and that they are frightened off, I think was the context of the contribution. He said, 'The grown-ups are now in charge.' I assume that is a follow-on from Mr Abbott's ridiculous comments after the election about how much we love foreign investment. I am the chairman of the Senate Rural and Regional Affairs and Transport References Committee that deals with agriculture, regional development and all modes of transport—road, rail, sea and air—and I have to listen to this nonsense that the grown-ups are in charge and they love foreign investors. Someone forgot to tell Archer
Daniels Midland. Someone forgot to tell Mr Abbott that he did an absolute backflip. The GrainCorp sale came up and was going to be purchased by none other than an American company. We can't have Americans investing in Australia! That is before we start worrying about the Chinese. That was from the other side of the chamber, certainly not from our side. What an absolutely two-faced contribution that was.

This is the problem we have. That side of the chamber pulled a dog whistle. They do not even go to the facts. They cannot tell the people of Western Australia what their plan is. I asked here on Thursday what the Abbott government's plan for Western Australia was. There is no plan for Western Australia. What is the Abbott government's plan for Australian jobs? Wait till we get to the car-manufacturing industry in Victoria and the jobs in South Australia that will be going, and the associated jobs in vehicle components. What about the 5,000 jobs at Qantas? There is another one. The grown-ups are in charge, are they?

The grown-ups have been courted by Mr Alan Joyce, the CEO of Qantas, since December last year. I am told that Qantas visited every backbencher they could get to. They did not come anywhere near me. I wonder why. I know why. It is because Australian jobs are going to be offshored, if Qantas have their way. They come in here and have their cap out. Under the leadership of the chairman, Mr Leigh Clifford, and the CEO, Mr Alan Joyce, Qantas have their begging cap out. They want a debt guarantee. The grown-ups in charge thumbed their noses at them. The grown-ups in charge—and it makes me sick even repeating this line—could not give a damn about Australian jobs. They are happy to see all those Australian jobs go offshore. So, if everyone wants to talk about Western Australia, at least tell the truth. And Mr Abbott—if your advisers are out there, I am only up here on the first floor—what is your plan for WA? You have no plan for WA.

I want to get to the core of the bill. I have some interesting figures here. As you would know, Mr Acting Deputy President Bishop, and a lot in the mining industry know, in 2009 I was fortunate enough to become the Deputy Chair of the National Resources Sector Employment Taskforce. It was chaired by the Hon. Gary Gray. No-one in this parliament would be within cooee of Mr Gray in terms of knowledge and wisdom within the mining industry—no-one. We travelled the country. We went everywhere we could. We talked to miners, we talked to constructors, we talked to educators and we talked to employers and trainers. It was all about the announcement of that fantastic project off the coast of Western Australia by none other than an American company—sorry, Senator Edwards. The company wanted to put $40-odd billion into the Gorgon project. Then we had to work out, for all these projects around the country—not only those in WA: Gorgon, Wheatstone, Browse, Rio's wharf extension at Cape Lambert and associated mines—where we were going to get all these workers. That was the intent. It was a really interesting committee, and I was thankful to be on it.

The mining industry is healthy. If you listen to the nonsense and mistruths coming from that side of the chamber you would think the mining industry was in decline. You would think that in Western Australia the lights were going to be turned off soon because there are no jobs. Unemployment is sneaking up. There is no argument about that. Jobs are being reduced or lost or not replaced in the mining sector, because construction has slowed down.

Production is going full-steam ahead—I will share some figures with the chamber to show how well the mining industry is doing—but the number of construction jobs has reduced. But
they have not reduced to the point—which you would believe if you listened to those on the other side of the chamber—where the industry has been destroyed because a small tax has been put on it. And, may I add, it is a small profits based tax.

I was in the chair listening intently to Senator Milne's speech. She made some very interesting points about that profits based tax. A lot of her points I do not agree with; some, I do. The February employment figures show that, while unemployment remains steady at six per cent, 47,300 jobs were created last month across the nation. That is great, but, while the national news was positive, the data was not so favourable for WA. As I said, that was because of the reduction in construction jobs. Our unemployment level has hit 5.9 per cent.

I want to share something that is very important for those who had the misfortune of believing everything that Senator Edwards said. The Wheatstone job is a new gas project off the coast of WA. There are 6,000 jobs to come in the construction of the Wheatstone job. Gorgon is the Chevron Australia project that has been going, now, for four years. Employment for that project peaked at 9,000 jobs, but there are still, now, anywhere between 5,000 and 7,000 jobs there.

We have all heard about Roy Hill. I have not had—and I probably will not have—a lot of good things to say about Ms Rinehart. I disagree with a lot of her positions, but this is one positive thing she is doing for the country. Good luck to those who will be employed on the Roy Hill job. There are currently 5,000 people employed in the construction of the mine and rail at Roy Hill. Employment is eventually going to get to 10,000 jobs. Rio Tinto has three or four more projects about to start. So, regardless of the nonsense that has been coming from some senators on the other side of the chamber, the mining industry is healthy. The mining industry has not shut.

There have been nonsense comments from gold CEOs. I take that back; I am only assuming that the AngloGold Ashanti CEO made a comment in terms of the MRRT. That could just have been Senator Edwards's bent on what was said.

We also have an unprecedented amount of exploration occurring in Western Australia, especially in oil and gas. In the Kimberley, which you know very well, Mr Acting Deputy President Bishop, we possibly have one of the greatest deposits of LNG, shale gas and oil in the Canning Basin. This is the next big thing. I think the Canning Basin is predicted to be about four or six times the size of the Browse Basin.

The comments coming from Liberal Party members because of this election campaign do really frustrate me. I would like to talk about the state Liberal contribution—the Barnett government's contribution—to mining. The Barnett government has been a shocker. It has been attacking everything that comes from Canberra. Whenever any issue was raised in Canberra the Barnett government extended the rabbit-proof fence in case the eastern-statess got there. The Barnett government knocked every project. Well, Mr Barnett, it ain't working any more, because they are your mates who are in power federally.

Mr Barnett's contribution to the mining industry in Western Australia must be told in this chamber. Western Australians have to be reminded of Mr Barnett's spectacular contribution. Let us talk about what happened when he nailed his colours to the land based Browse Basin project, which was going to be developed somewhere outside of Broome. Woodside was the proponent along with, I think, five other companies—including BHP and Mitsui. Negotiations
were going on. I was an avid supporter of a land based gas facility. I still am. I wish it were going to happen. Unfortunately it did not. There were a number of reasons why the costs did not stack up.

Mr Barnett charged in over the top of the Aboriginal people—the Goolarabooloo Jabirr Jabirr people—who were negotiating up there with Woodside. He told them that he knew what was best for them. He rode over the top of their negotiations and chose the site. The rest is history; nothing has happened. This was the major thing Premier Barnett was going to do for Western Australia. Failed.

Another major Barnett proposal was the Oakajee port. For those outside Western Australia, Oakajee port was going to be built north of Geraldton. Geraldton is some 430 kilometres north of Perth. It was a port that was going to be built in partnership with government and private money. The Japanese—oops-a-daisy, that's another foreign investor; fancy that!—were going to build this big port because the next big thing for WA, apart from the Canning Basin in the Kimberley, is magnetite.

So all those mid-west miners around the Geraldton and Ashburton region needed to get the ore to the port. That was another spectacularly failed project under the hand of no less than the Western Australian Liberal Premier, Colin Barnett. Everything has gone off the rails; it has all collapsed. He has gone to one election—he was very quiet at the second election—saying that this project would be going ahead.

Here is another fantastic contribution from the Barnett Liberal government in WA to the mining industry! I am referring to the Muja AB power station refurbishment. For those who do not know, Muja is at Collie, and Collie is about a two-hour drive south of Perth. Coal has kept that town going since its inception. It is a well-known coalmining area. Mr Barnett, as the leader of the government, promised, I am told, that $100 million was to be spent on reconditioning the power station and bringing it up to meet modern environmental standards for a coal fired station. In an article in a newspaper on 11 May 2009, he said:

Can I stress that $100 million will be private sector investment, not State Government or taxpayer funded.

So what happened? Now we find that at least $280 million of taxpayers' money has been sunk into a bungled refurbishment of the 47-year-old Muja AB power station, which was supposed to cost $100 million, funded entirely from the private sector.

So you see there is a trend. Under the leadership of Premier Colin Barnett, the Western Australian government talks up the good fight, talks up the great talk, but, when it comes to delivering for Western Australians or delivering in the mining industry, his history is pretty abysmal. The scare campaign was an absolute media attack. When former Prime Minister Kevin Rudd announced the proposal for a profits based tax, if you came from another country you would have thought, 'How the heck did this mob ever get out of the Dark Ages?' It was all about rich miners, billionaire miners, whingeing because they possibly had to pay—and I want everyone to understand this—a profits based tax. Once you earned $75 million profit you were expected to pay a tax. For the life of me, I still struggle to see what is wrong with a profits based tax.

I know thousands of workers—I represented 2½ thousand owner-drivers at the TWU when I was there, after I gave up my own small business and my trucking career—and they pay tax
every week. Out of every pay packet they pay tax and no-one whinges. You get the odd gripe down at the pub when someone says, ‘Crikey, I've lost a little bit more in tax this week; it wasn't worth working those extra four hours,’ but billionaires took out full-page ads on the front page of the paper and cried that the Prime Minister would not return their phone calls and that they might have to contribute something back to the Australian taxpayers. This resource is not renewable. One day it is going to go.

Do not get me started on Aboriginal Australia. I have to tell you, our Aboriginal people have not done all that well. When you see what goes on in places like Canada, where the indigenous American Indians have successfully gained employment and business opportunities, we should hang our heads in shame. I can talk from experience as a truck driver, driving through Karratha. I can talk as a truck driver who took the first load of furniture, desks and chairs, to Herson Cove for Woodside's first office in about 1981 or 1982. The North West Shelf is an absolutely magnificent achievement for our country. It is a fantastic advertisement for what we can do. We should be a leader in the world in oil and gas—there is no argument—but then you drive some 45 kilometres out of Karratha to Roebourne and any self-respecting Australian should feel absolutely disgusted when they see the Third World living conditions in Roebourne. Fortunately, Roebourne is now starting to pick up. I will give credit where credit is due. Roebourne Aboriginal people are now getting gainful employment in Fortescue Metals Group. I take my hat off to Mr Andrew Forrest. I have criticised him up and down dale, but when I actually went there and saw what he is doing for Aboriginal people it was fantastic.

Let's not forget: once you have made $75 million, what is wrong with some contribution back to the Australian people? There are a number of speakers coming after me. For those who may be listening out there or those who may have nothing better to do tonight than read the Hansard, I will stand in this chamber, put my hand on my heart and apologise if at least one more of them does not get up and throw in Mr Joe Bullock—who is our No. 1 Senate candidate—saying he mentioned abandoning the carbon tax, which is not the case, or if they do not somehow weave in asylum seekers. This is the Abbott Liberal government's plan: pull out the dog whistle and not talk about what they are going to do for Australian jobs. How dare they insult the Australian people, saying that the grown-ups are in charge—the grown-ups who do not want to talk about foreign investment, the grown-ups who are happy to see our grain rail in Western Australia closing down as we speak. Tier 3 grain has been cut.

They do not have a plan. They have no plan for this great country. They have no plan for Western Australia. Mr Abbott and the Liberals see WA as the cash cow, and I will tell you why: WA has delivered 12 seats out of 15. I am embarrassed that the Labor Party only has three—I really am—but they do not have to worry about WA. WA will return the seats to them. It is the safe seat scenario. So, Mr Abbott, the challenge is there. I do not know how many times I have to ask: tell us your plan for WA. You have no plan for WA. You have no plan for Australian jobs. I do not support the bill.

**Senator SIEWERT** (Western Australia—Australian Greens Whip) (11:42): Repealing the mining tax would destroy a precious opportunity that we have, not only to help vulnerable Australians now but also to set the scene for the future, to ensure that we have a strong, safe, sustainable community that shares in the profits from our resources. The government would have you believe that this is about the economy and jobs, but this is really about allowing
their big business mates and their big mining mates to make more and more money from our resources and to send more of it overseas. These resources are finite; once they are dug up we do not get a second opportunity to dig them up. We will have wasted the opportunity to ensure that the benefits from those resources flow to all in our communities, not just to the government's big mining mates and not just to the big end of town. Once the profits from those resources are shipped overseas, communities will not benefit and a section of our Western Australian community has not been.

The government keeps saying that miners have been hurt by this and that it is affecting our economy. We need to bear in mind that miners have hardly paid anything. In fact, they have not been hurt by this tax because they have not been paying this tax. The mining tax is a mechanism for the people of our nation to gain from the exploitation of our resources. In fact, the government wants to get rid of this tax just as it is starting to make money. It is no wonder it is in such a big rush to get rid of it: so it can help its mining mates. The mining boom is in the process of transitioning from the capital intensive phase to the production phase. That is beginning now. Of course, this is just when the superprofits will occur. The revenue from production will rise while they are less able to deduct capital investments off what they should be paying.

Mining companies have been able to price their assets using today's inflated market values and then claim massive annual deductions under this amount, not what they are actually spending on capital investment. Once again, another reason they have not been paying the mining tax is that they are able to write down those capital investments. But now, as we move more to a production phase, they are not going to be allowed to do that.

As Senator Milne outlined, we proposed amendments to the previous government's weakened mining tax. In fact, we would have had much more benefit if this chamber and the government had accepted our amendments to that mining tax. Nevertheless, this tax is important to Australia. It is important to Australian communities and particularly the most vulnerable communities. As Senator Milne pointed out, mining companies are largely foreign owned—83 per cent—so the money that is made from our resources is largely benefiting shareholders overseas. The profits are being exported along with our natural resources. Rather than addressing this, unfortunately the ALP weakened the previous version of the mining tax and caved in to the mining industry. The tax's loopholes and weaknesses have seen this policy fall well short of what it could have delivered. Rather than fixing it, however, Tony Abbott is moving yet again in favour of businesses and overseas shareholders to get rid of this tax, and that is at the expense of the Australian people.

This repeal will significantly hurt low-income earners and the most vulnerable in our community. It is unfortunate that yet again the interests of big business are being put ahead of the environment and the Australian people. Rather than better schools and universities and help for Australians living in poverty—better housing and infrastructure—cuts are being proposed and made across the board. We know from the government's hyperbole that there will be more cuts in the Commission of Audit, cuts which this government refuses to articulate before the Western Australian by-election on 5 April. Maybe on 6 April, after Western Australians have voted, the government will release what they intend to do with the budget—what cuts they intend to make, how they intend to further hurt Western Australian families. But, of course, we will not know that until 6 April or beyond.
The government is giving tax breaks to these big companies at the same time that they are slashing necessary supports. This bill contains measures that affect the schoolkids bonus, a payment that families rely on. People in Western Australia do not live in the land of milk and honey as some would like to think we do on the back of the boom. Try buying a house in my home state of Western Australia. If you want to find an affordable rental, or buy a house, it is further and further out of the reach of people on low incomes. Look at the increasing number of homeless people in Western Australia and the unending disadvantage of Aboriginal people in Western Australia. They are not the people who are making money from the boom; they are the people who should be helped by a mining tax. In Western Australia we have squandered some of the benefits of the boom. Many people are hurting and we have a dual economy; there are those who have been able to gain from the boom and those who have not been able to. The benefits of the boom have not been shared. We need a mining tax so that we get better sharing of the benefits of our resources.

Some Western Australians have seen some benefits from the boom, but not all have benefited equally. The state's lowest income households are falling further behind the rest of the WA population. The mining boom has driven up the disposable income of some Western Australians. But, as I said, not everyone has been gaining those benefits. A Curtin University report called Sharing the Boom, released just recently, showed the distribution of income and wealth in WA. It shows the gap between the rich and the poor, and that it is growing. The wealthiest 10 per cent of households earn up to four times as much as the poorest. The report's author, Alan Duncan, says the mining boom improved the circumstances of many households in Western Australia but there has been a rise in income and wealth inequality: The gap between the richest and poorest households in WA rose consistently since the acceleration of the mining boom in 2003-04 to its peak in 2009-10 and at a greater rate than the rest of Australia. The highest-income households are getting richer and the medium-income households are also earning substantially more. But the lowest-income households in the state are falling further behind. Income growth across the boom period has created a greater gap between high- and low-income households both in terms of income and wealth and low-income families in WA have failed to share the benefits of the boom at the same rate as higher income households, which emphasises the need to support those people on low incomes, who may not benefit from the same standard of living increases experienced by the rest of the population. That is what a mining tax is for: to help the people who are not benefiting from the massive profits that the mining companies are making from the boom.

And then there are the impacts on other industries in Western Australia such as agriculture and other sectors. For example, the aged-care industry cannot compete with the higher wages that are paid by the mining industry. Of course, areas such as aged care and the community sector have been highlighted in the Deloittes report, released today, about where our new jobs are going to come from.

The repeal cancels some important payments and supports that are offered to vulnerable people across Australia, who I have just highlighted as having not benefited from the resources boom. These are important payments for people in Western Australia. This tax should be about sharing more equitably the benefits of our resources. The government says that it cannot afford to increase Newstart; that it cannot return single parents to the parenting payment; that we need to slash the number of people on the disability support pension; and
that we have to raise the pension age, because there are too many older Australians. It says we
cannot afford this but, apparently, we can afford to get rid of a tax that is about sharing the
benefits of our resources.

If we had a proper mining tax, we could afford to raise Newstart and help single parents
and people with disability. Then of course we would not be denigrating those people with
disability, which is what this government is trying to do in order to justify cutting funding for
them. And we would not be condemning older Australians to living on Newstart, because we
want to raise the pension age. We would be able to afford to look after our fellow Australians,
those who are doing it tough and who are the most vulnerable in our community.

Let us have a quick look at the mining tax. The combined half-yearly profits of the big
mining companies are $14.6 billion. Without the MRRT in place, their profits would be
$14.81 billion. While, in the scheme of things, that difference is a lot of money, they are not
paying enough to the Western Australian community. They make $14.6 billion after the
mining tax.

The government, instead of fixing the mining tax, want to repeal it. They want to make
Australians pay to go to see their GP rather than standing up to the mining industry and
making them pay from their superprofits, which is a lot of money. What we have made from
the mining tax is a small amount, because the mining companies browbeat the previous
government and have now talked to their mates in government and want to pay nothing rather
than the small amount they have paid—out of what, by anybody's standards, is a large amount
of money.

The mining industry oppose this tax. Basically, they do not want to pay anything that they
do not have to out of their superprofits on the resources that belong to every Australian—and
from which, as I have articulated, every Australian should benefit, not just some, as is
happening in Western Australia.

Let us look at some of the programs that will be cut because the government wants to
support its big business mining mates. Firstly, the schoolkids bonus. This will impact most
significantly on low-income families and single parents. Single parents who have already
suffered blow after blow and who live in poverty have been dumped onto Newstart. This will
make it even harder for kids to do well at school. Kids cannot do well at school if they are
living in poverty.

Then there is the low-income superannuation contribution. At the same time the
government talks about the need to increase the retirement age, because Australia cannot
afford it, this government is making a cash grab on retirement savings of one in three workers,
to the value of around $27,000, or 15 per cent of their expected retirement earnings. Again,
get it? Low-income superannuation! In other words, this is about some of the most vulnerable
workers in our community. This measure was designed to help those on low incomes and
those on fixed incomes under $37,000 a year build up a modest amount of money for their
retirement.

This will particularly affect women and young people and those who are employed on a
casual basis. Industry Super Australia has said that axing the rebate will affect around two
million working women, including 80 per cent of female part-time workers. Getting rid of this
measure will deplete the savings of one in every two working women. This is hurting
Australians. These are the people who should be sharing in the superprofits made from mining our resources. Older workers, particularly women, already face discrimination in the workplace and I have spoken on that issue in this place many times. They face a variety of obstacles to improving and expanding their superannuation. This measure makes it even harder. This contribution attempts to redress the inequities in our superannuation system, which favours high-income earners but does not significantly help low-income earners.

Repealing this contribution will place a greater burden on future governments by increasing the reliance on the age pension. Of course the government wants to increase the pension age and keep these people in low-income situations and poverty even longer. This is a stupid measure. The message is: if you are on a low income, particularly if you are a woman, this government does not care about you; it cares more about facilitating its big business mates.

The government are also getting rid of the income support bonus. This was put in place to help those on certain income support payments prepare for unexpected living costs. The payment is $105.80, if you are single, and it is paid twice a year. You may not think that this is a significant amount of money, but it is if you are living in poverty on Newstart. It is important. It can make the difference between being able to pay a bill or not or being able to meet a rent payment or not. It is important to the most vulnerable in our community. Taking away what, to them, is a relatively small amount of money—but to vulnerable Australians, every cent counts—is cruel and mean. That money counts.

These are just the payments that will be cut when this bill is repealed; but then there are all those programs that will not be funded—for example, what about the National Partnership Agreement on Homelessness? In Western Australia, we have 9,592 people who find themselves homeless every night. Of these, 15.6 per cent are under the age of 12. People in Western Australia find themselves homeless for many reasons. But the fact is that rents are high, so affordable housing is impossible to find, as the cost of housing has been driven up by the boom—the benefits of which, again, have not been shared equally, with the gap between rich and poor having increased. This is another program that may not be funded by this government because, they say, they do not have the revenue. Here is a mechanism to raise that revenue and to share the benefits of our resources in a more equitable way.

We have the government talking about making a two-tier system for people with disability: there will be the deserving people with disability and the undeserving people with disability, who may be stuck on Newstart for an exceedingly long time. Again, the government says, 'we are doing that because we do not have the revenue'. And what about the NDIS? The government is dropping hints all the time about slowing down the rollout because there are problems with it—but it is not just about that; it is because they do not want to pay for it.

We have people living in poverty on Newstart. The government will not even give them a modest increase of $50 a week—which does not even cover half the difference between Newstart and the age pension. The government says the age of entitlement is over—but not if you are in the mining industry or if you are a big business. The mining industry does not want to pay its fair share for our resources—money that will help the most vulnerable in our community and will also help people plan for the future. The government seems determined to make the lowest income earners and the most vulnerable members of our community pay
for the fact that it wants to give big miners tax breaks. Once again, the government is making it clear that those people are not important.

The Greens plan would have made significantly more money out of the mining tax. But, by not repealing this, we help 469,344 Western Australian families and we help them keep $881 million over four years—by not repealing this tax. Repealing this tax is a bad move. *(Time expired)*

**Senator BERNARDI** (South Australia) (12:02): I rise to speak on the Minerals Resource Rent Tax Repeal and Other Measures Bill 2013. I have just spent 20 excruciating minutes listening to Senator Siewert redefine failure in terms of the Greens' perspective on things. It is worth reminding this chamber that we have this mining tax, and we have a whole bunch of other failed and dreadful taxes, because of the alliance between the Greens party and the former Labor administration—an alliance that so maladministered our government and our nation's finances that it has put us in this position where we have to repeal a tax in order to save taxpayers' money. It is an extraordinary circumstance. The great brains trust of the Greens party got together with the Labor Party and cooked up a tax that costs more to administer, and costs more in the largesse that supposedly flows from it, than it is actually going to take in. Only the Greens and the Labor Party could concoct such a failed scheme. And yet here they are—and Senator Siewert picked it up, redefined it as a great success and spoke about how it was going to provide all this largesse. The reality is that it is not. The reality is that this mining tax is an abject failure. And Senator Siewert and her team have redefined it.

One of the most startling things in her speech—and I am not sure if Hansard has recorded my interjection—was that Senator Siewert committed that Gillard-esque failure of pronouncing hyperbole as 'hyperbowl'. In the Greens-Labor alliance, maybe the hyperbowl is some sort of American football game where they hype each other up about what a great success they are, but that is not it. Hyperbole is about exaggeration. When I mentioned that to Senator Siewert, what did I hear from Senator Rhiannon? 'You can say it however you like.' This is *The Magic Pudding*; this is the *Alice's Adventures in Wonderland* of the Greens—that is, 'it means whatever we want it to mean.' This is nonsense. They overturn basic economics. They overturn the normality of the English language and they say that whatever they say can mean whatever they want it to mean, notwithstanding convention and facts.

I would suggest to the people of Australia that the Minerals Resource Rent Tax Repeal and Other Measures Bill 2013 is a great leap forward. It is a great leap forward that is being ignored by the economic Luddites in the Labor Party and in the Greens because they refuse to accept that their Marxist rhetoric—defending bigger taxes and irresponsible spending—is sending this country broke. And they are standing in the way of the mandate that the Australian people delivered to the Abbott government to repeal not only this pernicious tax but also the carbon tax, and to make the changes that are absolutely important. The minerals resource rent tax is the penultimate failure of mismanagement by Mr Kevin Rudd, Ms Julia Gillard and the previous Labor-Greens alliance. It encapsulates their complete incompetence and their inability to manage taxpayers' money. It reminds us of the burdensome excessive taxation which came to characterise Labor's time in office, as well as the reckless spending measures of the last six years. The repeal of the mining tax is just one of the steps that the coalition is taking in order to put Australia back on the right track. We should be grateful—
and I know the Australian people are grateful—that the highest-taxing government, and the most irresponsible government, in Australia's history is finally gone.

Senator Lundy: Always so factual, Cory!

Senator BERNARDI: Yes, we can talk about facts, Senator Lundy; I noticed the interjection there. It is the highest-taxing government. When a government borrows money, it is taxing future generations. And the former Labor government borrowed hundreds of billions of dollars, basically stealing—robbing from our children and robbing from tomorrow's taxpayers—to prop up their spendthrift ways.

Senator Lundy is well known as the minister responsible for signing off on $16 million worth of grants for karaoke machines and various other things in the hours before the caretaker motion went up. There was $16 million for home gym equipment, karaoke machines and coffee machines. There was not even a whiteboard in sight to determine who was going to get them. It was an abject disgrace and an example of the irresponsible spending that has robbed taxpayers of prosperity into the future because the former government could not bear to make the difficult decisions.

But thank you for your contribution, Senator Lundy. I look forward to you explaining to the parliament exactly why you thought it was okay to overspend with your grants on karaoke machines, coffee machines and home gym equipment just to prop up Labor electorates. It was a disgrace, Senator Lundy. I know you are embarrassed about it. I know you are, but, nonetheless, you should have had more dignity as a minister than to fall into that trap just moments before the caretaker provisions came in. That is simply illustrative of the spendthrift nature of the former government.

It is important that we recognise now that the new government understands that businesses create employment and promote economic growth. The government can provide the economic environment for that to take place. The fulfilment of these objectives is significantly impaired when government makes it harder for businesses to employ people by imposing an unreasonable level of taxation. The coalition is acting to reverse the infiltration of the draconian taxes that Labor implemented during its time in office.

Not only would I suggest that this tax we are dealing with is harmful to our economy; the revenue it has raised is severely—and I am being very charitable there—below the estimates. The fact that revenue projections have been trending downwards since 2010 indicates the minerals resource rent tax's failure as a revenue raiser. Since the Labor-Greens mining tax was implemented and, prior to that, the idea of a resources super profits tax was first floated those opposite would routinely remind us that mining companies should have to share the fruits of their labour with the Australian people. This is another example of the left of the political spectrum redefining reality to suit whatever position they have themselves.

The former government claimed that a legislative response was necessary to ensure that miners paid their 'fair share' to spread the benefits of the mining boom. But they conveniently ignored our Constitution, which states that state governments have ownership of the minerals and resources that lie under our ground. The royalty system implemented by state governments is a means of charging for that one-off extraction and use of those minerals and resources. This has been around since well before the Commonwealth. This has been the responsibility of the states. The Commonwealth got its share of the benefits from the profits
that were generated. The states would receive revenue from the mining royalties in place and the Commonwealth would receive it from companies' tax.

But apparently somewhere in those clearly delineated responsibilities and rights the former Commonwealth government decided they wanted more than their fair share and were prepared to penalise the states in order to get it. It was a ridiculous idea, quite frankly, that suspended the understanding that has operated in this country for over 100 years. It was drawn up by the Australian Labor Party so that they could get more of the money in their hands than the states. Of course, it left the states in an unenviable position. It was ill-considered policy. It was typical of the last six years of government in this country before the previous election.

The ability of the states—and this is important to remember—to levy mining royalties is well established. It is established through the Constitution. It is recognised that the states own the minerals beneath our land, and yet that was not good enough for the former government. They could not have consciously overlooked this; they chose to proceed with the implementation of this ill-conceived tax in spite of this. I feel that that is a betrayal of the states and our system of Federation.

The question then is: why did the former government feel they needed to double up on a policy which was already being implemented effectively by the states by way of their royalty schemes? The answer, of course, is money. With Labor, it always comes down to their irresponsible spending of taxpayers' money. In their desperation, they cast their eyes around to look for whatever cash they could get their hands on. The mining tax was simply another tax grab from Labor, who desperately needed the money because of their reckless spending. I will remind this chamber and the Australian people that they had half-built school halls that cost billions of dollars more than they were scheduled to, they had bungled home insulations which cost billions of dollars more than they were meant to and, regrettably, cost four lives as well, and they carelessly and recklessly borrowed hundreds of billions of dollars.

By virtue of their economic illiteracy, they cast their eyes around, desperate for something to bring money in, because Mr Swan—'the world's greatest Treasurer', as was trumpeted for a while—promised time and time again to deliver a surplus. So they looked towards the cash cow and golden goose of the mining industry in this country. They found an industry they could exploit and they cooked up a tax that we will refer to as the mining tax. The Labor Party needed a budget fix, so they looked to the easiest possible solution. That solution was reckless. It was to place an additional tax on the mining industry, an industry which played an instrumental role in saving this country from slipping into recession.

This tax is not about spreading the benefits of mining to the Australian people; it is just another one of Labor's great big taxes that go out of their way to punish successful businesses and enterprises. When families are succeeding, Labor makes it harder for them with things like the carbon tax. When small businesses are prospering, Labor makes it harder for them by introducing bureaucracy and red tape. They followed this traditional formula in coming up with a mining tax in order to punish the mining industry. The class warfare rhetoric about billionaires and people being in their pay, in their pockets, and all of these sorts of things are testament to the fact that success is coveted and loathed in equal measure by the other side. It is okay when one of them makes a success of themselves, but woe betide if someone outside
of their little cabal makes some money and provides employment and things for this country. That is when they become a target.

That is what has happened. The Labor Party and the Greens have decided to punish the successful entrepreneurs who were investing hundreds of millions or billions of dollars in this country, as well as the many small shareholders who invest in their companies. Labor and the Greens do not care about the mining tax, they do not care about the mining industry in this country and they do not care about the shareholders. We heard Senator Siewert talking before about how they are foreign shareholders and how some of them are not paying any tax. Quite frankly, we would not get projects that generate huge levels of employment off the ground in this country without foreign shareholders. It is a xenophobic characterisation.

Do Labor and the Greens not want foreign investment in our country? Without foreign investment in this country, we would not have Roy Hill going ahead. That was announced the other day by Ms Rinehart. Roy Hill is going to employ 3,600 people on site next year. That is $8 billion worth of foreign investment from financial institutions, plus $3 billion from foreign corporations—investing in something that is going to provide hundreds of millions, possibly tens of billions, of revenue and taxation proceeds for this country. Yet somehow the Labor Party and the Greens just do not see it that way. They see it as some sort of betrayal of our system.

This is what I think worries the Australian people. They cannot believe that we are confronted with such tribalism and such class warfare rhetoric from 50 years ago. I would expect it from some on the other side who are true to their socialist roots. Senator Cameron, I will acknowledge your consistent advocacy in this. You probably should be sitting with elements of the Greens; I know how close you are to them. But the simple fact is that the country has moved on. The country needs foreign investment. We need jobs and we need investment in this country.

When you penalise successful businesses with ill-conceived taxes, they go and look elsewhere. They look for where else they can invest their money. There are mineral resources right around the world. It is a global industry and they can choose to put their money where they want to. That is what we have seen, unfortunately. We have seen exploration and investment taking place in other countries while we are trying to get rid of this tax.

Just as with the carbon tax, the Labor Party have not considered jobs, they have not considered the fallout on Australian families and they have not considered the fallout on investment in this country. This tax has not only damaged us economically; it has added a level of sovereign risk—because, if you change the rules halfway through a project, it does damage credibility. But it has been an absolute, abject failure. This is not only a toxic tax; it failed to raise anywhere near the revenue that they promised it would. Frankly, we cannot trust the Labor Party and the Greens to implement a tax when it raised just a fraction of what it was supposed to raise. It is an extraordinary reflection of just how mired in hopeless lack of vision they are.

We were told initially that mining tax was going to raise $49.5 billion. Then Ms Gillard created the new mining tax, after leaving everybody out except for the three largest miners in the country. This was forecast to raise around $26.5 billion. The question I would posit for the Australian people is this: how much did it actually raise? It did not quite raise the $26.5 billion. In the first six months, it raised $126 million. In net terms, it has raised a grand total
of $400 million. Once again, Labor have overpromised and they have grossly underdelivered. I am happy, quite frankly, that they have underdelivered on their taxes, because I think Australians and Australian companies pay too much tax already. I think government should cut its cloth to fit the taxation system that we have and we should not be imposing new taxes.

As part of Labor’s record of economic mismanagement and financial incompetence, despite the fact that this tax has failed to raise money on the revenue side, they actually linked it to billions of dollars’ worth of extra spending. Unfortunately, this spending will not be able to be offset by the mining tax because of the abysmal lack of revenue that the tax has raised and that, on all indications, it is going to continue to fail to raise. On a fiscal basis over the current forward estimates, the Labor Party is committed to $18.4 billion worth of spending against a tax that has to date raised only $400 million.

Before the election, Treasury predicted that the mining tax would raise just $4.4 billion. Even at that level, there is still a $12 billion black hole that we will save the Australian people by repealing the minerals resource rent tax. It is clear that the mining tax and associated expenditure would put this budget further into deficit over the long term, courtesy of the Labor-Greens alliance and its path of making the next generation pay for the mistakes and indulgences of today.

It must be repealed, along with the other spending measures, to ensure that this does not continue to occur. This tax is so useless that less than 20 miners have actually paid it. If you contrast this with the 145 mining organisations that are forced to comply with the legislation—who submit all the paperwork but do not actually have to pay it—that is 145 mining operations caught up in the red tape and compliance costs associated with the mining tax when they are not making any contribution to it.

Thanks to the Labor-Greens brain trust, they managed to come up with a tax that (1) was unnecessary in the first place, because it ignored our constitutional conventions; (2) raised just a fraction of what was to be expected, despite the ongoing promises; and (3) imposed an onerous regulatory burden on those who did not even have to pay it. It is a rare trifecta of failure.

Repealing the mining tax will mean that businesses, whether they be small, medium or large, will see millions of dollars’ worth of compliance costs reduced. Not only is this tax placing an unnecessary burden on mining companies to comply with legislative requirements but to collect it will mean spending millions more. If Australia wishes to have a prosperous economy it is absolutely essential we get rid of the destructive legacy of the Labor-Green government. It needs to be done away with. Part of this involves repealing the mining tax, making sure our mining industry is competitive and willing to expand and, consequently, employ more people. This tax is merely an attempt by the Labor Party to forcibly put its hands in the pockets of businesses that facilitate the growth of our national economy.

Senator Lundy (Australian Capital Territory) (12:22): I rise to oppose the Minerals Resource Rent Tax Repeal and Other Measures Bill of 2013. This repeal bill is the latest in a long line of poor decisions made by the Abbott government that will hurt Australians. Ordinary people are struggling under the cuts and mismanagement of the Abbott government, and this short-sighted piece of legislation is no exception. Almost all Australians will have to work harder and longer and have a reduced quality of life in order to subsidise a tax loophole for those already earning super profits. At the core of this bill are the misguided loyalties of
the Abbott government. They simply do not believe that these resources belong to all Australians. They do not believe in backing the majority of Australians; instead they believe in helping a couple of massive mining companies, particularly at the expense of small business.

When choosing between big and small business, the Abbott government will pick their big business mates every single time. Let there be no mistake: this bill will not be free. Repeal of the mining tax is a mere slogan, and the Abbott government likes to call this 'a tax repeal bill'. But only the Abbott government could come up with a so-called tax repeal bill that contains so many tax increases. For example, small business will face a tax hike through the abolition of the instant asset write-off. People earning under $37,000 will, through the abolition of the low-income superannuation contribution, face a tax hike on their super. Disgracefully, this will be retrospective and charged tax on contributions that have been made in the past. It also raises taxes on renewable energy and geothermal exploration, denying these industries the same access to tax deductions which were available to fossil fuel explorers. This is just the tip of the unfair and backward-looking and regressive nature of this bill.

This bill will hurt so many Australians and it will mean that Australian families will lose their schoolkids bonus. It will mean that Australian small business will face a tax hike and Australians in regional areas will suffer the loss of the Regional Infrastructure Fund. This leaves even the Department of Infrastructure and Transport in the dark as to which projects will or will not be funded. The bill is also anti-competitive and once again the Liberal Party is putting the interests of the few against many. Small mining businesses do not pay the MRRT and will be impacted by the coalition's new tax loophole for big multinational miners. Those who want Australians to work for $2 a day—incredibly low incomes—will be subsidised by the taxpayer, while everyone else will pay the price, including Australians working for under $37,000, as I said. These are the working poor—people who keep going to work every day supporting our economy for a little more than those who are dependent on welfare—and yet the Abbott government wants to slug them with this increase.

This measure will particularly hurt women who often work in low-paid industries and face a structural disadvantage in superannuation. Imposing a tax increase on 3.5 million low-paid workers, 60 per cent of whom are women, through their superannuation accounts in the low-income superannuation contribution is exactly the sort of mean-spirited action we have unfortunately come to expect from the Abbott government. Remember that it is a government that only has one woman in cabinet and has chosen to rip money out of the pockets of women working in early childhood education.

Working Australians will lose superannuation—the Abbott government will cut and delay the increase in superannuation from nine to 12 per cent. They will ensure that older Australians cannot work to save for their retirement by cutting it out five years earlier at 70. They will also slug those earning under $37,000 with a tax hike, as I said, and this will hurt Australian ownership of business, because superannuation is one of the best Australian investors in Australian businesses we have. It will do double damage by also reducing our national savings. No Liberal government has ever made it easy for Australians to save for their retirement. As such this bill will damage the economy, and, in contrast to the previous speaker, it will hurt government savings. It will hurt national savings by its impact on
superannuation. It will hurt the budget, and add to the unlimited debt that the Abbott government has voted itself to have.

When you rip away people's super, especially those who work hard but have low incomes, then you force people onto the pension. This is short-sighted and penny-pinching, and the government knows it will cost more in the long run. It is extraordinary that Labor has to be the party that stands up for people who are saving for their own retirement through superannuation, whereas the Abbott government wants to see people on welfare. The Liberal Party has never supported superannuation, and they voted against its introduction. In 11 years the Howard government never increased it, and now the Abbott government wants to lower it.

The Abbott government makes contradictory complaints about the MRRT in their advocacy for this damaging and irresponsible bill. Look carefully at what previous speakers have said and you will see that, on the one hand, they complain that it will hurt their mates and donors from the mining industry and yet, on the other hand, they complain that the tax does not raise enough money to fund worthwhile services. They cannot have it both ways. On the first point, the MRRT is designed specifically not to hurt the mining industry because it taxes only super profits—unlike royalties in which tax is based on the amount dug out of the ground regardless of the profits that can be made. When things are tough the MRRT raises a low amount, but when things go well it increases. Therefore, the tax does little to harm even those who do pay it. On the second point, the MRRT should be celebrated; it will generate over $3 billion over the forward estimates for essential services. It was implemented by negotiation with industry and generates much needed revenue to fund measures that will boost our economy, superannuation—as I have mentioned—and deliver important assistance to workers and families.

This bill should be deplored. What it is going to do is lower revenue in order to create a tax loophole for those who are already deriving massive wealth from resources which we believe are owned generally by the community. This loophole is specifically designed to advantage people who have a proven track record of not being particularly good at distributing that wealth, sharing it or creating other opportunities in the economy as a result. The bill will hurt more than 99 per cent of Australian workers, families and small businesses in order to benefit a small number of very high-wealth individuals who have proven that they will claim the tax loopholes but not pass on the benefits.

My constituents here in the ACT will suffer under this unfair bill. They will lose the schoolkids bonus. They will lose their superannuation. We know children of veterans will lose their payments, and ACT small businesses, who are already doing it tough by virtue of the presence of the Abbott government, will face a tax hike. We know low-paid workers in hospitality, cleaning, early childhood education and aged care will have their retirement savings negatively impacted.

Those opposite often like to seek to claim that they stand for hard work and that people can succeed through their hard work. I would like to tell you a story about hard work. Canberra resident Carol is around 47 years old. She has worked hard her whole life to get where she is and is trying to save for her retirement. Carol works as a cleaner, helping to improve other people's lives. She works on the weekend to try and earn a living, a reality which is all too common for those working in the cleaning industry, many of whom are women.
Despite a lifetime of hard work, Carol earns less than $37,000. You would think that she is just the kind of person that this government would support, but if you thought that you would be wrong. Carol will have her super taxed at an increased rate under this bill, not only in the future but also retrospectively. She will see less super coming into her account and also receive a bill towards her retirement from the retrospective taxation measures. This sounds like a cruel joke, but in fact it is deadly serious. There is a tax hit on people like Carol, who can least afford it, and then, breaking all good practices of taxation, they will bill her retrospectively for all payments on or after 1 July last year. This measure will affect 3.6 million low-paid workers like Carol, of which 2.1 million are women.

Not content with simply impacting in this way on the superannuation of low-income Australians, the Abbott government also means to stop them from working to increase their superannuation, moving the age limit up to which contributions are made down from 75 to 70. This bill, rather than rewarding hard work, punishes it and people like Carol in the ACT will stand to lose out at the same time that the Abbott government wants to give more money to mining companies making superprofits. It just does not make sense.

The bill also hides or seeks to hide the repeal of the schoolkids bonus. The schoolkids bonus was a recommendation of the Henry tax review. It was completely unrelated to the MRRT. In my constituency of Canberra, this will mean almost 13,000 families will be without the resources their children need for school after they lose this support. This results in over $6 million of cuts for people trying to raise the next generation and $6 million out of our regional economy. This short-sighted cash grab will damage educational outcomes and therefore damage the economy in these two ways.

Those opposite will try to say that the schoolkids bonus is not educational because it is paid as a lump sum, but that is because they do not believe in choice—another grave inconsistency in their rhetoric. They do not believe in giving parents choice over how they spend that money on their kids, and in this way they are not true liberals. They believe that family budgets should be managed out of the federal parliament. It is an anti-choice agenda which I believe would make the former Prime Minister Robert Menzies ashamed. Their approach to the schoolkids bonus is also against the evidence, which they choose to ignore in their anti-choice stance.

Research on government lump sum payments shows that parents know how to spend this money and that they overwhelmingly spend it on important resources for their children. The Liberal government clearly do not trust parents to help their kids in the right way, and they choose not to help either. That is why they are taking away the schoolkids bonus, which, as I said, will affect 13,000 families here in Canberra and over 1.2 million families across Australia. Next time you hear the Abbott government talking about 'family values', you would do well to remember what they are trying to do to Australian families in relation to the schoolkids bonus.

The bill is also poorly thought out. As I have said, it impacts on small business by removing the instant asset write-off right at a time when the understanding of the role that small business plays is at its zenith. A lot of lip-service was paid by the Liberal government to small business in the last election campaign and has been since. We know that small business is the engine room of the economy. We know that Australian small businesses have an enormous role to play and we know that, with the trepidation about our economic status both
now and in the future, the worst possible thing you could do would be to disadvantage small businesses, inhibit their cash flows and deprive them of that instant asset write-off—a measure which encourages businesses to buy new plant, to buy new assets and to invest in themselves. It helps businesses become more innovative, allows them to move with the times. These are all worthy objectives that were served by the instant asset tax write-off, but that will go.

It is also a time when there are many changes taking place in the manufacturing sector. I will not go into it now, but with the chronic and blatant neglect of our manufacturing sector by those opposite you would think that they would be somewhat sensitive to the needs of small business, regardless of what sector. Again, this is a measure that is there for all small businesses. It does not discriminate between sectors. Whether they are businesses in a small regional economy or in outer metropolitan areas or indeed new companies in busy CBDs, this instant asset tax write-off was seen as a terrific measure to stimulate the activities of small businesses in Australia.

The other issue I would like to raise is the role of the National Party. I think those in the Abbott government should note that the Leader of the National Party, Barnaby Joyce, said in June 2012 that mining companies:

... could not expect to take away a region's resources without leaving something for the community ... and had a responsibility to contribute to the specific infrastructure provided to meet their needs.

And yet the National Party is supporting this destructive bill, a bill that will mean that Australians do not get a fair share of the use of their resources, even when superprofits are being extracted from them. It will also mean that people living in mining communities will not see the infrastructure that would help their economies grow in a more balanced way. This will prevent the raising of their standard of living.

This is exacerbated by the ripping up of the Regional Infrastructure Fund. I call on those opposite to appreciate the impact of the ripping up of the Regional Infrastructure Fund on those regional areas. It was one way in which the MRRT could make a direct contribution to those communities, who often struggle. Those challenges are well documented in this place. Mining communities often grow very fast and become very expensive to live in, while having a real paucity of the social infrastructure needed to ensure that families can have a quality of life.

This bill conflicts with statements of the National Party leader and, I suspect, of many representatives and supporters of the National Party. We hear much of the Howard government Treasurer, Mr Peter Costello, but we know that Mr Costello supported the super increase from nine to 12 per cent—the same super increase that this bill will take away from working Australians.

The issue at stake here is quite simple. We had a tax, the MRRT, recommended to the former Labor government by Ken Henry, a respected leading Australian who conducted a comprehensive review of the taxation system. His conclusion, quite rightly, was that a minerals resource rent tax designed in the way that the final tax was designed would serve a very specific and important purpose in taxing the superprofits of mining companies and would allow that revenue to go to incredibly worthy nation-building initiatives—from infrastructure to superannuation, to regional infrastructure, to giving a tax break to small
business. All of these elements of our economy combine to be quite a potent and significant contributor to our future economic growth.

The people of Australia own the resources that are in the ground. This kind of notional ownership is about sharing the wealth derived from this collective national asset. I am not being ideological about this. It is quite well known that, if there is a natural resource in a country, there ought to be a mechanism by which that wealth is shared and distributed in some way. The MRRT was almost a humble way of acknowledging the entitlement to that shared wealth. It did not seek to change the structure of the industry. It did not seek to do anything radical. It sought to respond to some very thoughtful recommendations of a comprehensive tax review, and putting it in place was negotiated with the industry. But, even so, the new Abbott government cannot come at supporting this tax.

If this short-sighted bill passes, it will mean that the benefits of having had these resources dug out of the Australian ground will not be able to be passed on, and in this way the coalition government will have debased a very important principle. It will drain many aspects of our economy, from superannuation to the schoolkids bonus, to instant asset tax write-offs for small business. The former education tax refund also will not be restored.

The Abbott government, which has brought this bill to the Senate, has proven that it is lacking in moral substance, particularly in the misleading way it is presenting its case. We heard from previous speakers their contentions around the former government's economic management and the reduction of debt. But I notice very few of the opposition speakers go to the actual measures they are seeking to repeal; they rather keep their arguments and rhetoric at a high level, trying to perpetuate the falsehood that the former government was not a great economic manager. In fact, the former Labor government saw Australia through a significant global financial crisis and did so with the creation of jobs and keeping our economy buoyant. That is what governments do. The former Labor government was a nation builder. The Abbott government, the government now, is of course a nation wrecker. This is part of the wreckage that we are dealing with today.

Senator DI NATALE (Victoria) (12:42): Today's debate, on the Minerals Resource Rent Tax Repeal and Other Measures Bill 2013, is a debate about our national priorities. It is a debate about the sort of country we want to be. It is a debate about fairness. It is a debate about the power of vested interests. It is a debate about courage or the lack of it in our Australian parliament. The history of this tax represents everything that is wrong with Australian politics. The genesis of this tax, a tax that was proposed by the former Rudd government, is instructive, and it is worth reflecting on that. The original resource super profits tax was a good one. It was an important reform. It was a reform that this country desperately needed. It would have raised billions of dollars that could have been invested in vital infrastructure, in critical health services, in funding our public education system. It was a fair tax. It was a tax based on the resources that are owned by each and every one of us. It was a tax that said, 'You are a beneficiary of the Australian wealth that lies beneath our feet, and, as a beneficiary of that, you, too, must contribute to the great Australian story.' It was fair, and it was equitable.

Yet what we saw was a concerted campaign from the mining industry. Terms like 'sovereign risk' were thrown around. There were claims that the industry would move offshore if this reform were introduced. It was nonsense, of course, because the mining industry in this
country has it very good. We have a very stable political environment. We have an environment that is good for international investment. There are protections under the rule of law that do not exist in many other developing economies where mining is so important. The mining industry also has it very good because they have unprecedented access to the decision makers in this country. Every day, walking the corridors of this place, there are lobbyists or representatives from those industries—those rent seekers—who seek to influence decision makers, because they are pursuing their own interests ahead of the national interest. Through this debate we saw not just lobbyists but also members of staff and, in some cases, members of parliament doing the bidding of the industry. In the face of threats of an advertising campaign against the legitimately elected government of the country, we saw our politicians go to water.

It is very easy to look at this reform simply as though we were facing a contest that was inevitably going to result in a win to the mining industry. But this is not just a story about the power of vested interests; it is also a story about the lack of political courage that now infects the Australian parliament. It is impossible to carry a reform that might impact on a particular industry or business group. We saw it through the reform on poker machines, where a modest reform that would have helped put food in young kids' mouths, that would have stopped relationships from being torn apart and that would have stopped people from losing their homes was defeated, again, by a very powerful lobby group.

That power only exists because we give it to them, because we capitulate and because we do not have the strength to stand up and say: 'No more! We are the democratically elected people of this place, and we make the decisions, not you.' What we saw was the death of a reform that would have guaranteed funding for vital infrastructure, funding for health services and funding for public education. What do we see now, sometime later? The minister who had been responsible for oversight of that reform is now a paid-up mouthpiece of the petroleum industry and is launching a broadside attack on the workers of this country—a former member of the Labor Party is claiming that the union movement has gone too far in protecting the rights and conditions of workers.

This is a very, very sad day for the Australian parliament because we are reflecting on a reform that would have meant that people right around the country would have benefited from the wealth that belongs to each and every one of us. What do we have in its place? We have a Commission of Audit that says we can no longer afford those things, and what we need to do in order to bring our debt down is to start cutting those things—cutting health care, cutting jobs in the public sector and ensuring that the national disability insurance scheme will be delayed. That is the consequence of the lack of courage that has been demonstrated right through this debate.

We are getting a confected story that was constructed through a set of terms of reference given to the commissioners who are charged with looking at the nation's finances. We are getting a confected story that is telling us that we need to make cuts because we are spending too much. The truth is very different. Government spending is under control. For two decades, Commonwealth spending has been stable. Far from being bloated and inefficient, our public service is one of the most efficient and one of the leanest government sectors anywhere in the world. Government spending as a proportion of GDP is lower than it has ever been in the nation's history and lower than it is in most countries that can be compared with ours. We are
told we are a high-taxing country when, again, the opposite is true. Government revenues have fallen. We are one of the lowest-taxing countries, as a proportion of GDP, anywhere in the world, and, in fact, we are being taxed at a far lower rate than we were under the previous Howard government. That is why this reform is so important, and that is why the original mining tax would have been such a magnificent reform for this country.

It is important to note that this is very much a debate about the sort of country that we want to be. Are we going to continue to allow big business to dictate the terms on which this parliament acts, or are we prepared to say that, as the democratically elected representatives of the people of Australia, it is we who will decide the priorities for this nation and the level of investment in services that the people of this country want—a decent health system, a decent education system, funding for vital infrastructure—or will we continue to allow these rent seekers to name the terms of debate?

The Greens will not stand for it. We are here because we believe that society can afford—and, in fact, has a right to—adequately funded health care. Rather than cuts, we want to see investment in health; rather than cuts, we want to see investment in education; rather than stripping away protections for our environment, we want to see those protections strengthened; and rather than politicians caving into the big end of town, time and time again, we need to take a stand. There is no more important issue on which to take a stand than ensuring that this country has the revenue to fund the things that all Australians want and deserve.

Senator CAMERON (New South Wales) (12:53): I rise to oppose the coalition's proposition to dismantle the minerals resource rent tax. It is a tax designed to deal with profits. There is clearly a proposition, which has widespread support, that the profits of mining companies should be shared by the community in a whole range of areas. Senator Bernardi, in his contribution, performed his usual trick. He said it was Marxist rhetoric, in taxing the mining industry, to say that the Australian public should get their fair share of the superprofits miners make out of the resources that belong to the Australian community. That is the test Senator Bernardi sets in relation to whether the Australian public should get their fair share. The test is: if you want a fair quid out of the mining industry then you are engaging in Marxist rhetoric.

He could not resist going even further, describing a tax on the mining industry as class warfare. How could it be that simply saying to a multinational company you require them to make a financial and social contribution to the Australian economy and Australian community is class warfare? Where does this nonsense come from? If that is what the coalition are making their assessment on—that is, Marxist rhetoric and class warfare—no wonder we have propositions coming from them that say, 'Forget the Australian public, forget their rights, forget that they own the minerals, and just let the mining companies claw every cent for their shareholders and transfer some 80 per cent of the profits overseas.' He then said it was tribalism. Where does this nonsense come from? To get a fair share of the profits from the mining companies is suddenly about tribalism.

He talked about there only being $400 million raised. I would rather have $400 million being spent in the community on issues of importance to the community than have the mining companies make even more profit. He went on to say that we should cut our cloth to fit the taxation system. That seems to me to be coalition code for saying that we will cut investment
in the community. What investment in the community is Senator Bernardi talking about cutting? We know what Senator Bernardi and his team on the other side want to cut. They want to cut education, they want to cut health and they want to cut investment in jobs. It is really good that Senator Bernardi opens up all of these issues in this straightforward and honest way. It was a straightforward and honest contribution from Senator Bernardi.

I do not agree with anything that Senator Bernardi has said. I see him sitting in the chair, so it is a good time to deal with Senator Bernardi’s issue, but at least Senator Bernardi has been honest about what this is all about. It is about allowing the miners to get more of their profits sent overseas, to get more of their profits for a small group of shareholders, not to put the profits back into the community and not to get a fair share from the community. We have to cut our cloth to fit the taxation system. If we cannot afford to provide decent health care and if we cannot afford to provide decent education systems, because we are not prepared to tax the mining companies effectively and appropriately, then so be it. That is the message from Senator Bernardi.

It is not just a message from Senator Bernardi. He advocates the view that is a common position amongst the coalition party. Some of them have more sophisticated ways of saying it, but it means the same thing. Some government senators try and hide what Senator Bernardi has just said, and try and fill their speeches with rhetorical nonsense. But Senator Bernardi has cut to the quick on this. He says that we must cut our cloth to fit the taxation system: we cannot change the taxation system. He says that we cannot change the taxation system, even if there are major multinational corporations making superprofits and sending the profits overseas. He says that we have to cut our cloth. That does not seem to me to be an appropriate way forward in this country.

Let me to go to the issue, as argued by Senator Bernardi, that we should not tax mining industry companies because they saved Australia during the global financial crisis. Nothing could be further from the truth. I happened to be on the economics estimates committee. We had more than one contribution from officers of Treasury outlining the contribution—or lack of contribution—of the mining industry during the global financial crisis.

Dr Ken Henry, in addressing this argument that the mining industry saved Australia from the global financial crisis, outlined what had actually happened in the mining industry during the global financial crisis. The mining industry cut jobs quicker and deeper than most other industries. In the vehicle industry—the industry that the coalition have abandoned and told, ‘Go back to wherever you want to go because we don’t want a car industry here’—the union movement and the companies sat down and looked at how they could be flexible in responding to the challenges of the global financial crisis. Workers took unpaid time off. Workers took annual leave. Workers were more flexible in their whole approach. That is what happened in the manufacturing sector across the board during the global financial crisis.

But what did the mining industry do? The mining industry turned up at mining sites around the country and told contractors, ‘Pack your bags; you’re finished.’ Workers were sacked unceremoniously in the mining industry. Dr Ken Henry pointed to the fact that if everyone had behaved the same way as the mining industry behaved then there would have been 18 per cent unemployment in Australia. That was the great save by the mining industry of the Australian economy! So no-one should ever buy this rhetorical point that the mining industry saved us from the global financial crisis. What saved this country from the global financial
crisis was government intervening in the economy and making the appropriate investment of government money to keep people in jobs. It was done in a timely, targeted and temporary manner, and it was seen around the world as the appropriate thing to do.

So do not buy the rhetoric from those in the coalition who try and pretend that the mining industry saved this country from the global financial crisis. They did not. It was government intervention—the government stimulus packages—and the unions and employers working together to try and keep jobs and keep communities afloat. That is what helped to maintain growth in the Australian economy when growth was declining everywhere else around the world. It was not the mining industry. In fact, they acted in a way that would have seen 18 per cent unemployment.

So I take the view that you must not listen to this rhetoric about Marxism, class warfare and tribalism. If you consider tribalism, class warfare and Marxist rhetoric in relation to this tax, you should realise that the people who led the charge on this tax were those on the Henry tax review. That review comprised some of the most prominent business leaders and the Department of the Treasury looking at what are the important issues for Australia into the future. The Henry tax review said that there was an abundance of non-renewable resources and that prices would stay high—and that that would be driven by demand from China and India. Nothing has really changed in that regard.

The Henry tax review came out in 2009. They said, 'You have to deal with this.' It was not a Marxist approach. They were not loony left wingers who were out there saying that the community should get their fair share. The leaders of business and the tax department said that the community, through the Australian and state governments, own the rights to Australia's non-renewable resources, and that we should seek an appropriate return for allowing private firms to exploit these resources. I do not think that is Marxism. It is not Marxism to say that if you own something you should get a proper return. I think that is more a capitalist approach, Acting Deputy President Bernardi, than a Marxist approach.

The argument is that the Australian people want their resources to have a proper return. What the Henry review went on to say was that current charging arrangements—that is, the royalty system based in the states—fails to collect a sufficient return for the community because they are unresponsive to changes in profits. It wasn't Karl Marx writing this. This was the business leaders and the tax department. Further, it says:

The current ... arrangements distort investment and production decisions, thereby lowering the community's return from its resources.

So what the Henry tax review was saying is that the proposed system, rather than being a disincentive to investment, would actually help investment because you would not be taxing companies at the start of their endeavours. The royalties would not be kicking in early. You would not be getting that tax disadvantage early in investment. If you then recoup your return on the investment further down the track through a profit based tax system, that would be a good approach to ensuring that start-up companies get their business in place without distorting taxes such as royalties early in the tax cycle.

The 'Marxists' of the Ken Henry tax review said, 'The current arrangements should be replaced with a uniform resource rent tax using an allowance for corporate capital method, and the tax should be imposed and administered by the Australian government.' The Henry
tax review went on to make a number of other recommendations in terms of the report to the Treasurer.

Remember that the Henry tax review called for submissions. One of the submissions that I always find interesting was from the Minerals Council of Australia. Over a period of time, the Minerals Council went from being a supporter of a profit based tax to an avid opponent of a profit based tax, because they were being encouraged by the opposition not to pay a fair share of their profits to the Australian community. They were encouraged by the opposition. They laid the political framework for the Minerals Council to move away from their position.

Let's hear what the 'Marxists' in the Minerals Council said about mining royalties. They said that they advocate 'for a further debate on appropriate changes to the state based royalty systems, particularly around the appropriateness of profit based royalty schemes'. So the miners themselves said, 'We need to look at the appropriateness of royalties.' They actually point out some of the problems with royalties being paid immediately you set a company up and start to develop the company rather than having a profit based tax. So it is not really a Marxist approach, as Senator Bernardi would have people think; this is mining companies themselves talking about what should happen into the future.

Interestingly, in their submission to the Henry tax review, on page 3 they say there are a number of 'big picture tax issues' that should be dealt with. Firstly, there is the development in what are known as the 'BRIC economies'—that is, Brazil, Russia, India and China. We need to look at the opportunities there and we need to look at the capacity and competitive challenges arising from the BRIC communities. That was their first point. These are big global changes and you need to look at them. The second was the ageing population in Australia. This is not Marxist rhetoric; this is big business saying you have to look at an ageing population. How do we deal with an ageing population? You need more money to help an ageing population when they are ill; you need more money to help an ageing population when they end up in care; you need more money to support an economy with fewer people paying in. So there are huge issues. Somebody has to make the contribution. If there are superprofits being made, it should be the mining industry. They said that the third area is 'efficient allocation of resources'. And let's hear this from the Minerals Council: the fourth big challenge is climate change—you know, the climate change that Senator Bernardi does not believe exists. They said:

Both externally and internally, climate change is widely regarded as both a serious and inherently intractable problem.

So there was the Minerals Council in 2009, looking at tax and recognising that there are problems funding aged care, health and education, and they were saying, 'Let's have a look at a profit based tax.' They actually said there are problems with climate change—something that they seem to have changed their mind on many times.

These are the big challenges for Australia—challenges that the coalition have failed to deal with. The minerals industry said that they would enter a debate on tax reform on the basis of 'transparency, clarity, certainty, efficiency, fairness and equity'. Those issues are not dealt with under the coalition's proposal to get rid of this mining tax. We should make sure it stays and make sure every company in every industry pays their fair share to build a good society within Australia. (Time expired)
Senator RUSTON (South Australia) (13:13): Acting Deputy President Bernardi, I must say that I was not privileged to be in the chamber when you gave your speech that has obviously generated such interest and excitement from Senator Cameron. So, straight after I have made my contribution I will look at it, because obviously it was quite a significant contribution, given the interest.

Senator Whish-Wilson: I wouldn't bother. Don't waste your time.

Senator RUSTON: I possibly will not be worrying to download Senator Whish-Wilson's contribution, despite the fact that he would probably like me to. Before I rose today, I read through some of the contributions that have been made by people in this chamber. A comment was made by Senator Eggleston which I thought was particularly interesting and probably a tiny bit humorous, despite the fact that the matter that we have before us today is far from humorous. Senator Eggleston referred to the minerals resource rent tax as being akin to a pinata. Many of us who have children have been to a birthday party where kids start smashing the hell out of a pinata, a kind of stuffed animal, trying to get the goodies out of the middle of it. Senator Eggleston pointed out that, like a pinata, the mining tax is one of those things which you can give a good old whack no matter which direction you are coming from. Sadly, we are here today trying to repeal this particular tax because it has taken a huge amount of hits from every corner because plainly it is not working.

When the Leader of the Opposition recently went to Western Australia—obviously in the lead-up to the Senate by-election in Western Australia on 5 April—it was widely reported in the press. It was interesting that, the closer he got to Perth, the further he was moving away from the minerals resource rent tax. It seems bizarre that we could have the opposition in this place, and their supporters the Greens, refusing to allow the repeal of this tax; and yet, when the Leader of the Opposition gets close to Western Australia, all of a sudden he wants to distance himself from the fact that the opposition are trying to block the repeal of legislation that has extraordinary impacts, particularly for Western Australia.

One thing we need to remember is that Western Australia is part of Australia and deserves the same level of recognition and support as the rest of Australia. As commented on by many of the people from Western Australia who have spoken on this matter, nearly 100 per cent of the revenue generated from the minerals resource rent tax so far has come out of Western Australia. No wonder the Leader of the Opposition chose to distance himself from this particular tax when he went to Western Australia. The cold hard fact is that we are being prevented from repealing this tax in this place. I think Mr Shorten needs to come clean with the people of Western Australia. Despite his fluffy words when he was there a few weeks ago, the fact is that he has instructed his people in this place to make sure this tax is not repealed.

We have heard it a million times before: no economy has ever taxed its way to prosperity. The more you tax an economy, which slows it down and prevents it from generating economic activity, the less revenue it ends up delivering to you. I will quote some statistics. I am sure these statistics have been quoted many times before, because we have had so many speakers on this particular piece of legislation—because obviously we do not want to go to a vote on it too soon! The mining tax has yielded $126 million in its first six months and $400 million for the first year. Apparently it has been paid by only 20 companies. It is conveniently forgotten that there was $40 million in advertising costs for this campaign espousing the great virtues of this tax, $50 million in set-up costs and $20 million to administer it. So what we
have really got here is a tax that is costing the Australian public money instead of generating the so-called income and economic activity and providing the money that Senator Cameron was talking about.

Senator Cameron, in his contribution a short time ago, commented that he would rather see the $400 million or thereabouts that has been generated by this tax in its first 12 months being spent in the community than nothing at all. Many of us would be reasonably happy spending money that has been generated by a legitimate tax on community projects. But the point that needs to be made here is that, when this tax was first introduced, it was supposed to generate billions and billions of dollars. Senator Cameron can talk about the $400 million he would like to see spent in the community. The fact is that we have received only $400 million from this tax but the community has been promised billions of dollars that the tax has never been generated. Whilst Senator Cameron's talk about the $400 million is very easy to reconcile, Labor in government spent well in excess of this tax and projected the income in forward estimates. And now they want to prevent this fiscally responsible coalition government from stopping much of the spending of that money that has never been received.

This has had significant impacts particularly across regional Australia, which is where I come from. In the lead-up to the election, when Labor thought they had the goose that lays golden eggs, there were all these promises made in the wider community about projects that were going to be undertaken through regional development infrastructure projects and RDA. So hundreds of communities across the country have been promised a whole heap of money for local projects based on funding they thought they were going to receive from the mining tax. That is fine, but because this tax has failed to deliver any real revenue—certainly nowhere near the amount of revenue that would be needed to meet the commitments made to these projects—there are all these people out in the community who have had their expectations raised. And we the coalition now have to explain to the people of rural and regional Australia that, whilst we would love to be able to provide the projects and developments that they were expecting, we simply cannot afford to because the money is not there. And now, when we want to repeal this ridiculous tax and get back on to a more sensible and strong-footed taxation regime, we are going to be blocked from doing so by the pig-headedness of those opposite, who refuse to accept that this particular tax plainly is not working anyway.

We live on the river corridor and $1 million was allocated via this fund towards assisting projects with the transition because of the impacts of water reductions from the Murray-Darling Basin Plan. The sum of $25 million had been put aside in South Australia for this particular process. In the period during the election campaign—during the caretaker period—the then minister for regional development announced $25 million worth of projects along the river corridor in South Australia.

Senator McKenzie interjecting—

Senator RUSTON: I am sure the same thing happened in Victoria, Senator McKenzie, and also in New South Wales. Of course, we all know that if you make a promise during a caretaker period, then it is nothing more than an election promise; it does not actually have any validity in the budget process within government. But the people in those communities do not know that; they do not understand that. So when somebody rings you, and says, Mr Business, in the community, we are going to give you $2.5 million towards the economic
restructuring of your business or to assist you in building or upgrading assets or to undertake some sort of transitional projects to enable you to better meet the challenges of the Murray-Darling Basin Plan,' they think they are getting the money.

After the election, all of a sudden we realise that we have had a change of government. I suppose I should not question it but I really wonder whether, had the election gone a different way, the money would have been available even under the other government. I do not know where they were going to get it from, because they have not raised the money from their mining resource rent tax, which they said they were going to use for these projects. I draw the attention of the chamber to the massive negative impact and the blow to the confidence of rural and regional Australia when, having been promised something, they did not get it. It is a pretty cheap and nasty trick. I think those opposite should be held to account for doing that and for thinking that it is okay to play with the lives of people who live in regional Australia, in carrying out some sort of pathetic attempt to get re-elected on the back of a tax that did not raise any money. I draw the attention of the House to those issues. There could be nothing more significant or more important than trying to instil confidence in our communities and our economy.

Interestingly, when listening to Senator Di Natale's contribution in this place, I noted he pooh-poohed the issue of sovereign risk. To disregard or underestimate the impact of sovereign risk, one would have to be living under a rock. Australia, particularly Western Australia, had a really booming mining industry coming into the early 2000s. Uncertainty is built up in the minds of these businesses, when they are happily going along under one set of rules and conditions under which they signed up to undertake these massive projects—and we are talking of multibillions of dollars that are being invested in the Australian economy by these multinational companies, money that is not always available within Australia to undertake these projects—and then, part way through a project that has obviously a lifespan built into it, the then government all of a sudden just decides it is going to lob a hand grenade into the middle of things and say, 'With respect to the rules that you thought you were operating under and the assumptions on which you built your business model and your decisions about coming to Australia, we've actually changed our minds on those and we are now making it less economic for you to undertake the same activities you were undertaking when you first signed up to do these projects.'

It is that level of uncertainty and nervousness that the major companies obviously take into account. There is probably a very good reason why we saw a significant slowdown in mining exploration and, in the case of our home state, Mr Acting Deputy President Bernardi, the decision by BHP Billiton not to continue with the expansion at Olympic Dam. As you and our other colleagues from South Australia would well know, the impact on the confidence within the South Australian economy when the decision by BHP Billiton was made not to continue with that expansion was absolutely massive. At the risk of carping on about the importance of rural and regional Australia, particularly of the regional communities in our home state of South Australia, Mr Acting Deputy President Bernardi, we do not have any other economic generators, apart from agriculture and mining.

When I speak of agriculture, obviously I include our fantastic fishing industry in South Australia. Half of the economic generators in South Australia have been taken away—and subsequent to this tax coming in, we have seen so many of our small exploration companies
not being prepared to continue with their expansions or their explorations—so you get the idea that it has had an amazingly detrimental impact on the South Australian economy.

I stand here today and plead with those opposite to stop blocking everything that the coalition went to the election on. There was absolutely no doubt in the electors' minds when they went to the election on 7 September that the coalition sought to repeal a number of taxes—the carbon tax and the mining tax, two very large taxes. We had promised the Australian public we were intending to repeal those. We are now a number of weeks into the new parliament, the 44th Parliament, of this country and it seems quite extraordinary that last week we saw the opposition and the Greens oppose the repeal of the carbon tax. If my predictions are anything to go by, we are obviously heading for a loss with respect to the repeal of the minerals resource rent tax.

The Australian public told the parliament that they had voted in a government that went to the people with these two particular taxes on the chopping block for repeal, so why are we wasting so much time in this parliament and this place arguing that we should not be repealing them, as those opposite are arguing? Couldn't we be doing something more useful by actually getting on with the job of stimulating the Australian economy?

As I said earlier, the Minerals Resource Rent Tax raised very little money. The fact is, if you read any economics textbook—and I am sure that you will agree, Mr Acting Deputy President Bernardi, given the comments in your speech which were referred to so many times by Senator Cameron—it is clear that more often than not the best way to stimulate an economy is to stimulate economic activity. And if you stimulate economic activity, then—if you have your taxation settings in the right place—you will end up generating more income. And if you generate more income, you will pay more tax. And if you pay more tax, then the government will have the resources to be able to provide all of those social benefits which Senator Cameron spoke about so passionately this morning. But if you keep shrinking the size of the pie—by scaring business away from generating the economic activity that they need to be able to generate in order to actually pay the legitimate and fair taxes—then all of a sudden you are going to end up with a situation where there is no money left in the kitty to pay for these things. And surprise, surprise: this has been the result of the last six years of fiscal management by the Rudd-Gillard-Rudd governments.

I would implore those in this place to start taking a more sensible economic approach to some of these things. There are a whole heap of things that I would love to see us able to provide to the people of our community across Australia. I would love to see better health care; I would love to see more social services; I would love to see a fully funded NDIS scheme. I would love to see lots of things, because I think that is what makes Australia such a great place—that we have not only such an extraordinarily high level of living but also such an amazing set of social amenities which sets us apart from many people in other parts of the world. You only have to see the numbers of people who want to come to Australia—refugees and people who seek to migrate to Australia—to realise that we do have a fantastic social and economic base. But if we continue to put tax upon tax, and if we continue to scare away investment in productive industry in Australia, all we serve to do is reduce the capacity of governments to generate the revenue or to collect the taxation from the revenue that is being generated from these operations.
It comes back to the old economic argument. You can take the socialist approach, Mr Acting Deputy President, but there are not too many people wanting to migrate to countries with socialist and communist regimes; they all want to come to countries that have capitalist approaches to their economies—because the simple economic fact of the matter is that if you generate good economic activity in your economy, you will be able to provide these social benefits.

In conclusion, I would like to say that the repeal and abolition of the mining tax, along with the carbon tax, will be of extraordinary benefit to Australia and most particularly to our regional communities. The Leader of the Opposition in the other place perhaps, particularly in the lead-up to the Western Australia election, needs to clarify his statements as to his true feelings and his true intentions in relation to this tax—so that when the people of Western Australia go to the polls on 5 April, they can go knowing full well that his intention is to keep this tax and to keep taxing Western Australia in an unfair and disproportionate way compared to the rest of Australia.

Senator LUDWIG (Queensland) (13:33): I rise to speak on the Minerals Resource Rent Tax Repeal and Other Measures Bill 2013. We on this side—Labor—have a fundamental view that Australians deserve to share in the benefits of minerals that we all own. The MRRT enables the benefits from mining to be shared across the Australian community, while minimising market distortions. It is, fundamentally, good public policy and good economics. The repeal of the associated measures contained in this bill will hit Australians right across the board, especially those who can least afford to be hit, and it will attack all corners of Australian society. That is what this government is proposing to do with this repeal bill.

It will remove the Schoolkids Bonus—this will hit families when they need help most of all, and will not help them in their fight against the pressures of rising costs of living. This bill, if passed, will hit low-income earners; and women will suffer disproportionately from the removal of the low-income superannuation contribution. Children, including children who have been orphaned, of ADF veterans who have been killed or injured will have their payments cut. Small businesses will suffer from increased taxes and increased compliance costs. And over-50s on the Newstart Allowance who require income support to deal with unexpected living costs will also have their assistance cut.

This legislation—and the approach this government has adopted since taking office—says a lot about the values the government holds. It confirms that the government wants a retrospective tax grab on millions of low-paid Australian workers—to give, mind you, a tax refund to large mining companies. The MRRT and the associated measures are not the results of short-term thinking. They were put in place for now and for future generations.

The MRRT is a tax which is noted for its economic orthodoxy. Tax theory is simple on this point: it is desirable to avoid taxes which distort the market and which prevent efficient utilisation of resources. The MRRT is non-distorting and encourages the efficient utilisation of Australia's shared resources, especially by smaller mining companies which invest and explore in Australia. Remember, it is a tax for the big, entrenched miners—it is those with profits above $75 million who pay this tax.

I would like to suggest, boldly, that the government are hypocritical in their refrain with regard to the view that they have taken of the MRRT. The government makes two claims. First, they claim that the MRRT is not working because it is making no revenue. We have
heard that. Second, at the same time they are saying it is a cost burden and killing the mining sector. Both of these claims cannot be correct. In fact, neither are correct. The MRRT will gather $3.3 billion by the government's own estimates and even more for future generations. Taxing rent profits means that when mining companies are investing, exploring and taking risks they do not pay. The MRRT does not tax the entrepreneurial spirit of mining companies at all. When profits are lower—for example, when mining is in the construction phase of the boom or feeling the heat of the high Australian dollar or fluctuations in commodity prices—of course the MRRT revenue will be lower. That is how the tax works.

The mining industry, as we know, has been going through a transition. The investment and construction phases are coming to completion. The longer term extraction phase is beginning. Taxing the inputs to mining will not result in the revenues the government has gathered during the construction phase. The MRRT is an almost textbook example of the best practice for raising government revenue in a way that minimises the distortion to the market and encourages the best utilisation of Australian resources.

The MRRT should be uncontroversial, quite frankly. But, to this government, sensible economic reform is an anathema. The repeal of the MRRT has taken us to a new chapter in economics. This chapter is about rent seekers and their distortions to sound government. Special interests and rent seekers came out of the woodwork after the election to get their pound of flesh not from the government but from the Australian community. The MRRT was not put in place for the short term. It was not for the next six months. It was put in place for the next generation. The government is determined to be more short-sighted than Mr Magoo when it comes to tax reform. Even in this government's deeply political MYEFO they could not hide the fact that the MRRT was raising revenue. The MRRT has little effect on mining investment and it is forecast to gather $3.3 billion by the government's own numbers.

The repeal of the MRRT and associated measures, however, if it is successful, will have a large and damaging impact. Consider who pays this tax. A person with a family does not pay this tax. A pensioner does not pay this tax. A truck driver does not pay this tax. A farmer does not pay this tax. So who pays? Who is the government going in to bat for? Which deserving group benefits from this repeal? The only group that pays this tax are mining companies with a profit over $75 million. The tax only kicks in on profits above $75 million.

It is worth contrasting those who will benefit from the repeal of the MRRT with those who will suffer. Those who will benefit from the MRRT repeal are a small number of mining companies with projects whose profits are above the threshold of $75 million—fewer than 20 companies in 2012-13. The ones who will suffer from the MRRT repeal are a more diverse bunch—small businesses, parents, school children, people saving for their retirement, those on low incomes, those exploring geothermal energy and the children of war veterans. The Australia Institute stated that their view is that:

… this package as a whole transfers income from something like 10 million Australians, including the poorest … The main beneficiaries … are a handful of foreign owned corporations that are collectively worth $200 billion.

This is the coalition's form of class warfare—taking from small businesses, retirees, parents and school children an increase in the rent extracted from our shared resources by a select few companies earning profits over $75 million.
The fundamental disregard for those negatively affected by the repeal of the MRRT is illustrated by the MYEFO itself. This government acknowledges that the reduction in revenue which will result from the repeal of the MRRT is $3.3 billion. But in MYEFO the government balances that against a $10 million reduction in MRRT compliance costs. But what of the losses to the government? We effectively have a circumstance where this government literally and simply wants to rob Peter to pay Gina, a friend of this government. The 20 big miners are going to get a gift of $3.3 billion. What are ordinary Australian taxpayers and businesses going to lose? These are the measures the government is going to implement: discontinuing the very good initiative of company loss carry-back; reducing the instant asset write-off thresholds from $5,000 to $1,000; discontinuing vehicle accelerated depreciation; amending geothermal exploration treatment; rephasing the superannuation guarantee increase; abolishing the low-income super contribution; abolishing the income support bonus; abolishing the schoolkids bonus; and cutting payments to children of ADF veterans. That is what this government is going to do with the repeal of this legislation. Quite frankly, this frames this government for what it is. This is the frame for what it is supporting and what it is arguing for. The repeal of these measures underpin and highlight how bad a government it really is.

The company loss carry-back provisions have the rare distinction of being supported by both businesses and unions. The Australian Industry Group said that the loss carry-back provides a very important boost to their company's cash flow at a time when they need it most and at a time when it is going to be most critical in ensuring the survival of the business.

Under this repeal, this helpful measure is being wiped away. Prior to the election, the coalition spoke about the cost of living and bringing down prices. It was almost a chant. In government, the story changes. A short walk and they completely backflipped with a piece of legislation that looks to hit families early next year. Right when they need to buy clothing, shoes, text books and study supplies for their children, they are going to remove the schoolkids bonus.

This bill will rip payments of $410 per primary school student and $820 per high school student from 1.3 million Australian families, starting from January next year, through the abolition of the schoolkids bonus. It is telling that the government is not debating this measure on its merits, because they are not. How could they? There is no merit in this repeal bill whatsoever. How could they justify cutting the schoolkids bonus, increasing cost-of-living pressures, at a time when families can least afford it?

Senator Boyce: Why don't you pay for it!

The ACTING DEPUTY PRESIDENT (Senator Bernardi): Order!

Senator LUDWIG: These measures are fully costed. Why do you not ask your Treasurer? The schoolkids bonus is a good policy. I am sorry, Acting Deputy President—I was encouraged to take that interjection. Cutting the schoolkids bonus will hit families hard. It really has not taken very long for this government to show its true colours. Whether it is cutting school funding under their Gonski backflip or cutting the schoolkids bonus, the Liberals are not the government they promised the Australian people they would be. They have come into government on a simple lie and they do not like it now.
The Australian people are seeing the real coalition government at its best—how to cut services, how to cut to the bone. The removal of the low-income superannuation contribution is a telling move from the government. It is being done despite a promise by the Prime Minister to not implement adverse changes to superannuation. The Australian superannuation model is another example of good economic orthodoxy. Helping Australians save for their retirement should be a fundamental goal of government. The MRRT repeal will increase superannuation taxes on one in three of Australia's lowest paid workers.

This is a particularly hard move by this government. The Liberal Party has always said that it is a party of lower taxes, which is arguable, but in this instance it wants to do the reverse. It said one thing to the Australian people, it got into government and it is now singing from a different song sheet. Saving for retirement is essential for individuals in the country. These savings and money invested in super funds drive investment in infrastructure in Australia. Industry Super Australia estimates that, combined with the proposed delay in increasing the superannuation guarantee to 12 per cent, the removal of this measure will reduce national savings by $53 billion by 2021-22. This is another hit to Australia's bottom line to benefit only a very small number of big mining companies. This reduction in national savings means a reduction in the viable capital for infrastructure and investment by around $5 billion, based on current industry-wide asset allocations.

This is at a time when the government is scratching around for funding streams to finance new infrastructure projects. It is there to be used. What of the effects on individuals? The government has sought to cut the super for millions of Australia's earning up to $37,000 while boosting the super for 16,000 people who have over $2 million in super balances. Shame on this government. The bill sees the government scrapping the low-income superannuation contribution, which sees the equivalent of superannuation tax—up to $500 paid by people with an income of up to $37,000—paid into the superannuation account of the taxpayer.

This measure was important for a range of reasons. For high-income earners, superannuation has tax advantages. However, for low-income earners, there are not effective incentives to encourage superannuation contributions. This measure addressed that very issue and stopped low-income earners being at a disadvantage when it comes to savings. The Financial Planning Association was clear on this point. They said that repealing this provision will disproportionately affect already disadvantaged members of Australian society and dissuade low-income earners from engaging with their superannuation.

The removal of the low-income superannuation contribution hits women particularly hard, with 2.1 million women affected. A significant proportion of these are mothers working part time while looking after young children. This is exactly the part of a woman's career where an additional $500 a year going into superannuation would be of the most benefit for building savings for their future retirement. If the government had consulted, they would have known that this measure would affect women particularly hard. If they had asked the Financial Services Council, Financial Planning Association, Industry Super Australia, ACTU or Women in Super, they would have learned of the effects of the low-income super contribution on women. When all of these groups are against your repeal, perhaps you might want to reconsider and admit when you are wrong about something. That would be a mark of a good government, but I do not think you will do that. I do not think you will be able to admit when you are wrong.
Low-income earners entered the 2013-14 financial year on the understanding that they would be refunded their super tax; part of the way through this financial year the government has changed the rules for taxpayers. A major concern in the removal of this is that it is an example of a retrospective tax measure, a fact confirmed by the Parliamentary Budget Office when it checked the coalition election costings. But that is not going to deter this government. This government seems wedded to bad policy. It has championed itself as the friend of small business, but not here. The coalition in this bill is saying, 'We don't like small business at all.'

The government's legislation will increase taxes on up to 2.7 million small businesses and close the loss carry-back scheme, taking away tax breaks for up to 110,000 businesses. That is what this government is standing for.

Who is going to benefit? I think it will be a big business lobby group with no small business representation that will benefit out of this. It is also running the Commission of Audit. It is no wonder that we are seeing a tax hit on millions of small businesses, when you see a government engaged in those two processes—on the one hand, big business benefits out of this repeal; on the other hand, big business runs the Commission of Audit. It is worth looking back at the deliberative and consultative process that led to the MRRT. The MRRT legislation was based on the Policy Transition Group, which was established back in August 2010 and chaired by the former chairman of the board of BHP Billiton, Mr Don Argus. All of that has been swept aside while this government crusades on a path of transferring wealth from low-paid small businesses to the big end of town miners. That is where their interests lie. Where their interests do not lie is in ensuring fairer outcomes for small businesses, for families—which they all promised before the election—(Time expired)

Senator WATERS (Queensland) (13:53): I rise to speak on the Mineral Resources Rent Tax Repeal and Other Measures Bill 2013. The mining tax clearly has its problems, but these problems should be solved by strengthening it, not by ripping it up. When something is broken, you fix it; you do not throw it out. The fact that we must speak today against the repeal of the mining tax is testament to the fact that this government is totally in the pocket of the big mining companies. In fact, it is a wonder that this government does not just abolish the parliament entirely and put Xstrata, BHP and Rio overtly in control of the country, rather than just covertly in control. Only this government would say that we have a budget crisis and then seek to axe a revenue-raising measure. I must have missed that memo which said that black was in fact white. I certainly missed the memo that said, 'Even though the government contends that the mining tax is not working, somehow it is also simultaneously hurting the mining companies.' I clearly missed the memo which said that the government is smarter than all of the expert economists who say that we do need a mining super profits tax. Prime Minister Abbott and his associates must somehow know better than all the experts; perhaps they have attained infinite wisdom somewhere along the way.

Just last week economics editor Ross Gittins pointed out that most of the profits—more than 80 per cent of the profits—generated by the mining industry flow overseas to foreign shareholders. Those profits are not spent in Australia, and that means, of course, that the mining industry adds surprisingly little to the domestic jobs market. Despite the potential of a mining superprofits tax to reinvest the wealth that is generated by mining back into the Australian economy, the all-knowing coalition MPs remain steadfast in their opposition to it. Their stubbornness is an inspiration to mules, to grease stains and to rusted window latches.
everywhere. Congratulations, guys. Now that the government knows everything and no longer needs to listen to the advice of experts, I look forward to a neoliberal utopia, where the rich get richer and where our children cannot afford to buy a house. I think the mining industry themselves deserve congratulations. Over the past year mining companies operating in Australia have received billions in direct government subsidy and tax concessions. Congratulations, Gina! Congratulations, Clive! Congratulations, Twiggy!

The ACTING DEPUTY PRESIDENT (Senator Bernardi): You should refer to members in the other place by their appropriate titles, Senator Waters.

Senator WATERS: Thank you, Mr Acting Deputy President. How could we forget? Congratulations, Mr Palmer! I know it was not much of a surprise since your industry receive several billion dollars of subsidies in government support every year, but on the plus side all of that free money will make it easier to justify buying your fifth private yacht. I should also congratulate you on your success as salespeople.

Government senators interjecting—

Senator WATERS: I can see that we get under the skin of the government here. The mining industry has sold the Australian public an utter falsity. Somehow you have convinced us that your economically unsustainable industry deserves billions of taxpayer dollars to prop it up but that, when you make billions of dollars, you deserve to keep it for yourselves instead of paying back that money for the mineral resources that we the Australian people have given to you. Congratulations! If home shopping companies were half as good at self-promotion as the mining industry, every household in the country would have a kitchen full of wonder knives and an ab swing in the lounge room. Congratulations! Private investors are reaping the rewards of our resources boom and money that should have been used to build railways and hospitals will instead be used to pay for private jets and replicas of the Titanic.

The current government's approach to mining is short-sighted and economically unsustainable. Foreign owned companies are trashing our natural environment, selling our resources and leaving us with very little in exchange. The experts say that a mining superprofits tax would actually promote job creation. The moguls who run the mining industry are not putting the Australian public before their own private interests. That is our job as representatives of the people here in parliament. Until this government removes the charade by abolishing the parliament and putting BHP, Rio and Xstrata in charge of everything, we Greens will continue to fight for a fair share for the people of Australia from the resources that they indeed own. The foreign owned mining companies are frankly ripping us off, and this government is letting it happen. That is how the tax was designed—it was designed to fail because the mining companies wrote it that way. After an advertising campaign which toppled a Prime Minister and shredded the resource superprofits tax, the big mining companies wrote their own tax rules. If individuals could write their own tax rules, the country would not have any money. Xstrata, Rio and BHP, as we know, wrote their own rules and so they changed the 40 per cent rate to an effective 22½ per cent rate. They changed the minerals to which the tax would apply to just coal and iron ore—no word of any of the other minerals that the Henry tax review had originally recommended should be covered by this tax. If these companies are not making superprofits then they will not pay the tax.

Debate interrupted.
MINISTERIAL ARRANGEMENTS

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:00): by leave—I inform the Senate that Senator Johnston, the Minister for Defence, will be absent from the Senate today and tomorrow due to portfolio related duties. I will represent the Hon. Warren Truss MP, the Deputy Prime Minister and Minister for Infrastructure and Regional Development, during question time on these days, and Senator the Hon. George Brandis has agreed to represent the Minister for Defence. I can also indicate that Senator Cash, the Minister Assisting the Prime Minister for Women and Assistant Minister for Immigration and Border Protection, will be absent from the Senate today. For the purposes of question time, Senator the Hon. George Brandis has agreed to represent the Assistant Minister for Immigration and Border Protection and Senator the Hon. Marise Payne will represent the Minister Assisting the Prime Minister for Women.

QUESTIONS WITHOUT NOTICE

Medicare

Senator STERLE (Western Australia) (14:01): My question is to the Assistant Minister for Health, Senator Nash. I refer the minister to her statement to the Senate last week: 'The government has not considered the introduction of a co-payment for Medicare services.' I also refer her to Friday's Financial Review, which reports that the health minister is considering co-payments for GPs. I ask again, Minister: is the government considering co-payments for Medicare services?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:02): I thank the senator for his question. My advice was that the government had not considered the introduction of a co-payment for Medicare services. Indeed, the coalition believes that all Australians should have access to affordable, high-quality health care. We certainly say that, to assist the government to provide subsidies for clinically necessary treatment and services through Medicare, senators would be well aware that the National Commission of Audit is charged with examining the scope for efficiency and productivity improvements across all areas of Commonwealth expenditure.

This is in direct opposition to those opposite. We have a plan for the future of health delivery in this nation. That plan includes delivering front-line services to where they are needed, and we will absolutely continue to do that. In no way will this side of the chamber, the government, step back from our responsibilities of ensuring that we get the delivery of those front-line services to where they are needed. When we compare that to the record of those opposite on health, it is a stark contrast and shows very clearly that it is this side of the chamber, this coalition government, that has a plan for the future of health in this nation.

Senator STERLE (Western Australia) (14:03): Mr President, I ask a supplementary question. Is the minister aware of the evidence by her department at the most recent estimates: 'We have done a range of work over a long period of time about co-payments in the MBS. That work continues.' Will the minister release the modelling that the government has undertaken on Medicare co-payments before the Western Australian Senate election?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:04): Senators on the other side would be aware that
departmental activity occurs across a range of measures that the government has in place or, indeed, puts forward. But it is this coalition government that is going to offer the people of Western Australia a better plan when it comes to health. There is absolutely a stark contrast, a stark choice, for the people of Western Australia, whom Senator Sterle refers to, when it comes to health. We only have to look at the government as they were then—those sitting opposite—which promised to fix hospitals. Indeed, I think it was the previous leader—one of them—Prime Minister Rudd, who said there was actually going to be a referendum if the Labor government had not fixed hospitals. They failed on both counts. They failed to fix the hospitals and they absolutely failed to have the referendum they said that they would have to deal with the issue. (Time expired)

Senator STERLE (Western Australia) (14:05): Mr President, I ask a further supplementary question. Minister, why is the government hiding the details of its GP tax plan until after the Western Australian Senate election?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:05): There is no hiding from this government. What we are doing is putting, unlike those opposite—

Opposition senators interjecting—

The PRESIDENT: Order! I need to hear the answer of the minister. I remind those on my left that it is disorderly to interject.

Senator NASH: Unlike those opposite, we are not going to deliver health services to this nation in the same chaotic way that the previous government delivered a range of policies to this nation. The previous government might have been prepared to do ill-thought-through policy on the run, but the coalition government is not. We look at those opposite—the previous Labor government, with their history of economic mismanagement, with their history of waste and with their history of ill-thought-through policy on the run. When it comes to health, it is this government that is going to deliver to people across the nation, and it is this government that is going to deliver a strong health policy for Western Australia.

Western Australia: Economy

Senator BACK (Western Australia—Second Deputy Government Whip in the Senate) (14:06): My question is to the Leader of the Government in the Senate and the Minister for Employment, Senator Abetz. Can the minister advise the Senate of the jobs and investment that will flow to my home state of Western Australia from the government's implementation of its policy commitments, particularly its commitment to abolish the carbon tax?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:07): I acknowledge Senator Back's very strong commitment to unshackling the Western Australian economy from the carbon tax, which will save the economy of Western Australia millions of dollars and boost investment in his home state's mining industry, thereby creating more jobs for more Western Australians. There is no doubt that the carbon tax is a job-destroying tax; it is an economy-destroying tax—

Senator Sterle: Rubbish!

Senator ABETZ: Senator Sterle says, 'Rubbish!' Why did he go to the 2010 election promising no carbon tax and then to the 2013 election saying that the carbon tax had been
abolished? Why did you say that? The reason is: you know it is job destroying and you know
it is economy destroying and it does nothing for the environment.

Senator Wong interjecting—

Senator Cormann interjecting—

The PRESIDENT: Senators Wong and Cormann, that is disorderly, when I am relying on
the minister to have the call and to answer the question. That is completely disorderly. If you
wish to debate it, do so after three o’clock.

Senator ABETZ: I note weekend reports of Mr Shorten desperately pleading with
Western Australians to give him and the ALP a fresh start on 5 April. That would be a fair
request if there were a fresh suite of policies being offered to the people of Western Australia,
but it is all the old, stale policies of the defeated Labor government that are being served up
yet again to the people of Western Australia: a commitment to the carbon tax, a commitment
to the mining tax, a commitment to defending the out-of-control CFMEU and a commitment
to green and red tape. I simply remind those opposite that the Labor Party cannot have its
Senate lead candidate in Western Australia saying the carbon tax is gone and then his very
own leader and all the Labor senators, including the Western Australian Labor senators,
voting to retain the carbon tax here in Canberra.

Senator BACK (Western Australia—Second Deputy Government Whip in the Senate)
(14:09): Mr President, I ask a supplementary question. Can the minister advise the Senate
why the legacy the government inherited from its predecessor makes implementing its policy
commitments so important for Western Australia?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting
the Prime Minister for the Public Service and Minister for Employment) (14:09): The
government has inherited a Green-Labor legacy of an additional 200,000 unemployed
Australians, $667 billion in projected gross debt, $123 billion in cumulative deficits and the
world's biggest carbon tax. So it is absolutely vital that the Western Australian economy be
unshackled from this legacy of debt, from this legacy of unemployment, and that is why it is
important to ensure that the coalition's policies to create the jobs are implemented. We invite
the Labor senators from Western Australia and the Greens senator from Western Australia to
make that happen here and now, today, by voting to ensure the abolition of the carbon tax and
the abolition of the mining tax.

Senator BACK (Western Australia—Second Deputy Government Whip in the Senate)
(14:10): Mr President, I ask a further supplementary question. Can the minister inform the
Senate of any impediments to the creation of more jobs and more investment in Western
Australia?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting
the Prime Minister for the Public Service and Minister for Employment) (14:11): I can
inform Senator Back that the Green-Labor opposition are stopping investment and jobs in
Western Australia by recklessly refusing to scrap Labor's anti-Western Australian taxes.
Labor's lead Senate candidate, Joe Bullock, sought to deceive Western Australians by
claiming that Labor are scrapping the carbon tax. If Labor are scrapping the carbon tax, why
are they voting to stop its repeal in this place? What we have is Labor betraying the people of
Western Australia when they introduced the carbon tax in the first place, then deceiving the
people of Australia when they claimed that they had repealed it, and now Labor are adding insult to injury by refusing to pass the wishes of the people of Australia, and especially the people of Western Australia, who want these job-destroying taxes removed so that their economy can grow and so that those who are on the unemployment list can gain jobs.

Racial Discrimination Act

Senator PERIS (Northern Territory) (14:12): My question is to the Attorney-General, Senator Brandis. I refer the Attorney-General to his speech to the Australian Liberal Students' Federation in July 2012, where he said:

… if we win the next election and if I'm the Attorney-General in an Abbott Government, one of my first priorities will be to remove … the Racial Discrimination Act, the provisions under which Andrew Bolt was dragged before the courts …

Does the Attorney-General still propose to remove 18C from the Racial Discrimination Act?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:12): I am glad Senator Peris has read my speech to the Australian Liberal Students' Federation annual conference. I am flattered to think that she follows my speeches so carefully—though, Senator Peris, you omitted a very relevant word from the quotation, and that is the word 'from'.

It is certainly the intention of the government to remove from the Racial Discrimination Act those provisions that enabled the columnist Andrew Bolt to be taken to the Federal Court merely because he expressed an opinion about a social or political matter. I will very soon be bringing forward an amendment to the Racial Discrimination Act which will ensure that that can never happen in Australia again—that is, that never again in Australia will we have a situation in which a person may be taken to court for expressing a political opinion.

The problem with section 18C of the Racial Discrimination Act, as it is currently worded, is that it goes about the problem of dealing with racial vilification in the wrong way. What it seeks to do is to deal with the problem of racial vilification by political censorship. There should never be political censorship in this country, Senator Peris. People like Mr Bolt should be free to express any opinion on a social or a cultural or a political question that they wish to express, just as Mr Bolt would respect your right to express your opinions about social or political or cultural issues.

Senator PERIS (Northern Territory) (14:14): Mr President, I ask a supplementary question. Can the Attorney-General confirm that he is a personal signatory to the London Declaration on Combating Antisemitism; and does the Attorney-General stand by his pledge to legislate effective hate crime legislation, including incitement to hatred offences?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:15): It might surprise Senator Peris to learn that, at the moment, there is no law of the Commonwealth of Australia that prohibits racial vilification—not one. There is no law of the Commonwealth of Australia that prohibits the incitement to racial hatred—none. When the government deals with this matter, the law will be in a better position to deal with incitement to racial hatred.
Senator PERIS (Northern Territory) (14:15): Mr President, I ask a further supplementary question. I refer the Attorney-General to comments made by the member for Hasluck, Mr Wyatt, who told Fairfax media:

... what I wouldn't like to see is a regression that allows those who have bigoted viewpoints to vilify any group of people at all …

Won't removing section 18C facilitate vilification by bigots?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:16): People do have a right to be bigots, you know. In a free country, people do have rights to say things that other people find offensive, insulting or bigoted. Nevertheless, through you, Mr President, may I point out to Senator Peris that section 18C, in its current form, does not prohibit racial vilification. Section 18C in its—

Opposition senators interjecting—

The PRESIDENT: Order, on my left!

Senator Wong interjecting—

Senator BRANDIS: I will take that interjection. People have the right to be—

The PRESIDENT: Senator Brandis, you are entitled to be heard in silence and hence you have been stopped at this moment. Senator Brandis, continue.

Senator BRANDIS: I will take that interjection, Senator Wong. Senator Wong interjects, 'Yes, George, you go out there and defend the right to be bigoted.' Well, you know, Senator Wong, a lot of the things I have heard you say in this chamber over the years are, to my way of thinking, extraordinarily bigoted and extraordinarily ignorant. But I would defend your right to say things that I consider to be bigoted and ignorant. That is what freedom of speech means.

Mining

Senator EGGLESTON (Western Australia) (14:17): My question is to Senator Cormann, the Minister representing the Treasurer. Can the minister inform the Senate how Labor's mining tax has impacted on confidence in my home state of Western Australia?

Senator CORMANN (Western Australia—Minister for Finance) (14:18): I thank Senator Eggleston for that question. Labor's mining tax has undermined confidence in Western Australia. Labor's mining tax was deliberately designed to target Western Australia to make it harder for Western Australia to be successful. It is a tax which is complex, which is distorting, which is inefficient, which targets the most important industry in Western Australia and which has not raised any meaningful revenue but which has tied up an important industry in massive and costly red tape. It is costly to administer for the Commonwealth, it is costly to comply with for the mining industry and it is specifically designed to raise nearly all of its revenue in the one, single state of Western Australia. It is an anti-Western Australian tax.

What we know, given the comments of the Leader of the Opposition in Western Australia in recent times, is that Labor has not learned a thing from the result at the last election. Labor still persists with its anti-Western Australian, eastern states-centric attitude when it comes to the mining tax.

Senator Brandis interjecting—
Senator CORMANN: It would seem, Senator Brandis, that, yes, the Labor Party hate Western Australia. They would seem to hate Western Australia being able to be successful, even though a successful Western Australia is in the national interest. A strong mining industry in Western Australia—

Honourable senators interjecting—

The PRESIDENT: Senator Cormann, I will halt you there for the moment because the interjections from my left are disorderly. Senator Cormann is entitled to be heard in silence.

Senator CORMANN: A successful Western Australia is in the national interest. A successful mining industry is in the national interest. In Western Australia, in particular, there are a lot of jobs that directly depend on the success of the mining industry, and Labor's completely outrageous attack on the mining industry in Western Australia, which continues to this day, is having a very bad impact on jobs and on confidence in Western Australia, Senator Eggleston.

Senator EGGLESTON (Western Australia) (14:20): Mr President, I ask a supplementary question. Can the minister advise the Senate whether there are any particular causes of uncertainty around the future of the mining tax; and how does this add to uncertainty for business in Western Australia?

Senator CORMANN (Western Australia—Minister for Finance) (14:20): The biggest cause of uncertainty in Western Australia is the confused statements made by Mr Shorten. Mr Shorten went to Western Australia and said, 'Well, we don't really like the mining tax. We want to sit down with the resources sector in Western Australia. We understand that we've erred and we want to do better in the future.' He then comes to Canberra and votes to keep it. He goes into Western Australia and says, 'We think the mining tax is bad,' and then comes to Canberra and votes to keep it. The mining tax is a dog's breakfast of a tax. You have got to be a particular genius to come up with a tax which ties up an important industry in massive red tape, does not raise any meaningful revenue and is costly to administer, when the government has already spent all the money they thought it would raise and more! How many tax packages do you think you can get rid of which actually leave the budget better off? That is the situation that we find ourselves in with this ridiculous and job-destroying tax from the Labor Party.

Senator EGGLESTON (Western Australia) (14:22): Mr President, I have a further supplementary question. Can the minister inform the Senate what impact the mining tax is having on business performance, and therefore employment, in Western Australia?

Senator CORMANN (Western Australia—Minister for Finance) (14:22): It is having a bad impact on employment and a bad impact on business performance because it has pushed up the cost of doing business in Western Australia. It has undermined the confidence in a particularly important industry for Western Australia.

The point I would make, again, in relation to employment in Western Australia is that when Labor was elected to government in December 2007 the unemployment rate in Western Australia was 3.3 per cent. Now, after six years of Labor, and the mining tax and the carbon tax impost on Western Australia, unemployment in WA is 5.9 per cent. That is a direct result of Labor putting more and more burdens on the Western Australian economy, arguably at the worst possible time. Instead of helping businesses across Australia—in particular, Western
Australia—to be more successful, to be more competitive internationally, Labor just kept putting more and more burdens onto business shoulders, slowing business down, and the results are there for all to see, raising unemployment. (Time expired)

**Asylum Seekers**

**Senator HANSON-YOUNG** (South Australia) (14:23): Mr President, my question is to the Minister representing the Prime Minister, Senator Abetz. Knowing now that the Prime Minister of PNG has backed out of the original resettlement deal, which poor nation will the Australian government choose next to dump refugees on?

**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): First of all, can I disabuse the honourable senator of using the word 'dumping' people on certain nations because, when you are talking about dumping people, that actually reflects on the people about whom you speak.

Can I indicate that the processing of asylum seeker applications is underway in Papua New Guinea. The government there have indicated they will be in a position to start resettling people by about May of this year, but let me also be very clear, none of them will be coming to Australia. The agreement with Papua New Guinea is very clear. Asylum seekers will be resettled in Papua New Guinea and if there are any other nations that are prepared to get involved with that then those opportunities will, of course, be pursued. People found not to be refugees will overstay in detention or they will be returned to their home country.

**Senator HANSON-YOUNG** (South Australia) (14:25): Mr President, I have a supplementary question. Considering that recent unrest inside the Manus Island detention camp was attributed directly to the lack of certainty regarding resettlement, is it not reckless of the Australian government to increase that uncertainty again and threaten to send the majority of yet-to-be assessed refugees home?

**Senator ABETZ** (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:25): I understand that the makers of Sea Patrol are in some real strife because there have been no boats arriving for the past 95 days, so they will not have as much material to deal with as they used to, according to Senator Hanson-Young. If I can turn to the kernel of her question about the uncertainty and the treatment, I can say to the honourable senator that in those 95 days that no boats have arrived we can also be relatively certain that there have been no drownings at sea.

**Senator Kim Carr:** How do you know that? It's all top secret! How would you know?

**Senator ABETZ:** That is why I said 'relatively certain' because when you open the floodgates—and I can understand Senator Carr's sensitivity here, because it was Labor's policy that saw over 1,000 people drowned at sea, courtesy of the criminal people smugglers whose enterprises the Labor Party unwittingly— (Time expired)

**Senator HANSON-YOUNG** (South Australia) (14:26): Mr President, a final supplementary question: what is the government trying to hide and why did it quash the PNG inquiry into the human rights conditions on the Manus Island detention camp?

**Senator ABETZ** (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:26): I am sure
the people of Papua New Guinea would be horrified at the assertion that the Australian nation-state could somehow quash something in the independent nation-state of Papua New Guinea, and what that indicates is the sort of colonial attitude that Senator Hanson Young believes that Papua New Guinea operates under, that they will do what Australia tells them to. They are an independent nation, a proud nation, that will make their own determinations in these matters and they do not need their reputation trashed by the likes of you, Senator.

**Telecommunications**

**Senator SMITH** (Western Australia) (14:27): Mr President, my question is to the Minister representing the Minister for Communications, Senator Fifield. Can the minister please inform the Senate of the extent of telecommunication black spots in my home state of Western Australia?

**Senator FIFIELD** (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (14:27): I thank Senator Smith for his question. I am very pleased to inform the Senate that since taking office this government has increased the number of premises passed by fibre in brownfield areas in Western Australia from 4,000 to 32,000. That is an eightfold increase, with another 34,666 under construction. And when this government tells people that construction has started, that means that we have signed construction contracts—not that we put a green splotch on a map somewhere and told people to wait.

Western Australians living in regional areas will, I know, be dismayed that under Labor not a single cent was invested in improving mobile coverage in that state. Other victims of black spots include those people living in the fixed wireless footprint in Western Australia. Labor told the public, prior to the election, that they would roll out a first-class fixed wireless network to four per cent of the population. They said they would get to 70,000 premises with their fixed wireless network by 30 June last year. In fact, they got to only 27,256 premises—missing their target by more than 60 per cent. Whether it be the carbon tax, the mining tax or telecommunications, as Senator Smith knows, as always with Labor, do not listen to what they say, look at what they do.

**Senator SMITH** (Western Australia) (14:29): Mr President, I have a supplementary question. Can the minister inform the Senate why it is important to have spectrum where you plan to build fixed wireless towers.

**Senator FIFIELD** (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (14:29): We should not be surprised that the previous minister—Senator Conroy, who was not aware that there were tall trees in regional Australia!—also forgot to buy spectrum for about a third of the fixed wireless towers. I am not being too harsh—he just forgot. If you do not have spectrum you cannot transmit a signal. You literally have no means of connecting your customers to the fixed wireless service.

In Western Australia alone, Labor had begun design and planning on 51 fixed wireless towers servicing 16,700 premises in areas where they had absolutely no capacity to connect customers. It is what you would call a shambles. Clearly, the people of Western Australia deserve better.
Senator SMITH (Western Australia) (14:30): I have a further supplementary question, Mr President. Can the minister inform the Senate what the government is doing to ensure that Western Australians are not neglected, as they were under the previous government.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (14:30): Nowhere was Labor's under-delivery worse than in Western Australia. As of the election, there were just 75 premises connected to the brownfield fibre network in the west. Labor was not building a national broadband network; as those in the west know all too well, Labor was building an eastern states broadband network. Since the election, we have slowly been getting the rollout back on track. We have started construction in areas covering an additional 34,000 premises in Western Australia.

We are also investing $100 million in mobile black spots. Our colleague, the parliamentary secretary, the member for Bradfield, is doing an excellent job in getting that program underway. West Australians can be assured that this government, unlike those opposite, takes fixing communication black spots seriously. I say again that Western Australia deserves better than those opposite.

Sinodinos, Senator Arthur

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:32): My question is to the Minister representing the Prime Minister, Senator Abetz. I refer to reports that Mr Abbott's representative on the New South Wales Liberal Party nomination review committee, Senator Heffernan, raised concerns about the then Mr Sinodinos's dealings at Australian Water Holdings. Was the Prime Minister aware of Senator Heffernan's concerns before he appointed Senator Sinodinos to the ministry?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:32): I have nothing further to add to the Prime Minister's definitive answers in the House of Representatives last week. If I can usefully add anything further I will.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:32): Mr President, I have a supplementary question. Given that the Prime Minister said last year: 'I want to absolutely scotch any suggestion that there is a cloud over Arthur Sinodinos. There is not,' can the minister advise what due diligence, if any, was undertaken by the Prime Minister prior to appointing him to the ministry? What did the Prime Minister know and when did he know it?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:33): The who, what, how and when will all be explored by ICAC in due course. I simply suggest to the Leader of the Opposition that she wait for that to occur. I refer to my previous answer.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:33): Mr President, I have a further supplementary question. I refer to comments from a Liberal frontbencher:

It's very difficult to imagine Heffernan didn't offer these views to Credlin and Tony Abbott.

I ask again: was the Prime Minister or his office aware of Senator Sinodinos's dealings with Australian Water Holdings before he appointed him to the ministry? This is a question about the Prime Minister's knowledge.
Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:34): I again refer the Leader of the Opposition to my very first answer.

Western Australia: Education

Senator McKENZIE (Victoria—Nationals Whip in the Senate) (14:35): My question is to the Minister for Human Services, Senator Payne, representing the Minister for Education. Could the minister please explain to the Senate why the government's $70 million Independent Public Schools initiative is so important, particularly in Western Australia?

Senator PAYNE (New South Wales—Minister for Human Services) (14:35): I particularly thank Senator McKenzie for her continuing interest in these issues of education reform, which the minister is pursuing so assiduously. What the coalition government has done is to accept the overwhelming evidence—both Australian and international—that has shown that increased school autonomy is a very important contributor to improving student education performance outcomes. So there has been a strong move across most jurisdictions in Australia to increase principal and school autonomy in the public school sector.

Opposition senators interjecting—

Senator PAYNE: Western Australia—I respond to those opposite who are not keeping up—has been a leader in this important initiative. Premier Barnett launched the Independent Public Schools initiative in August 2009, and presently has 264 Western Australian schools participating in this program—which is exceptional.

There was an independent evaluation of the Western Australia initiative by the Melbourne Graduate School of Education in May last year, which highlighted that it had overwhelming support from principals and was having a very positive impact on both teachers and the communities of the schools. That is why, as a coalition government, we have now launched the new $70 million Independent Public Schools initiative to support this important innovation across all Australian jurisdictions. Our IPS will support 25 per cent of public schools, or 1,500 schools across Australia, to become more independent, by increasing local governance and engagement with parents and their communities. If the Western Australian government chooses to participate further in this initiative the fund will assist them to further support at least another 169 schools in their state in becoming an IPS. Participating schools will be given the chance to enjoy the benefits of increased control over decision making while remaining a part of their government school system. It gives those schools an excellent opportunity to explore the same initiatives taken by the other schools in Western Australia and more around Australia. (Time expired)

Senator McKENZIE (Victoria—Nationals Whip in the Senate) (14:37): Mr President, I ask a supplementary question. Could the minister further explain to the Senate how the Independent Public Schools initiative will improve educational performance?

Senator PAYNE (New South Wales—Minister for Human Services) (14:37): I thank Senator McKenzie for that. Her question refers further to the University of Melbourne evaluation which was done of the Western Australian program which found that, overwhelmingly, principals supported increased autonomy in their schools across a broad range of aspects, including both budgets and staffing, and believed that it would lead to increased outcomes for the whole school community. My colleague Senator McKenzie and
my colleague the federal Minister for Education visited two Western Australian regional schools this month and saw firsthand the progress being made in implementing Independent Public Schools in Western Australia. The minister visited both the Ocean Road Primary School and the Mount Lockyer Primary School. He met with schools leaders, teachers, staff, parents and students to listen to their views about the IPS and to discuss how the federal government can make a further contribution. *(Time expired)*

**Senator McKENZIE** (Victoria—Nationals Whip in the Senate) (14:39): Minister, thank you for those answers. Mr President, I ask a further supplementary question. Could the minister advise the Senate what the government has already done to progress this great initiative and to support parental engagement in schools in Western Australia?

**Senator PAYNE** (New South Wales—Minister for Human Services) (14:39): In pursuing the IPS, the government has already started working with Premier Barnett and Minister Collier to encourage at least 169 of their existing public schools—

*Honourable senators interjecting—*

**The PRESIDENT:** Senator Payne, resume your seat. Senator Payne, continue.

**Senator PAYNE:** Mr President, I know that good news is painful for those opposite—

*Senator Lines interjecting—*

**The PRESIDENT:** Senator Lines! I remind you that interjections are disorderly. Constant interjection is totally disorderly.

**Senator PAYNE:** There have been further consultations between the Commonwealth Department of Education and the Western Australian Department of Education to progress it as soon as possible. Of the $70 million IPS Fund, we will provide grants to assist those schools, and if you choose to participate, as the Western Australian government has done, in this initiative of the fund it will bring the state at least $7.9 million to support schools in the state. We anticipate that the first payments can be made to participating states and territories by 30 June this year. There is also an online guide for parents on school boards and school councils which gives parents— *(Time expired)*

**Employment**

**Senator KIM CARR** (Victoria) (14:41): My question without notice is for the Minister for Employment, Senator Abetz. I refer to the minister's statement today in which he rejects claims published in *The Australian* that his staff asked departmental officials to revise up their annual employment projection figures. If this is the case, how does the minister explain the discrepancy between this statement and this email extract, which clearly shows an attempt to direct departmental officials?

**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 am delighted at the outset to table a statement from the secretary of the Department for Employment who has indicated that the story published in today's *Australian* was incorrect. Also, what I can indicate is that the journalist concerned, in asking my office about these matters on Friday, was told in a statement that the Department of Employment has confirmed
that the allegations made to *The Australian* are not correct. Despite being told that, the journalist did not seek to check with the department and now the department has in fact issued a statement which concludes with the statement: 'nor did the minister's office ever'—and I stress the word 'ever'—'ask the department to publish them'—'them' being the figures. What is more, the beginning of the sentence is: 'The department offered the minister's office these figures.' So it was at the department's initiative that some figures were prepared, but we never asked for them—they were offered by the department—and we never asked for them to be published. The departmental secretary has made this crystal clear.

Having said that, let there be no doubt that, if the coalition's policies were implemented, many thousands of our fellow Australians would be relieved from the social and economic consequences of being on the unemployment scrap heap. We would invite those opposite to join with us in the task to create more employment opportunities, which the coalition policies so clearly do but which have been so ruthlessly blocked in this chamber by Labor and the Greens.

**Senator KIM CARR** (Victoria) (14:44): Mr President, I ask a supplementary question. Minister, I take it you will be able to confirm that your staff member was acting on your directions? Further, if this story in *The Australian* is so incorrect, will the minister now publicly release all correspondence between his office and the departmental officials about this matter?

**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): I gave active consideration to exactly that course of action—until I was told just before question time that Labor had pre-empted all that by putting in an FOI. I will be abiding by the FOI and the timetable that the Labor Party set themselves.

**Senator KIM CARR** (Victoria) (14:45): It is not an FOI, Minister; in fact, it is a return to order—and I take it from your statement that you will be complying with it. But why is the government more concerned about manipulating job numbers than providing a real plan for the quality, high-wage jobs that Australians deserve?

**Senator ABETZ** (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:46): It is a very sad reflection on the lack of talent on the frontbench of the Labor Party that a senior opposition spokesman cannot draft a new question in response to that. It indicates that he did not listen to the answer. I have already indicated to him that my office denies the allegations and the department denies the allegations. The only person—

Opposition senators interjecting—

**The PRESIDENT**: Order! Senator Abetz is entitled to be heard in silence.

**Senator ABETZ**: There was a very ugly interjection which was basically that Labor do not believe the statements made. That is a terrible reflection on a professional public servant who has issued a statement that is in absolute commitment to that which my office has made as well. *(Time expired)*

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**Anzac Centenary**

**Senator O'SULLIVAN** (Queensland) (14:47): My question is to the Minister Assisting the Prime Minister for the Centenary of ANZAC, Senator Ronaldson. Can the minister advise
the Senate of preparations for the Centenary of Anzac and, particularly, commemorations at Gallipoli in 2015?

Senator RONALDSON (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (14:47): I thank Senator O'Sullivan for his question. As the chamber would be aware, 2015 marks the 100th anniversary of Australia's engagement on the Gallipoli Peninsula. Over the next four years all Australians—and I know I speak for everyone in this chamber—will be commemorating the service and sacrifice from Gallipoli right through until today. The commemorations will start on 4 August, and in September we will commemorate our first engagement in Papua New Guinea. On 31 October and 1 November this year, in Albany, we will commemorate the departure of the first fleet that left for Gallipoli. I would like to pay credit to Senator Smith and Mr Wilson, from the other place, in relation to the fantastic work that they have done.

I have been working closely with Turkish authorities to ensure that these commemorations are solemn, dignified and appropriately honour all those who served—Australians, New Zealanders and Turkish alike. Between April and December 1915, Australians were involved in a number of matters on the Gallipoli Peninsula. The offensive at Lone Pine on 6 August was a major battle. Indeed, six Australians were awarded the VC during that battle and there were some 2,000 casualties.

To commemorate these actions I am very pleased to announce today that the Australian government will host a major commemorative event on 6 August 2015 at the Australian memorial at Lone Pine. This event will provide extended opportunities for those who cannot get to Gallipoli to participate. (Time expired)

Senator O'SULLIVAN (Queensland) (14:50): Mr President, I ask a supplementary question. Can the minister advise the Senate when Australians will learn about the outcome of the Gallipoli dawn service ballot?

Senator RONALDSON (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (14:50): I can advise the honourable senator that next week I will be writing to some 42½ thousand Australians who registered for the ballot—both the successful and the unsuccessful. There will be those who will understandably be disappointed. There will be those who have asked to be put on a waiting list, and they will still be involved in the ballot. I want to confirm that there will be only four politicians attending Gallipoli next year: the Prime Minister; me, as the responsible minister; whoever the new shadow veterans spokesperson will be; and presumably the Leader of the Opposition, Bill Shorten—or Paul Howes or whoever might be Leader of the Opposition at that stage.

Access to the peninsula will be restricted as a result of these events. There will be no alternative—(Time expired)

Senator O'SULLIVAN (Queensland) (14:51): Mr President, I ask a further supplementary question. Can the minister outline to the Senate other opportunities for Australians to commemorate Anzac Day in 2015?

Senator RONALDSON (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (14:51): I again thank Senator O'Sullivan for his questions. As I said before, the event at Lone Pine on 6
August 2015 will give Australians who cannot get to Gallipoli the opportunity to be there. Of course, there will be ceremonies at Villers-Bretonneux and in London on Anzac Day next year. This completely bipartisan program, the local commemoratives grants program, was started off by the former government and added to by this government with an extra $25,000 for those who are in the other place. Those grants will enable communities to get together and plan significant local commemorative events, particularly in those regional and rural areas across Australia where countless brothers, cousins, uncles and fathers from small communities lost their lives. This is a fantastic opportunity for this country to commemorate their sacrifice. (Time expired)

Medicare

Senator LINES (Western Australia) (14:52): My question is to the Assistant Minister for Health, Senator Nash. Is the Minister for Health considering means testing of bulk-billed GP visits?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:52): The senator would be aware that this particular issue falls within the purview of the senior minister, Minister Dutton. The senator has directly asked me if I was considering it. So no, I was not.

I say to the senator that, when it comes to health, it is this side of the chamber, this government, that is going to deliver. Insofar as I can add to my earlier comments, I will seek advice from the senior minister. But I think it is important for those opposite to recognise that—

Senator Moore: Mr President, I rise on a point of order on relevance. For the Minister representing the Minister for Health, the question is the consideration of the means-testing of bulk-billed GP visits. Can the minister have that drawn to her attention?

The PRESIDENT: Order! The minister still has one minute 15 seconds remaining to address the question. I am listening closely to the minister's answer.

Senator NASH: I did indeed answer the question. The senator asked me if I had considered—I answered directly that I had not—and I indicated to the chamber that insofar as I could provide further information—

Senator Moore: Mr President, again, my point of order relates to relevance. The specific question to the Assistant Minister for Health, Senator Nash, is: is the Minister for Health—not you—considering means testing of bulk-billed GP visits?

The PRESIDENT: Order! There is no point of order at this stage. The minister still has 59 seconds remaining to address the question.

Senator NASH: I have indicated to the chamber, insofar as I will seek further information to provide as necessary. What I will also indicate to the chamber is that it was the previous Labor government that cut $1.6 billion from our hospitals. The senator asks questions in relation to health. I think it is very, very important that those out there in the community recognise the very real difference between what the coalition government will do when it comes to health and what the now opposition did as the previous government.
It is this coalition government which will deliver health services. It will deliver health services to the front line as needed, as compared to what we saw under the previous, chaotic Labor government.

Senator LINES (Western Australia) (14:56): I have a supplementary question, Mr President. Will the minister rule out means-testing of bulk-billed GP visits?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:56): Senators opposite would be well aware that the Commission of Audit was established to conduct a review of the scope, efficiency and functions of government. That will inform government in terms of future policy direction. This government makes no apology for appropriate, sensible and measured policy development. We will do that in relation to health, and we will do that to ensure that we get the delivery of services to the front line where it is necessary, in complete contrast to what the previous Labor government did.

The PRESIDENT: Senator Lines.

Senator Lines: Sorry, Mr President, I was watching the clock. I was waiting for an answer that never came.

The PRESIDENT: No, Senator Lines. You just need to ask a question; it is not the time for a comment.

Government senators interjecting—

The PRESIDENT: Order: on my right! Senator Lines, you will get the call when there is silence on my right.

Senator LINES (Western Australia) (14:57): Mr President, I ask a further supplementary question. Why is the government hiding the details of its plans to means-test GP visits until after the Western Australian Senate election?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:58): Senators opposite well know that the Commission of Audit report will be considered by this government. When the Leader of the Opposition in the Senate, Senator Wong, was asked recently about the Henry tax review, which took six months for the government to make any commentary on, indeed the senator indicated that it had been considered for that period of time. So this government makes absolutely no apology for the appropriate, sensible and measured policy development that this country—

Senator Wong interjecting—

The PRESIDENT: Senator Nash, resume your seat. I need to hear your response. Senator Nash, continue.

Senator NASH: This government makes absolutely no apology for developing sensible, measured, well-thought-through policy when it comes to health and indeed all areas of government, in stark contrast to the ill-thought-through policy on the run that we saw from the previous Labor government.

Live Animal Exports

Senator BACK (Western Australia—Second Deputy Government Whip in the Senate) (14:59): My question is to the Minister for Employment and the Minister representing the Minister for Agriculture, Senator Abetz. I ask: can the minister advise the Senate how the
government's improved trade relations with Indonesia, Egypt and other nations have strengthened the live cattle export trade for my home state of Western Australia?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:59): I thank Senator Back for his question, and acknowledge his longstanding interest in ensuring that Australia has a sustainable livestock export trade that increases the economic returns to our farmers and exporters for the long term, and especially his interest in this regard for his home state of Western Australia.

The value of the livestock export trade is increasing. Last year, after Labor's debacle, we were able to increase the quota for an additional 75,000 Australian live cattle. The government is committed to building on this progress. I am also pleased to inform the Senate that the government has reopened the live cattle export trade between Australia and Egypt. This follows our announcement in February that the trade of live cattle and sheep with Bahrain will also recommence. Bahrain has historically been an important market for Australian live sheep exports. Prior to the suspension of the trade in 2011, Bahrain imported 400,000 Australian sheep and 2,500 Australian cattle. These agreements will collectively sustain the jobs of Western Australian sheep producers who provide the vast majority of live sheep for export. During the seven years of the former Greens-Labor government, not one live sheep was exported from Australia to Egypt. Labor's reckless ban of live cattle exports to Indonesia, in a knee-jerk reaction to a *Four Corners* report, really did untold damage to our reputation to our nearest Asian neighbour. Indeed, the Indonesian market accounts for more than 62 per cent of Australian live cattle exports, on which so many of our Indigenous-run cattle stations rely. And so this is not only for the white farmers, but also for our Indigenous—(Time expired)

Senator BACK (Western Australia—Second Deputy Government Whip in the Senate) (15:01): Mr President, I ask a supplementary question. Can the minister inform the Senate of the impact this growth in live export trade has had on jobs in Western Australia and, in particular, on Indigenous employment in the North?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (15:02): Mr President, we welcome the increase in the live cattle export trade, because it will sustain a significant number of the 370,000 jobs in agriculture and create many more jobs for farmers, primary producers, exporters and, as I have already said, in Indigenous communities. In particular, these agreements will secure the growing number of jobs in the 96 Indigenous-owned pastoral leases across Western Australia, Queensland and the Northern Territory. The 14,000 Indigenous people living on or near these pastoral leases stand to significantly gain from the coalition government's success in boosting the live cattle export trade since coming to office. The government is committed to promoting jobs growth in Western Australia's live cattle export industry by opening up even more avenues for trade and investment.

Senator BACK (Western Australia—Second Deputy Government Whip in the Senate) (15:03): I ask a further supplementary question: can the minister explain to the Senate how Western Australians can benefit from continued jobs growth in the live export trade from our state?
Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (15:03): If Western Australians want to secure continued jobs growth in the live cattle export trade, Senator Back, they should be voting for coalition senators in the upcoming Senate election on 5 April. The Greens-Labor government demonstrated that they were incapable of responsibly managing our relationships with key trading partners. Indeed, they put out a white paper called *Australia in the Asian century* and what did they do? They completely trashed one of our export markets within Asia, damaging our relationship with Indonesia as they did so—the same Greens-Labor government that heralded the Asian century cancelled contracts and trade deals.

We believe that there is a better way and that that better way is with a coalition government and with a return of coalition senators from your home state of Western Australia, Senator Back, to ensure that the Indigenous communities that rely on the live export trade can survive—(Time expired)

The PRESIDENT: Order! Your time has expired, Senator Abetz.

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

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Medicare

Senator MOORE (Queensland) (15:04): I move:

That the Senate take note of the answers given by the Assistant Minister for Health (Senator Nash) to questions without notice asked by Senators Sterle and Lines today relating to charges for medical services.

It was interesting to hear Minister Nash who, in her responses today—or in the partial responses that we were able to get—was unable to talk specifically about government but could clearly talk about the Commission of Audit. In fact, I think for the first time in answers from Senator Nash in her area, we heard that the Commission of Audit has been set up to look specifically at a range of issues. Our questions were to the much publicised issues around the co-payment for GP visits and also around the general issue of bulk-billing.

There has been no shortage of political and public statements made about these issues. There has been almost a running debate for several months in the major media about what the impact of such changes would be; about comments that have been made—although never hearing any specific comment from the minister; and about a range of issues, such as the cost to the overall health system and the impact of the growing demand for health care. But none of this was backed up by specific data, because there are issues around the actual cost of our medical system. We all share a commitment to having an effective, responsive and sustainable medical system in our country. A number of surveys on a number of issues have been run across the media in our country asking how people feel about these two particular issues and about the core of the Medicare system in our country, which is the access of all Australians to free, as-needed medical services—access they have had for many years.

The answers that we heard today from Minister Nash gave no direct response to the questions which were asked, even though—as we found out during Senate estimates, when we asked questions both of the minister and of her department—the department has been doing work on issues of co-payments. Departmental officials were open about that, and they put on the record that, over a period of time, they were looking at what kinds of things were
happening to our process in relation to the question of co-payments. In terms of how it happened, we know the department is working on it.

We know also, having sat through many Senate estimates hearings, that consistently questions have been: 'If there is work being done on these issues, will you share it with us? Share with us the costs and the issues that impact on how the policy could be introduced. Share with us the background and the impact—in particular, the impact on the most vulnerable people in our community, who have concerns about where they operate within a health system for which we in this place all know there has been a clear direction over many years to look at effective preventative health motivations in our community, encouraging people to take control of their own health and their own body, to check out concerns and to take early action to look at what can impact on them and their future health.' This has been a standard message over a number of years. On both sides of the chamber, we have been encouraging Australians to have a positive relationship in looking after their own health.

Naturally this process means that people want to know what services are available in their community, they want to be able to access them and they want to know exactly what any of that would cost. The saddest thing about how this debate has gone is that there has been a sense of judgement put out into our community which blames people for accessing the health system. There have been pontifications about the impact of people overusing the health system, not accepting that the health system is there to support people's health. It is not a bad thing for people to access their health system. The kind of rhetoric that we have heard over the last two months has tended to make that into an accusation—that people are overusing the health system because it is a free system. That is offensive to so many people. It actually causes a guilt response in people who are just trying to make sure that their own health and the health of their families is looked after.

The one answer we did get, though, is that there is a Commission of Audit— (Time expired)

Senator RUSTON (South Australia) (15:09): Before I take note of specific questions that were directed to the Minister representing the Minister for Health, Senator Nash, I would like to make a comment about the number of common threads that appeared in questions in this place today. Firstly, there seemed to be a lack of a real policy position or line of questioning. Those opposite failed to recognise in any way, shape or form the financial and economic legacy that was left to this government by them. Also, many of the questions were entirely based on speculation without any substance. Some of them were even based on false media reports.

Having said that, I will now come back to the motion at hand, particularly the answer to the first question asked by Senator Sterle of Senator Nash in relation to co-payments for Medicare services. The first thing I would say is that in Australia everybody wants to have a situation where many of the social services that we take for granted are easily accessible. But the fundamental bottom line is that we do not want to end up with a situation where our health system, education system and community welfare system are not affordable. First and foremost, we need to make sure that we can afford them.

When we got into government on 7 September last year, we inherited a situation where there was not much money left in the barrel. In fact, my understanding from all of the reports is that there was minus money in the barrel because we owed so much and were paying so
much money in interest on the debt that had been accrued in the short space of six years. There was a lot of damage done in those six years. We, the government, decided to take a sensible, methodical and considered approach to looking at all issues of the budget over a period of time. As has been mentioned many, many times in this place during question time, we commissioned an audit of all activity. In the process of commissioning that audit of activity, we will look at all aspects to make sure that we can have a long-term, sustainable government for all Australians that all Australians can get the maximum amount of benefit from.

I would also draw the attention of this place to the fact that the reason we are having so much trouble balancing the budget is the many taxes that have been put on Australians. I refer, once again, to the two taxes we have been debating in this place. Since 7 September last year, we have done very little work in this place apart from debate the repeal of the carbon tax, a tax the people of Australia voted in this coalition government to repeal. Now we in this place are wasting hour after hour of Senate time debating the repeal of the mining tax, which, once again, the Australian public voted us in to repeal.

Senator Sterle interjecting—

Senator RUSTON: I would draw the attention of senators from Western Australia to the fact that this is a tax that is hurting their state. We need to be able to get rid of these burdensome taxes that are preventing Australia from moving forward, that are stopping economic activity and economic benefit, and that are a threat to employment across the whole sector.

Those opposite have come in here today to speculate about what might or might not be considered in an audit report, to speculate about what might or might not be in a newspaper and to question the validity of what might or might not be in a newspaper. As we heard from the response today, the information that was contained in a particular news article was factually incorrect. Rather than coming in here to waste our question time, I would really love to hear from those opposite some questions about policy.

In conclusion, in relation to taking note of the answers by Senator Nash, I would suggest that maybe it might be sensible for those opposite to wait until the response from the audit commission has been considered and decisions have been made about which components of that particular audit report are going to be adopted by government and which ones the government is not going to adopt, for whatever reason. Instead of coming in here and speculating about it, let's take a sensible and methodical approach to it and allow the government to consult where it needs to to make sure that these decisions are not made over a weekend, as was the pink batts policy, or on the back of an envelope, as we have heard that the development of the NBN proposal was. Let's make sure that we deliver good, solid, well-researched and well-thought-out policy for all Australians.

Senator STERLE (Western Australia) (15:15): I would like to make my contribution to taking note of answers to questions put to Minister Nash today. I think it is amazing that, all of a sudden, everyone in this chamber is so interested in Western Australia. I think we should be interested in Western Australia every day, not just because there is a Senate election coming. I find it very hypocritical when I hear the nonsense coming from the Leader of the Government in the Senate, ably backed up by the chirping of non-Western Australian senators, about this 'job-destroying' tax. What a load of nonsense!
I made a contribution this morning which referred to just how well the mining tax is going, but I ask the question all the time: 'If it is that bad and job destroying, what mines have shut down?' The silence is deafening; nothing has shut down. I want to share something that is very important to help people get a handle on what the Abbott government really thinks of Western Australia. On Sunday, 17 February 2013 at a Western Australian Liberal Party campaign rally, the then Leader of the Opposition, Mr Abbott, was invited to speak. He said to the madding crowd that he hoped to model his government on Premier Colin Barnett's. For those who do not know, Premier Colin Barnett is the Liberal Premier of Western Australia. He went on further to say to the madding crowd—

Honourable senators interjecting—

**Senator STERLE:** I do not know; Senator Smith could have been there throwing rose petals at his beloved leader. I have no idea, but I would not be surprised. I do not think he would like to throw petals; he would probably like to throw something else at the moment. That is only what I am assuming.

Mr Abbott went on to say that he has learned a lot from Mr Barnett, describing his government as a model he hopes to repeat in Canberra. Well, well, well—here we go. If he wants to model himself on Premier Barnett's government, why don't we look at the $183 million cut from the Western Australian education budget and cut from Western Australian schools?

I have some really interesting figures that I wish to share with the Senate chamber. It just so happens that I grabbed some material on the size of the cuts to schools in the federal electorate of Hasluck, which is represented in the other place by the Liberal member, Mr Ken Wyatt. Darling Range Sports College, the old Forrestfield Senior High School—I know this college very well because I am the patron. I also take kids on World War I Western Front tours and raise a lot of money. It is a darn great school in a very low socioeconomic area not overly endowed with heaps of ratepayers or with the same support from the business community enjoyed by private schools. Everyone must know, however, that, while Mr Abbott is modelling himself on Premier Barnett, that school has had cuts to this year's budget of $379,268. While I am at it, I will go to another high school in the same federal electorate—the Southern River College in Gosnells. They are losing $258,488—I am referring to everyone's interest in Western Australia, Mr Deputy President.

The DEPUTY PRESIDENT: Senator Sterle, you have just raised a point, and I trust you are going to come back to the matter at hand today.

**Senator STERLE:** I definitely am, but it would be remiss—even criminal—of me if I did not take this opportunity to finish quoting some of these figures, because everyone is so considerate of Western Australia at the moment. Everyone should be considerate of Western Australia, because everyone out there in radio land, or wherever they may be, should know that your Prime Minister is modelling himself, whether it be in health, education, telecommunications or jobs—and I will talk about the 5,000 Qantas jobs later once I have finished addressing this point—on Premier Barnett. It is very important that Western Australians understand that my old high school in Thornlie—Thornlie Senior High School—in the Hasluck electorate has had its funding slashed this year by $435,083.
They are just the cuts to education. No wonder we are worried about health. No wonder we just do not trust what is coming out of that side of the chamber. I think we are right to be demanding the government tell us what is in the Commission of Audit report. As much as that side want to defend their Prime Minister, they cannot defend the Prime Minister. If you are all that concerned with Western Australia, it is imperative that the government lets the people of Western Australia know what is actually on the chopping block in health, education, jobs or whatever it may be.

**Senator SMITH** (Western Australia) (15:20): It would be ungracious of me if I did not start by acknowledging the great local work that Senator Sterle does in his local community around the area of Forrestfield, so congratulations, Senator Sterle. Just on the weekend, we had the Leader of the Labor Party and the Leader of the Opposition, Mr Bill Shorten, travel to Western Australia. For those of you in the gallery who do not know, we have a Senate election rerun in Western Australia coming up on 5 April. I will not bore you with the details; that is a speech for another time. Mr Shorten said, 'It's a new season, not a replay of last year's grand final.' What has happened in last 24 hours? Mr Shorten's ruckman, Paul Howes, has left the team. That is not an endorsement of the team's captain.

Let me move onto Senator Moore's contribution. No-one doubts there is a debate in our country about whether or not people should be able to access medical services or, more specifically, access their GP. There is a debate in our country about whether some people are accessing a GP more than they need to and whether doctors are overservicing some patients. That is a debate we need to have. Why do we need to have that debate? Because health spending in our country is increasing by 4.8 per cent and our GDP is only increasing by three per cent. There is a health funding issue in our country. We know that real government spending has increased by 3.5 per cent over the last five years and will grow to 3.7 per cent over the medium term. Shock! Horror! The new government might be considering how we can do things better, how we can get better health outcomes for Australians. You should not be 'Shock! Horror!' that the government might or might not be considering a range of alternatives. There will be a lot of fury over possible improvements to our Medicare and health system, but it will be embarrassing for Labor when they embrace the political reality that looms large over them, because what is the history?

Indeed the idea of Medicare co-payments was one that was embraced, one that was discussed, one that found itself in the budget papers of former Prime Minister Bob Hawke. It is an idea that you have embraced. I will read from this article in the Fin Review—and indeed, it was one that was agreed and endorsed in 1991 by the Hawke government:

The co-payment Mark I of $2.50 (which in today's money is just over $4) was used as a bargaining chip by then leadership challenger Paul Keating, in his importuning of recalcitrant Labor backbenchers. Perhaps it was sweet revenge that after Bob Hawke humiliating Keating in 1985 by nixing his consumption tax, Keating was able to return the favour by scrapping Hawke's co-payment.

When it comes to the Labor Party, politics trumps economic reality every single time.

I have a few moments available to me. I would like to give you a running account of the consideration the former Labor government gave under Bob Hawke and Paul Keating to changes to our Medicare system—changes that were not just discussed, changes that were not just thought about; changes that found their way into the budget papers of 1991 under Bob
Hawke's leadership. It is totally correct. It is totally prudent for a new government to look at what it can be doing differently when it comes to government expenditure.

Let's just go back to the clear commitments the government has actually made. It has said that in the context of the National Commission of Audit it is sticking to its election commitments. It has said, 'We are not going to cut the overall level of spending in health, in education, in defence and medical research.' It has said quite rightly—and this will be in the interests of all Australians—that the National Commission of Audit is about promoting efficiency, effectiveness and identifying areas of duplication with the states and territories.

There is much work to be done, because some people in our parliament—some people in this Senate chamber—do not think that there is a problem. They think that we can continue to go the way that we have been going for the last six years. There are others on this side of the Senate chamber who believe we cannot do that—not because it is not good for us but it is not good for future generations of Australians. You want to put your head in the sand. You are prosecuting many myths around this National Commission of Audit. You will be exposed, the budget will be improved and you will continue to stay in political never-never.

Senator LINES (Western Australia) (15:25): I rise today to take note of answers given by Senator Nash in relation to health. Before I do that, I am absolutely astounded by the responses we have heard from government today. We are not seeing any commitment to Australians doing it tough. We are not seeing any commitment to ordinary everyday families. All we are hearing about is this myth that everything has to be slashed and burned, and the only group in our society that is going to get any benefit is the big end of town, the business end of town.

Again, Senator Nash today in answer to questions around GP co-payments, bulk-billing by GPs and so on, just went on with the government's key theme of secrecy. It is all a secret. We all have to wait until sometime in the future when the government gets around to telling Australians, particularly Western Australian voters, just what it has in store for them.

Things are tough in Western Australia. They are tough for ordinary Australians, and all we have seen from Senator Nash, and indeed the Abbott government is: 'We're going to make it tougher for you.' So there was this refusal today by Senator Nash to give a response to a simple question:: is the government considering a co-payment? First of all, she misunderstands a very clear question and then we just get weasel words. We get a waffly response and, again, she tells us nothing.

Not only that: one of the things this government is really good at doing is not taking responsibility. It likes to blame anyone. It blames unions. It blames workers. It blames the former Labor government and then it cannot make its own decisions. It puts things out to a Commission of Audit, which has been sitting with the government for four weeks, remaining totally secret.

But things are leaking out. Peter Dutton, the Minister for Health, said on the 7.30 Report in February that he wanted to have a frank and fearless discussion about the future of our health system. Where is that frank and fearless discussion taking place? In some secret three-person cloakroom, because it sure is not out there.

Senator Furner: In a telephone box.
Senator LINES: So, yes, perhaps it is taking place in a telephone box. But, apparently, it does not include Senator Nash, because she tells us nothing is on the table—yet we have had the health minister himself telling us there is going to be this frank and fearless discussion. Time is running out, because the budget is due in May, under 12 weeks away. We are told there is a plan. We are told there is frank and fearless discussion. When is that going to happen? When will voters in my state of Western Australia get to hear about what is in store for them? What is in store for Western Australian families when they go to a doctor? How much more is the Abbott government going to force them to pay?

Again, we see this emerging theme: don’t let facts, science or academic research get in the way of ideology. The AMA, usually the friend of the Abbott government, is totally opposed to any kind of GP co-payment and, indeed, questions what is actually going to be put in place. It goes further and says there is no proof of overservicing—something we even heard Senator Smith go on about today—no proof that a co-payment is going to do anything at all. Further, the AMA says it will push people back to hospitals, and yet the government will not confirm what will happen in our hospitals. Indeed, people have talked about a co-payment, if you front up to an emergency department. So it is time now for this government to come clean about its plan. We were told today—it is the only thing we heard today from Senator Nash who said ‘some plan’. It must be a secret plan. It is time to put the plan out there.

The Abbott government, prior to September, was very clear about its agenda. Ever since then we have seen a secret agenda and it is a big secret in Western Australia. Western Australians have a right to ask and a right to know if they are going to be having to stump up a co-payment that will add to the cost of families already suffering massively high electricity bills under the mismanagement of Colin Barnett. Indeed, as Senator Sterle says, the Prime Minister wants to model himself on Premier Barnett. The only thing they have got in common at the moment is they both seem to have lost their treasurers. But it is time, clearly, for the government to come clean, to tell the people of Western Australia what is in store for them before the Senate election.

Question agreed to.

Asylum Seekers

Senator HANSON-YOUNG (South Australia) (15:30): I move:

That the Senate take note of the answer given by the Minister for Employment (Senator Abetz) to a question without notice asked by Senator Hanson-Young today relating to a visit by the Prime Minister to Papua New Guinea.

Firstly, I think it is extraordinary that despite the national shame of what happened inside the Manus Island detention camp only last month, the Prime Minister went all the way to Papua New Guinea but could not be bothered setting foot inside the Manus Island detention camp. This is a Prime Minister who said publicly he does not want a wimp for a minister. He does not want ministers as wimps but he did not have the guts to visit Manus Island to speak to the locals there, to speak to the asylum seekers inside or to even show concern for the Australian staff who work inside the centre and experienced, alongside the asylum seekers, the violence and brutal attacks that happened inside the detention centre back in February.

The Prime Minister has tried to put as much spin as he possibly could on his visit to Papua New Guinea. It is somewhat surreal. Everybody can see that the Papua New Guinea deal is
unravelling. It is no solution; it is a shemozzle. The PNG solution has become the PNG shemozzle. It is shambolic. Despite everybody else being able to see what a mess the whole thing has become, we have the Prime Minister saying, 'Everything is fine and okay. Everybody look over here and do not look at what is really going on.' Well it is not fine. It is a human rights disaster.

We now have a situation in Papua New Guinea where even the court and the judicial wing of the Papua New Guinea government want to be able to inquire into the abhorrent standard of treatment inside the Manus Island detention centre. We see the Papua New Guinea Prime Minister alongside our own Prime Minister, Mr Abbott, saying, 'No inquiry, we will shut that down.' Who knows what they may find inside? It does seem strange, doesn't it, that the move to shut down and quash the inquiry happened only hours after the media were allowed into that detention camp for the first time? What they saw inside that camp was horrendous. We know the conditions are terrible. The United Nations told us that and so did Amnesty International.

When I was there a year ago the conditions were terrible and it seems they have not gotten any better. We have human rights abuses happening in our name and with our money over in Papua New Guinea, and the Australian Prime Minister, Mr Abbott, wants to say everything is fine and everything is on track. Of course he is scrambling around, scouring the rest of the Pacific to find the next new Island Pacific nation that he is going to start dumping Australia's problems on.

What gall does our Prime Minister have to go to Papua New Guinea and say that everybody else should carry the burden of asylum seekers and refugees coming to Australia but Australia itself. If we pay enough money, it seems as though someone else can clean up the mess. These are human lives we are talking about. They are not expendable. They are people who have fled war, torture, persecution and brutality. They come to our country asking and begging for help. Not only do we have a moral responsibility to help them but we have a legal responsibility as well. Yet our Prime Minister wants to push everybody out of sight, out of mind onto the next poorest nation we can find and say it should be their problem and they should carry the burden. What a cover-up we have right here.

The PNG solution has become the PNG shemozzle. It is a human rights disaster. It is a shame on Australia. Thank God that there are so many concerned Australians out there who were saying, 'You know what? We do not want this cruelty in our name.' We are not going to put up with it. Tony Abbott can bleat as much as he wants about how okay and how fine everything is but no-one is believing him. Not only is he delusional but he is also a wimp.

Question agreed to.

NOTICES

Presentation

Senator Bushby to move:

That the time for the presentation of the report of the Economics Legislation Committee on the Reserve Bank Amendment (Australian Reconstruction and Development Board) Bill 2013 be extended to 25 June 2014.

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Monday, 24 March 2014

SENATE

CHAMBER

1817
Senator Macdonald to move:

That the time for the presentation of the report of the Legal and Constitutional Affairs Legislation Committee on the Criminal Code Amendment (Misrepresentation of Age to a Minor) Bill 2013 be extended to 29 May 2014.

Senator Smith to move:

That the Joint Committee of Public Accounts and Audit be authorised to hold a private briefing during the sitting of the Senate on Thursday, 15 May 2014, from 10.30 am.

Senator Siewert to move:

That the following bill be introduced: A Bill for an Act to stop the Environment Minister exempting shark drum lines from the Environment Protection and Biodiversity Conservation Act 1999, and for related purposes. Save Our Sharks Bill 2014.

Senator Milne to move:

That the Senate—

(a) notes that:

(i) over the past year, Israeli settlements in the West Bank have significantly increased,

(ii) it is unlawful under the Fourth Geneva Convention for an occupying power to transfer parts of its own population into the territory it occupies, and

(iii) world leaders, including the British Prime Minister, Mr Cameron, have called for a halt in settlement activity by Israel;

(b) calls on:

(i) the Israeli Government to cease expansion of settlements in the West Bank, and

(ii) the Minister for Foreign Affairs, Ms Bishop, to publicly acknowledge that all settlements are illegal and in breach of the Fourth Geneva Convention.

Senator Farrell to move:

That the Veterans’ Children Education Scheme (Income Support Bonus) Repeal Instrument 2014, made under subsections 117(2) and (3) of the Veterans’ Entitlements Act 1986, be disallowed [F2014L00257].

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

Senator Farrell to move:

That the Military Rehabilitation and Compensation Act Education and Training Scheme (Income Support Bonus) Repeal Determination 2014, made under subsections 258(4) and (5) of the Military Rehabilitation and Compensation Act 2004, be disallowed [F2014L00256].

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

Senator Carr to move:

That there be laid on the table by the Minister for Employment, no later than 10 am on Wednesday, 26 March 2014, the following:

(a) a copy of the email between the Minister’s office and officials in the Department of Employment, as referenced in The Australian of 24 March 2014 ("Coalition urged department to “massage” jobs data");
(b) details of any subsequent communications, including emails and file notes of telephone conversations, between the department and the Minister’s office regarding the department’s draft labour market growth rate projections; and

(c) the alternate job forecasts produced by the department following the aforementioned correspondence with the Minister’s office.

Postponement

The following items of business were postponed:

General business notice of motion no. 191 standing in the name of Senator Urquhart for today, relating to the International Year of Solidarity with the Palestinian People, postponed till 26 March 2014.

General business notice of motion no. 192 standing in the name of Senator Singh for today, relating to Sri Lanka, postponed till 26 March 2014.

BUSINESS

Senate Temporary Orders

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

That the following general business orders of the day be considered on Thursday, 27 March 2014 under the temporary order relating to the consideration of private senators’ bills:

No. 30 Privacy Amendment (Privacy Alerts) Bill 2014
No. 29 Environment Protection and Biodiversity Conservation Amendment Bill 2014.

Question agreed to.

Leave of Absence

Senator KROGER (Victoria—Chief Government Whip) (15:36): by leave—I move:

That leave of absence be granted to the following senators:

(a) Senator Cash for today, for personal reasons; and

(b) Senator Johnston for 24 March, 25 March and 27 March 2014, on account of ministerial business.

Question agreed to.

Leave of Absence

Senator McEWEN (South Australia—Opposition Whip in the Senate) (15:37): by leave—I move:

That Senator McLucas be granted leave of absence for the period 24 March 2014 to 27 March 2014 inclusive, for personal reasons; and that Senator Pratt be granted leave of absence for the period 24 March 2014 to 27 March 2014 inclusive, for electoral reasons.

Question agreed to.

Leave of Absence

Senator SIEWERT (Western Australia—Australian Greens Whip) (15:37): by leave—I move:

That Senator Ludlam be granted leave of absence for the period 24 March 2014 to 27 March 2014 inclusive, for electoral reasons.

Question agreed to.
NOTICES
Postponement

The following items of business were postponed:

General business notice of motion no. 191, standing in the name of Senator Urquhart, to be postponed to 26 March 2014.

General business notice of motion no. 192, standing in the name of Senator Singh, to be postponed to 26 March 2014.

COMMITTEES

Foreign Affairs, Defence and Trade References Committee
Reference

Senator WHISH-WILSON (Tasmania) (15:38): I move:

That the following matter be referred to the Foreign Affairs, Defence and Trade References Committee for inquiry and report by 15 May 2014:

Australia's future activities and responsibilities in the Southern Ocean and Antarctic waters, including:

(a) Australia's management and monitoring of the Southern Ocean in relation to illegal, unreported and unregulated fishing;

(b) cooperation with international partners on management and research under international treaties and agreements;

(c) appropriate resourcing in the Southern Ocean and Antarctic territory for research and governance; and

(d) any other related matters.

Question agreed to.

MATTERS OF PUBLIC IMPORTANCE

Abbott Government

The DEPUTY PRESIDENT (15:39): A letter has been received from Senator Moore:

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

The failure of the Abbott Government to release recommendations of the Commission of Audit and reveal its program to savage cuts to the Australian people.

Is the proposal supported?

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

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

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (15:39): I rise today to speak on this matter of public importance, 'the failure of the Abbott government to release recommendations of the Commission of Audit and reveal its program of savage cuts to the Australian people'.
It has become obvious for all to see that those on the other side, on the Liberal-National government benches, do not wish to tell the Australian people what their real policies are. It has become obvious for all to see that Mr Abbott's government wish to hide behind a so called 'independent panel'—the nasty, petty cuts that they always wanted to make. They did not tell the Australian people of the cuts that they plan to make, because they are not in our nation's interest, nor in the interest of most Australians. These cuts are in the interests of the Abbott government's mates in business. These cuts are in the interests of the Abbott government's ideological masters, who are so petty that they wish to take from the least well-off in our society, while they themselves get rich from unfair tax concessions.

The Australian people deserve the truth about what exactly this government has planned to cut, the truth they did not get told before the September election. Surely, the people of Western Australia deserve to know what is in Tony Abbott's Commission of Audit report before the WA Senate election, so Western Australians know what his government has in store for them.

Mr Hockey has had the 900 pages of the draft report, the 900 pages of cuts, since mid-February. Mr Abbott must release the report before 5 April—and well before then; he has a couple of weeks—so that the good people of Australia and the good people of Western Australia can see what he is going to cut.

And why shouldn't he release this report? If these cuts are really about Mr Abbott showing what a great economic manager he is, he should proudly reveal these cuts to the Western Australian people so that they can judge him. But he will not tell anyone before the Senate election, because he knows these cuts are going to hurt Australian families. These cuts will hurt the elderly. These cuts will hurt veterans, and their children—like Mr Abbott's stated plans to cut payments to children of ADF veterans who have been killed or injured, including children who have been orphaned. What a disgrace.

Mr Abbott and those on the Liberal-National government benches should be ashamed not only for their attacks on the most vulnerable in our society, but also for the fact that they do not even have the courage to come forward and tell the truth about which vulnerable Australians they are going to hurt and how they are going to hurt them. They should be deeply ashamed.

We, in this place, have a responsibility to govern for all Australians—not just for millionaires, not just for our mates, but for all Australians. The senators of this place, and the members of the other place, must make laws in accordance with the values held by the Australian people. Australians are a generous and caring people. We help others in need. We work hard and want to build better communities. We enjoy our weekends with friends and family, our annual leave and our sick leave. We believe everyone should have the right to high-quality health care and high-quality education—not just the rich, not just those that can afford to pay for it, but everyone—no ifs, no buts, no maybes.

This Liberal-National government believes in nothing but entrenching wealth and privilege. They want to destroy the basic social safety net that all Australians hold dear. They want to cut penalty rates, remove overtime, and hack at other basic conditions to drive down wages so their mates in business can profit further. They want to get rid of universal education and health care so those that have succeeded in society do not have to make a fair
contribution back to the society they owe their success to. Unless you are rich enough to make a donation to the LNP, they do not care about you.

So what will these cuts entail? As those in the government refuse to tell us, we can only speculate. It has been reported by the *Brisbane Times* that the Commission of Audit has told the government to tackle the cost of the seniors card, which allows self-funded retirees to access discounts for medicines and GP visits, regardless of super income. Is this government really so heartless that they want to attack health benefits for seniors? Unfortunately they are.

The commissioners have also clearly said they are investigating the privatisation of the National Disability Insurance Scheme. Before the federal election, the Liberal Party said they were lock-step with the then Labor government on the NDIS, a scheme which has taken decades of hard work to develop—and now they are looking at privatising it! There was talk before the Griffith by-election in Queensland of the Liberal-National government introducing a $6 GP tax for every visit to the doctor. This mysteriously went away during the by-election and in the lead-up to the Tasmanian and South Australian elections, but I am willing to bet it will come back after the WA Senate election.

The Liberal and National parties do not believe in universal health care and they will do everything they can to undermine it. Senator Cormann says the government have no plans to sell off state assets apart from health insurer Medibank Private, although the Commission of Audit may recommend other such sales. It seems to me that the Commission of Audit is just a convenient cover for a fire sale of government assets without the Liberal-National government openly admitting that this is what they planned to do all along. Australians deserve to know what other assets will be sold.

While we can only speculate on what will be cut and what will be sold, I can tell you what the cuts will not entail. Dale Boccabella, Associate Professor of Taxation Law at the Australian School of Business at University of New South Wales, explains in his article on The Conversation website what will not be looked at by the Commission of Audit. He explains:

... there is no express reference to tax expenditures, and secretariat Peter Crone has confirmed that it will not deal with them.

... the generous tax treatment of discretionary trusts (family trusts) is not included in the tax expenditure statement… The negative gearing loss on rental properties and share investments is not included either. For 2012-13, the Commonwealth has around 280 tax expenditures ... worth around $100 billion. This is around 6% of GDP. Direct expenditure of the Commonwealth for the same period was around $360 billion, which is around 24% of GDP.

The terms of reference mean that the so-called Commission of Audit will not look at $100 billion of generous tax concessions, while cutting from the least well off.

This Commission of Audit is a sham—and we have known that all along. This is nothing but a commission of cuts and should be exposed for exactly what it is. The Australian people expect and deserve fairness from their government. They expect that, if the government are looking to cut funding to schools, to sell off Medibank Private and to install a GP tax to undermine our Medicare system, they would at least look at $100 billion of generous tax concessions that are cross-subsidised by low-income Australians.

The Australian people deserve to know why the government should give a tax offset to people wishing to minimise their tax through a family trust, while hospital services are cut.
The Australian people deserve to know why none of these excessively generous tax concessions are under consideration but the Liberal-National government are ripping money away from orphans of veterans. If the government were genuine about governing for all Australians, these tax concessions would be included in the Commission of Audit's terms of reference. They were not, and the government are refusing to be open about their planned cuts.

The government are scared to tell the Australian people prior to the Western Australian Senate election what they plan to cut, because they know it will significantly reduce their vote. They did not tell them before the federal election, they did not tell Tasmanians or South Australians before those state elections, and they are not going to tell the people of Western Australia before the Western Australian election. When Western Australians go to the polls to elect their six senators, they should ask themselves one simple question: what are they voting for? Are they voting for cuts for the most vulnerable? Are they voting to begin the dismantlement of Medicare? Are they voting for the privatisation of the NDIS? If the voters of Western Australia do not know the answers to these questions—if the Liberal-National government will not tell them the answers to these questions—they should not vote for the Liberal-Nationals. It is that simple.

As I said, it has become obvious to all of us that those on the other side do not want to tell the Australian people what their real policies are. We saw that in question time here today when we could not get straight answers out of Senator Nash, and we have seen it continually in the failure of the Prime Minister to explain the Commission of Audit report and let people see what is in it. We know that the government do not want people to see what is in it, because we know that they know that if people know what is coming they will lose votes in the Western Australia Senate election. So the government are simply seeking to keep the details hidden until after that date. (Time expired)

Senator SMITH (Western Australia) (15:49): It is a very, very brave exercise on the part of the Labor opposition to send a Tasmanian senator in to talk about what Western Australians should be thinking about on Saturday, 5 April. Let me share with you just a few things—

Senator Bilyk: Mr Deputy President, I rise on a point of order. I was not sent; I volunteered.

The DEPUTY PRESIDENT: That is not a point of order; that is a debating point.

Senator SMITH: And a brave voluntary effort it was. I might be able to share an insight into what Western Australians might be thinking about as they approach the Senate election on 5 April. They most definitely want an improvement in the National Broadband Network. We saw a hint of the deplorable rollout of the National Broadband Network in Western Australia when my colleague Senator Fifield answered a question today from me.

Secondly, they want a carefully considered rollout of the National Disability Insurance Scheme. There is no doubt that we are all committed to improving access to disability services for all Australians. You only have to look at the report that was released on Thursday or Friday last week that shows that more work needs to be done to get it right sooner. That is particularly important in my home state of Western Australia, where we will roll it out on 1 July this year. In addition to that—and you will have heard it very, very often because it is
very, very true—they want the carbon tax repealed, they want the mining tax repealed and they want our borders strengthened. On the last three measures, the coalition government has a clear plan.

Labor have got it very, very wrong. When Western Australians hear talk about the National Commission of Audit and taking waste out of government, what do Western Australian say? They say, 'Yes; three cheers!'

There is no more powerful demonstration than Labor's focus on the National Commission of Audit to demonstrate that they do not understand Western Australia. At a time when Western Australians feel aggrieved for making such a hefty contribution to the coffers of the Australian government, Labor comes in here and says that the new government should not be reviewing expenditure. That is a very clear demonstration that they should visit Western Australia before they start talking about Western Australia.

I would just like to focus on what I call the five great myths that Labor, in their matrimonial union with the Greens, are prosecuting in regard to the National Commission of Audit. The first myth is that there is no problem in our country that we need to address through the National Commission of Audit. That is blatantly untrue, and I will come to that in one second.

The second myth is that the coalition is the only one that had a plan to reduce Australian Public Service jobs—not true. I will also come to that in a moment. I can demonstrate to you that Labor had a plan, late in its final stages of government, to reduce Australian Public Service jobs.

The third myth is that it is only the coalition that is using the efficiency dividend across the Public Service to drive greater efficiency—not true. For many years, prior to the election of the new government, the Labor government had an efficiency dividend and, what is more, on two separate occasions it had a one-off increase of two per cent. And I will come to that point in a moment.

The fourth myth is that somehow, in some way, this new government is keeping the 900-page document a secret. As we know, from the Henry tax review and from other matters of government, it is not unusual for governments to take their time to consider reports or inquiries. What will be unique about this government's timeliness in addressing or inquiring into this National Commission of Audit is that it will feed into the May budget process. It is just 48 days until we see the first coalition budget. What is more, Labor's leader in the Senate, Senator Wong, said only last week that, yes, they took time to consider the Henry tax review. Why? Because they needed time to consider it.

The fifth myth that is being prosecuted by Labor and the Greens is that the only way to address our budget dilemma is to raise taxes. I do not know about you, Mr Deputy President, and I do not know about others, but I would like to look at ways of correcting our budget emergency in this country other than slugging Australian families and Australian businesses with more tax.

So let me go to the first myth, and that is that there is no problem. That is blatantly incorrect and ignorant and blind to the facts. What we know is that in our country real incomes have been falling since the second half of 2011. What we know is that there are declining terms of trade for our country, which means there is a slowing economic growth
rate. More than that, we know that not I and not my parents but certainly my nephews and nieces and future generations have been handcuffed by the structural deficits that have been put in place by the former government. There is clearly a problem.

Kevin Rudd boasted, in his first 100 days when he was Prime Minister, that he was: 'setting up a razor gang to comprehensively review each Commonwealth government department and cut wasteful spending'. Why is it okay for Kevin Rudd to have a program to examine government expenditure when he is elected but not okay for our new Prime Minister, Tony Abbott, to have such a program? The one difference between Kevin Rudd's program and Tony Abbott's program is that Tony Abbott will make it work, will make it work sensibly, and will manage people's expectations very well.

The reality is that our economy is in a historic transition. I think this was best put by Paul Kelly in the Australian newspaper earlier this year, when he said:

The daunting strategic task facing Abbott and Hockey now emerges: they seek to impose off the Audit Commission a vast fiscal and public sector efficiency reform on an economy that is fragile and facing great investment uncertainties.

These are the realities we are dealing with. These are the realities that some people in this place would prefer to ignore, would prefer to be blind to, would prefer to put their heads in the sand about. So these are significant challenges.

We know that the PBO, the Parliamentary Budget Office, found that health spending was increasing by 4.8 per cent a year but our GDP growth was increasing by just three per cent. We know that real government spending has grown by 3½ per cent over the five years to 2012-13 and will grow over the medium term to 3.7 per cent. Cataclysmically, we are facing, already, this day, interest repayments annually of $8 billion. So when people talk about the need for improved funding in health care, when people talk about the improved funding in education, there is $8 billion that we are sending out the door on interest payments that could be put to better provision of health and education services.

The Labor Party in the Senate, aided and abetted by the Australian Greens, are alone. Not even their former leader Bob Hawke and not even their former leader Paul Keating disagreed that a national commission of audit—

Senator Di Natale interjecting—

Senator SMITH: Sorry, that would be Senator Di Natale, the Australian Greens senator from Victoria, walking hand in glove with Labor senators, denying that there is a problem, denying that there is a budget emergency, and wanting to defend Bob Hawke and Paul Keating—I might have that incorrect, Senator Di Natale.

So what did former Prime Ministers Bob Hawke and Paul Keating say? They urged the new government in January to act quickly to repair the bottom line damaged by Labor. Keating has said that the government should 'earnestly pursue the remedies' that this situation requires. He says that the government must understand the situation and it must be prepared to make hard decisions. Certainly, in regard to the second test, they have met that.

So the first myth is that there is no problem. There is clearly a problem. Our respected political commentators say there is a problem; our former Prime Ministers Bob Hawke and Paul Keating say there is a problem; the evidence in the budget documents says there is a problem. We know—we live with the uncertainty in the Australian economy that is happening
as a result of our economy needing to be more globally competitive. There is much to be talked about and there is a great urgency, but some people in this place want to deny that there is an important issue that needs to be addressed.

We are still going through our Senate inquiry into the new government's Commission of Audit, but at the hearing on 15 January it was interesting to hear what the chairman, Mr Shepherd, said:

Australia faces the challenges of an ageing population, poor productivity performance, a persistently high Australian dollar, high energy costs, heavy reliance on the resource sector, and a volatile global political and economic outlook.

There is much to be concerned about. (Time expired)

Senator DI NATALE (Victoria) (16:00): I have spoken before about the culture of secrecy that lies at the heart of the Abbott government. Mr Abbott promised that he would lead an open, honest, transparent and accountable government. Yet, on the big issues, this government has been a black box. We have a Commission of Audit process which is potentially one of the most important pieces of work to be done by a body at any time this year. It is a piece of work that will inform the federal budget in May. It is a piece of work about which we know from the commissioners themselves that everything will be on the table: Medicare co-payments, cuts to the national disability support pension, the privatisation of Australia Post and huge cuts to the public sector. The list goes on and on.

Yet people are being deprived of that report. We do not shy away from a debate on the Commission of Audit process, but it has to be an open, honest and transparent debate, a debate based on facts, and a debate that clearly outlines the sort of country that we want to be. We have heard a lot of talk from this government about debt, deficit and the ongoing budget emergency. No claim has been too outrageous. According to the then opposition, the country has been drowning in debt, we are on track to mirror modern-day Greece, we are an international pariah and we have a third-world economy. Last year the Treasurer went so far as to say:

The cupboard is bare, there is no money left in the till.

That is essentially saying that we were bankrupt.

It is in this context that the National Commission of Audit was established. We saw the Business Council being represented with Tony Shepherd as the chair. It is remarkable that there was no space for people from the community sector, the health and welfare sector or from the union movement. We also had a brief from the government to the commission that was based on two assumptions: that there was a structural deficit that must be fixed—and this could only be achieved by cutting government expenditure—and that we could not add to the already high tax burden, so we had to make deep cuts, starting with Australia's public sector.

All this might sound okay at face value, except it is based on a lie. I am not sure where Senator Smith has been. He is part of the committee and has heard evidence that Australia's debt crisis is a myth. Our level of public debt is very low. Compared with other OECD countries, we are near the bottom in terms of public debt. Far from being in crisis, we are the envy of most other governments across the world. It is a confected emergency. We also learnt through the inquiry that Australia's deficit makes good sense when we have low interest rates, when infrastructure is so desperately needed and when we have a softening jobs market.
The evidence through the committee process gave lie to the fact that we have a crushing tax burden. As it happens, Australia’s tax take as a percentage of our overall economy is below OECD averages and well below where it was when the Howard government was in power. We learnt that the Public Service, far from being bloated and inefficient, is actually very efficient by world standards. There is very little fat to be trimmed there.

The real picture about the Australian economy is at odds with what the government is saying. Economists by and large agree that government spending is low, debt is manageable, we are a relatively low-taxing country, the cost of living is not spiralling out of control and we have an efficient public service by world standards. Unfortunately, what we have is a Commission of Audit process where the rules have been rigged and the players have been hand-picked in order to achieve a predetermined outcome. That is a debate that serves our country very poorly.

Senator CAMERON (New South Wales) (16:05): I will start off where Senator Smith finished—that is, on the last words in your speech where you said that there is much to be concerned about. There is definitely much to be concerned about, but not much of it is what you raised in your speech. I think what we have to be concerned about is the political ideology of the extremists in the coalition government who would have you believe that everything will be okay if you simply let the market rip, that there is no role for government and that the market is the determining factor for anything that happens in the economy.

The problem with that is it belies the reality that we do not live in an economy. We live in a society and a society needs support. It needs mutual support, it needs government support and it needs business support. Society itself provides support to both government and business. So this is not about an argument, in my view, that if we simply have a free-market economy and if you allow all the free-market ideology to run amok, then suddenly there will be this magical transformation and everything will be okay. You only have to look back at the global financial crisis to understand that that is the situation—that governments play an important role in the economy. Yet, we have this coalition approach, which is called the Commission of Audit.

We have had a number of commissions of audit over the years. We had the Howard government’s commission of audit. What were the outcomes of the Howard government’s commission of audit? They used that commission of audit to slash expenditure in higher education, the area that everyone realises now we should be investing in for the future. Higher education got belted under the Howard government because they did not like some of the academics who may have argued different political points from the Howard government. There was a huge price to pay for those academics and the higher education industry because they dared to critique the Howard government.

We had the Howard government commission of audit, which laid the framework for what was described as ‘the need to improve productivity’. Improvement of productivity from a conservative coalition is simply about ripping away at workers’ wages and conditions—another outcome of the commission of audit. It also introduced Work Choices and introduced a system that denied workers the right to collectively bargain. Over the time of Work Choices, what did we have? We actually had a decline in productivity in this country, because you do not improve productivity by taking away workers’ rights. You improve productivity by a sophisticated approach, one that deals with the issues of quality, logistics, research and
development, management systems and work organisation—but not one that simply tries to crush workers’ rights.

The latest commission of audit was the Costello report in 2012 for Queensland and, by any analysis, when you put a failed Treasurer—a former Treasurer, one of the worst treasurers this country ever had—

Senator Mason: Hardly a failed Treasurer!

Senator CAMERON: Mr Acting Deputy President, let me give a little history lesson in relation to the structural deficit. Do you know who brought the structural deficit in? The Howard government brought the structural deficit in, and Peter Costello was too weak and too jelly-backed to do anything about it. He was one of the weakest political operatives we have ever seen in the Treasury in this country, but maybe that will be superseded by the current Treasurer. He was too weak to actually deal with the structural deficit; he left a structural deficit of huge proportions. You then have to look at how you deal with these reports. The Peter Costello report of 2012 said that we were living beyond our means. That was not very original at all. When you have a weak former Treasurer, who left a structural deficit, trying to tell Queensland how they should run their economy, then I think you have a problem. The problem is that you run with the same old arguments.

I am sure we will hear the same old arguments. There was an inadequate financial analysis in the report, but does that actually surprise anyone? When you have an inadequate former Treasurer doing an audit on a state, you get an inadequate outcome. What does it mean? It means you get a push to destroy jobs in Queensland—20,000 Public Service jobs in Queensland. These are decent people trying to bring their families up, and they were just dismissed by the coalition in this country. The conservatives think Public Servants are simply a figure to be dismissed; they are not human beings with families, with debts, with problems and issues they have to deal with. They are simply a number; they are simply a tool to try to reduce the bottom line of coalition governments.

You will no doubt see much of this under the coalition's Commission of Audit—bad analysis, analysis that is based on ideology and not the facts. That is what we are going to see in this Commission of Audit. It will be laid out to try and deliver the coalition's agenda, which is to weaken collective bargaining in this country, to reduce the role of government, to give markets a free hand to do what they like. Then we will end up with another smaller equivalent of the global financial crisis in this country, because the market is running the show. That is not good for this country and it is not appropriate. We certainly should not have any faith that this Commission of Audit will do other than deliver on the ideology and the policy parameters that have been laid out.

The Business Council of Australia is already telling the coalition what they want them to do, and that is smaller government, fewer payments, no dealing with intergenerational issues—just let it rip. If you look at the BCA report, it says that without policy change Australia will reach a combined annual deficit of five per cent of GDP across Commonwealth and state governments by 2050. But a policy change from the coalition is about ripping away at health, ripping away at welfare and ripping away at education. That is the policy position from the coalition. It is not our policy position to do that. We will look after this country in a substantial way. You are just— (Time expired)
Senator MASON (Queensland—Parliamentary Secretary to the Minister for Foreign Affairs) (16:15): It is funny, you know, Mr Acting Deputy President, when I hear these speeches from Senator Cameron. The cancer destroying the Western world is public debt. And you wonder why people on the conservative side of politics are so disgusted with the Australian Labor Party and with the Greens, who supported them, when they spend money that this country did not have and that our children and our grandchildren will have to pay back. It is a disgrace for the Australian Labor Party to come in here and talk about intergenerational equity to the party that put it on the agenda—a la the Hon. Peter Costello, the greatest Treasurer this country has ever had. What a disgrace that Senator Cameron should come in here and lecture to this side of the chamber about young people. Every dollar that the left in this country want to spend is money that we have to borrow—and borrow from where? It is from our kids and our grandkids. The heads of those opposite are looking down, because they do not have an answer to this question.

Senator Siewert: Yes, we do!

Senator MASON: Oh, sorry, the Greens have an answer for how we are going to balance the budget. I am so sorry, Mr Acting Deputy President, the Greens are going to balance the budget. They are going to save the next generation. I am so sorry! The Greens are not going to actually tell us anything—they never do—about economic responsibility.

Let me just say this: the Labor Party act like spoilt teenagers. They ran around for six years spending money on the credit card—spending money that this country did not have. When the public finally said, 'Actually, we've got to start paying back some of that debt'—do you know what?—the Labor Party squealed like spoilt children. The Labor Party created the bloody problem that the world now has, and when we come along and try to solve the problem they blame us. They created the problem. People like Senator Cameron have no idea about how to balance a budget or make responsible economic decisions for the next generation of Australians. It is disgraceful. For someone like Senator Cameron to come in here and cast aspersions on our side of politics about young Australians is a disgrace.

For six years the Australian Labor Party lived beyond their means. They were getting record tax revenues, but even that was not enough. They had to engage in record borrowing to finance their record spending. I am assuming—and perhaps this is a bad assumption to make; perhaps I should not assume this—that everyone believes a government should manage its spending. Maybe I cannot assume that. But I am assuming that people, the current generation, think that Australia should live within its means. I am assuming that, but I know that the Labor Party never say much about this—and the Greens certainly will not—but we on this side of the chamber believe that for economic and moral reasons our generation should live within its means. They never say that. They have not got the guts to make that commitment. This is so disgraceful!

In the chambers of the parliaments throughout the Western world since the 1970s, economies, lives and futures have been destroyed by governments that could not live within their means. I cannot say it any more clearly. I just wish to God that the Labor Party and the Australian Greens would learn that lesson, but they just cannot learn the lesson that generations should live within their means. It is simple. Sure, you might have some infrastructure spending—and I accept that—but that is not the problem in this country. It is actually recurrent expenditure which is the problem. We are simply living beyond our means.
There are only three options. It is not that complicated: you rein in spending, you increase taxes or you keep borrowing money. Mr Acting Deputy President, do you know what the left say? It is always 'keep borrowing' or maybe 'raise taxes'—but it is usually 'keep borrowing'. Why? Because the electoral pain is actually very small. The democratic incentive is always to put more money on the credit card. That is the easy choice. It would be so easy for the coalition to say: 'We'll just borrow a bit more. We wouldn't feel it. We'd hardly feel it. It wouldn't matter much. The exchange rate wouldn't change much.' But you know who will be stuck with the bill, don't you? We would be all right. It is okay for me; I would be fine. But the bill would be paid by our children and our grandchildren. It is so disgraceful to hear that Australian Labor Party basically do not care. They talk about 'ripping it out from higher education, health and welfare'. I accept that difficult decisions are going to have to be made. I accept that; I do. Someone has to make those tough choices. That is what good government is about. It is not always easy. It is so much easier just to keep borrowing money and maybe tax a bit more. That is the easy way out.

Do you know what? I can prove it is the easy way out, because every country in western Europe did it, and North America also did it. Look where they are now. They are buggered. Their economies are buggered because they simply have no idea about how to pay back the debt. It is absolutely disgraceful. And they do not mind. Do you know why? Because they are really concerned about the voters of today, not the voters of tomorrow. They want to somehow win votes, so they do not want to cut too much, so basically they will borrow a bit more money, in a sense to support their vote. Our children and our grandchildren do not get to vote yet. By the time they do get to vote, governments will have come and gone, and yet the debt will remain.

I say again: the greatest contribution that Peter Costello ever made to this country was not being a successful Treasurer, balancing the budget and doing all those wonderful things he did; in my view, it was highlighting to a generation of public policy analysts and policymakers that intergenerational inequity is intergenerational theft and that, if we do not live within our means, if we do not raise the money, the taxes that we need to live on then we are stealing from the next generation. Sure, you could quibble at the sides about infrastructure—I accept all that—but that is at the sides. That is not the problem the Labor government had and it is not the problem that the Western world is faced with.

The great, depressing fact about this debate, every time we have it, is: the Labor Party and the Greens never learn. That is what gets me. It is not that it has happened; it is that they never learn. Since 1901, every time Labor leaves office we are further in debt. Because we have an ageing population and productivity is not rising sufficiently, it is going to get worse. There are more and more claims upon the public purse. My friend Senator Fifield looks after the National Disability Insurance Scheme and other schemes, many of them worthwhile. I am not suggesting for a second it is not worthwhile, but we just cannot afford everything we want. That is my point.

Every time I hear Senator Cameron or someone from the Labor Party or someone from the Greens whingeing about savage cuts, I think: how savage is it to cut the future, to cut the prospects of our young people, our children and our grandchildren? How savage is that? What they are doing to the kids of the future is far, far worse than any cuts that might be made by this government, because at least if we make cuts we are answerable at a general election.
That is true. The Australian people can say, 'We don't like that,' and they can vote us out, as they should be able to. There is a problem, though, with the Left and the way they operate. Do you know what they do? They put it on the credit card, and the people that they are harming do not get to vote yet. That is the great horror. That is the lack of democratic incentive in the entire approach that the Left have gloried in since World War II. They have absolutely made a mint out of this process. Why do you think social democracy has been so successful electorally? Because the current generation that is spending the money does not foot the bill. If we have to cut, at least we will be accountable for it. When they spend money we do not have, they are not accountable for it and our children’s futures are affected and in some cases destroyed. (Time expired)

Senator SIEWERT (Western Australia–Australian Greens Whip) (16:25): I rise to make a contribution on this matter of public importance. The biggest run-up on our credit card in this country is the government’s denial of global warming. The biggest debt that we are condemning future generations to is the impact that climate change and global warming will have on future generations, across the country. Yet again today we see more predictions about the extent of the impact of climate change. It is hypocrisy for the coalition to accuse this side of the chamber, the Greens, of not wanting to look at how we can raise revenue, when they were in this chamber this morning debating getting rid of the mining tax. They want to repeal the mining tax. On the one hand they say, ‘Oh, you’re so stupid; you arranged a mining tax that isn’t earning any money,’ and on the other hand they say, ‘It’s killing the industry.’ Get your lines right. What is it doing? Is it killing the industry or is it not raising any money?

The Greens had a proposal to raise $21 billion out of a mining tax that, if applied properly, would have meant that Western Australians and Australians could actually get the benefits of the resources that are exploited in our state and other states around Australia. Then we would not be getting letters like I have received today from housing and homelessness service providers in Western Australia. For example, I have had a letter from Saint Bartholomew’s House in Western Australia, which I have visited. They have a brand-new, fantastic facility. They wrote about the fact that they have not yet been told whether the National Partnership Agreement on Homelessness is going to be re-funded, and they are expressing extreme concern. They say: ‘There is considerable evidence to demonstrate that the 14 programs and 81 services that are part of the partnership agreement in Western Australia have enjoyed considerable success. The Australian Institute of Health and Welfare estimates in excess of 20,000 individuals, including thousands of children, have been assisted by homelessness service organisations in WA alone.’

I have another letter, from Centacare in Western Australia, which says: ‘Our 22 employees involved in these services are becoming increasingly nervous about their future. Some are already approaching our manager seeking direction as to what to do.’

Then I have a letter from Shelter WA, also talking about the agreement on homelessness, that says: ‘The uncertainty regarding the future of the partnership has left homelessness service providers and their clients in an invidious situation. Already key staff are being lost and services to new and existing clients are being undermined. At the same time, services have been informed by WA funding bodies not to take on new clients after 31 March and that social housing will not be provided to clients accepted after that date.’ This is a tragedy for
homeless people in Western Australia. These letters are from just three service providers in Western Australia. There are dozens more.

I have an email from Jane Parker, who manages the Wyndham Early Learning Activity Centre. Last year I raised the issue in estimates that they were on limited funding, and they got funding again. However, the email I have says: 'It's getting near the end of the financial year and we have no idea of funding. This year we have no funding agreements at all.' They have up until now had Stronger Women funding, through the ICC, and they have also had funding from Communities for Children. This is an area that this government says that they care so much about—Aboriginal and Torres Strait Islanders and, in particular, children and early learning, which across the board, I think, it is acknowledged that we need to be putting funding into. Here is an essential service, in a building that cost $1.4 million to build. So now we are going to have a lovely, empty centre, basically a white elephant, if they do not get funding.

There is a list a mile long of programs that are waiting to know whether they are going to get funding: financial counselling and emergency relief, family relationship services and programs under the partnership agreement, Link Up services, a lot of health programs. These programs are all going to be cut, which will wipe out the community effort that so many people in Western Australia rely on. It is outrageous that the Prime Minister will not guarantee that these programs are going to continue to be funded and these services are not going to be losing staff. *(Time expired)*

**Senator FURNER** (Queensland) *(16:30)*: Once again, here we are, two months after the deadline of phase 1 of the National Commission of Audit, and the government still has not released the draft report or recommendations to the electorate or this parliament. We keep hearing, 'It will be released next week,' and, 'It will be released next month,' but the end date keeps dragging out. The coalition government delayed releasing it before the Griffith by-election and the South Australian and Tasmanian state elections, and now it looks like they are going to delay it until after the Western Australian Senate election. What are those opposite trying to hide? Why is the plan so secret that they are not willing to come forth and explain to this parliament and to the electors of WA, or anyone else for that matter, to explain what this Commission of Audit—or commission of cuts, as most of us refer to it—is going to deliver?

Since coming to government, Mr Abbott has done nothing but cut. Thanks to the Labor opposition in this place, a range of measures introduced by the Labor government, including the schoolkids bonus, the instant asset write-off, low-income super contributions and the Income Support Bonus will still be in place after the MRRT repeal bill is voted down—and I am assuming that that will be the case if people in this place have the decency and common sense to know that those measures should be retained. I have mentioned all of these before, but they are still important and well worth mentioning again: the Regional Development Australia Fund grant has been cut; the Tourism Industry Regional Development Fund grants, cut; the National Crime Prevention Fund, cut; childcare and aged-care sector pay increases, cut; the NBN rollout, cut; the Building Multicultural Communities Program, cut; payments to the children of veterans who have been killed or injured, cut. This is just a small snippet of cuts by the Abbott government, and it is frightening to think about what other cuts they may have planned.
Being a Queenslander, I am able to stand in this chamber with some experience of cuts from an LNP government, and I use the example in Queensland of the Newman government—in particular, following the release of the report by Peter Costello's Queensland Commission of Audit. It is recommending a number of measures, including opening up public assets to private enterprise, and future investment into the public service. Also, an article on the website of the *Courier-Mail*, that old, reliable tabloid up there, has the title 'Costello's commission of audit report urges Newman government to sell off Queensland's assets'. That is dated 1 March 2013 and says:

"There is a need for greater workforce flexibility and mobility so that resources can be readily redirected to areas of highest priority—by removing restrictive workplace practices which add unnecessary costs without delivering improved output …"

"Industrial relations and enterprise bargaining arrangements should not fetter the ability of managers to manage."

In other words, more jobs are on the chopping block, and some entitlements could be given the flick as well. The article also went on to report that they found the government could get its AAA rating back by selling government electricity assets, including Energex and Ergon, as it states this would raise between $25 billion and $35 billion, or by selling off some of its other corporations, including Queensland Investment Corporation and SunWater.

Premier Newman has also told Queenslanders that he would be taking the issue of asset sales to the next election to seek a mandate—a bit different from what he has said previously. The website of the state member for Mulgrave, Curtis Pitt, has identified that by collecting a range of quotes from Premier Newman regarding asset sales, including:

The poles and wires transmissions stuff, I believe, should be owned by the people because they are natural monopolies …

In November 2012 he said:

My vision for the electricity sector is that we have a government-owned, world's best practice, efficient operation owned by the people of Queensland. That is what I would like to see.

In April 2013 he told parliament:

So let me be absolutely clear today that we decided to not consider divestment of Energex, Ergon or Powerlink to pay down the debt … and we certainly will not be seeking any mandate to undertake a sale of those assets at the next election.

Let me tell you, Madam Acting Deputy President Ruston, that is already happening in the community cabinets. They are going around the countryside on a listening tour, explaining to people how they are going to cut those assets. That is why people in WA should be extremely concerned about this Abbott government and the effects on the economy as a whole.

**Senator EGGLESTON** (Western Australia) (16:35): There is no doubt that financial relationships between the states and the Commonwealth government have changed radically since the federal Constitution was written and the Commonwealth was established. Clearly, the problems which now exist need to be reviewed. In the original Constitution, it was the states who had income tax powers, and they were handed over to the Commonwealth as an emergency measure during World War II. While this meant that some states got more money than others, nevertheless, that was the system that existed. But, when Malcolm Fraser sought to hand the income taxing powers back to the states, there was no agreement to do so because the less wealthy states did much better under the Commonwealth system of collecting
taxation and then distributing it on the basis of some sort of horizontal fiscal equalisation than they did relying on their own resources.

The fact remains that the states do have enormous responsibilities for education, health services and infrastructure. In Western Australia, for example, where I come from, although we only have 10 per cent of the Australian population we have 33 per cent of the land area—a third of the area of Australia—so we have a need for extra finance for important infrastructure, such as roads, and because Western Australia is so vast. Almost in every town you have to duplicate schools and hospital services because regionalisation just does not work with the great distances between these centres.

John Howard introduced the GST as a funding stream for the states, but this has not assisted, because of the formula under which the money is distributed. Under that formula, Western Australia—again, taking a very parochial Western Australian point of view—has missed out. Premier Colin Barnett has said that he is dismayed by the share of the GST allocated to Western Australia. He said that if the projections did not change he would have no choice but to significantly raise taxes in Western Australia, which would be an added burden on the people there. At this stage, Western Australia only get 45c in the dollar of our GST. The Northern Territory, for example, would be getting more than Western Australia—while we in Western Australia have 10 times the population of the Northern Territory, Mr Barnett said.

So there really is a need to review Commonwealth-state financial relations. It is not an argument which is sustainable to say that this audit of Commonwealth finances should not go ahead. It is quite clearly the intention of the Abbott government, with this audit, to take a root-and-branch look at the whole spectrum of Commonwealth-state financial relationships and the way that various services are funded in this country. This can only be regarded as a very laudable objective.

We should look around the world at what other federations do. In Germany there is a totally different formula for the distribution of money to the states, which seems in many ways to be a fairer system than we have in Australia. In Canada, where they have provinces, as we have states, the distribution of funds from Ottawa to the provinces seems to be fairer and more balanced than in Australia. Not only do we have to consider the needs of the states, but, as has been said today already, we have the problem of the ageing Australian population and the implications of needing to care for a country in which something like 25 per cent of the population will be over 70 within a few years. We also have to think about the repayment of the huge debt left by the Labor administration.

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

MINISTERIAL STATEMENTS

United Nations Commission on the Status of Women

Senator RYAN (Victoria—Parliamentary Secretary to the Minister for Education) (16:40): On behalf of the Minister Assisting the Prime Minister for Women I table a ministerial statement on the 58th session of the United Nations Commission on the Status of Women and I seek leave to incorporate the statement in Hansard.

Leave granted.

CHAMBER
The statement read as follows—

On 8 March, I led the Australian delegation to the 58th Session of the United Nations Commission on the Status of Women (the Commission) held in New York. The Commission takes place annually to evaluate progress on gender equality and to identify critical and emerging issues and challenges.

Australia's high level participation at the Commission sends an unequivocal message confirming the Australian Government's strong commitment to women's empowerment and equality domestically, regionally and internationally.

Australia's recently appointed Ambassador for Women and Girls, Natasha Stott Despoja, accompanied me as a valued member of the delegation and we jointly advocated Australia's priorities at the Commission.

Australia's decision to appoint an Ambassador dedicated to promoting women and girls' human rights globally reflect our deep commitment to gender equality and women's leadership in particular.

I believe it is incumbent upon all people fortunate enough to live in free and democratic societies to do what we can to speak out to protect the human rights of women and girls.

Each year, the Commission aims to establish a set of global standards and formulate recommendations for governments, intergovernmental organisations (including in the UN system) and civil society to promote gender equality and the advancement of women worldwide.

The priority theme for the Commission this year is "Challenges and achievements in the implementation of the Millennium Development Goals for women and girls". This year's Commission comes at an important moment in the lead-up to the elaboration of the post-2015 development framework. I joined other global leaders in reflecting on the challenges and barriers in implementing the Millennium Development Goals and ensuring gender equality remains a key priority as we shape the post-2015 development framework.

Australian priorities for the Commission on the Status of Women

As head of the delegation, I delivered a statement to the Commission on behalf of the Australian Government which outlined the Government's unwavering commitment to promoting gender equality and women's empowerment.

Australia is advocating for a 'twin-track' approach to the post-2015 development framework that:

- includes gender equality and women's empowerment as a standalone goal; and
- mainstreams gender equality across other goals, in targets and indicators.

Australia again confirmed to the Commission that we have zero tolerance for violence against women and girls both domestically and internationally.

We have joined international action against harmful traditional practices including, child, early and forced marriage, and female genital mutilation.

125 million women and girls have undergone FGM and 2 million babies are born to girls under 15 each year.

These are critical issues that must be addressed, domestically and internationally, and we must continue to ensure they are not swept aside. There is simply no excuse for any form of violence against women and girls.

Australian activities at the Commission on the Status of Women

Whilst in New York I met with many of my counterparts from around the world. These included our Indo-Pacific neighbours and also Indonesia, New Zealand, Japan, Philippines, Republic of Korea, Samoa, Timor Leste and Tonga. I also had meetings with many of my counterparts outside our region, including Canada, Denmark, Liberia, Netherlands, Norway, Turkey, United Kingdom and the United States of America.
Other meetings included discussions with senior United Nations officials who are seeking to mobilise the UN system to empower women and to overcome the scourge of violence against women, including the heads of UN Women, the UN Population Fund, UN Development Program and the Special Representative on Sexual Violence in Conflict, Ms Bangura.

In addition to sharing success and challenges in our domestic work to achieve gender equality, we discussed how we could work together to ensure a successful outcome at the Commission and on gender equality issues more broadly.

I also participated as a panellist in a number of events, speaking on a range of issues, including women, peace and security; women’s economic empowerment; education; violence against women and women’s priorities in the Pacific.

I was particularly pleased to launch the Australian Chapter of the Women in Public Service Project on 12 March. I look forward to the contribution this project will make to ensuring Australia is a place where women participation equally in public life and where this goal is also supported in our region.

**Australian Delegation to the Commission on the Status of Women**
In addition to Natasha Stott Despoja, I was also joined by:

- Australia’s Sex Discrimination Commissioner, Ms Elizabeth Broderick;
- Dr Susan Harris Rimmer, Director of Studies at the Asia-Pacific College of Diplomacy at the Australian National University, and
- Ms Julie McKay, Executive Director of the Australian National Committee for UN Women.

The professional input of the Australian delegates was invaluable in providing expert advice to government on the priority and reviews themes during negotiation of the agreed Conclusions; and liaising with other civil society advocates both on the ground in New York and in Australia.

The strong Australian civil society presence at the Commission is vital in ensuring critical and emerging issues relating to gender equality and women’s advancement will remain at the forefront of international policy discussions.

**Conclusion**
The extent of the challenge to achieve greater empowerment and equality for women and girls domestically, regionally and internationally continues to be vast. However, the Commission understands Australia is committed to working with others to advocate against the inequalities faced by women and girls and to entrench their human rights.

It was clear that we must continue to work together to support progress on the Millennium Development Goals, particularly in the Indo Pacific region.

Globally inequality persists across many countries and women continue to face discrimination in access to education, work, economic assets and participation in government and commerce. Violence against women remains pervasive and continues to undermine efforts to reach our stated goals.

Without addressing gender inequality in all its forms, we cannot expect meaningful progress in other spheres of development. The Australian Government will continue to support and advocate for the rights of women and girls to be fully respected and promoted in a proactive way that reflects Australian values and interests.

I am determined that this Government’s commitment to gender equality remains resolute and unwavering.

**Senator Waters** (Queensland) (16:41): by leave—I move:
That the Senate take note of the document.
We welcome the significant progress achieved in recent weeks and particularly welcome the acknowledgement by all countries that Millennium Development Goals need to recognise and have a stand-alone goal for gender equality once those MDGs expire in 2015. I would like to place on record my thanks to all of the women who were involved in negotiating that great outcome.

I wish to express some concern about a short statement in the minister's response just tabled, where she notes: 'Without addressing gender inequity in all its forms, we cannot expect meaningful progress in other spheres of development.' On that note, I wish to place on record the Greens' extreme concern at the mooted proposal to abolish gender workplace reporting requirements currently overseen by the Workplace Gender Equality Agency. There has been quite a lot of talk about the fact that these reforms will be either watered down or abolished entirely and lifted from their current application to workplaces of 100 employees up to workplaces of 1,000 employees, which would cover some five per cent of workplaces across the country. You cannot fix the gender pay gap by hiding it, so clearly we need to keep gathering this data—if the minister is serious about tackling gender inequality in all of its forms. I would urge the minister and those on the government side to reflect on those words and keep these very important gender workplace reporting mechanisms on our books.

I also wish to place on record my concern with the finance minister's recent statement that he believes women in parliament are a 'side issue'. Again, if we have professed concern about gender inequality in all of its forms then I would ask the finance minister to reflect on his very inappropriate remarks about the representation of women in this place.

I conclude my remarks by addressing and putting on record our concerns about cuts to foreign aid funding. If Australia is playing, as it should, a strong role in the international community in supporting women's rights and supporting equality for women, then how on earth can we achieve that by cutting a projected $4½ billion from overseas aid funding in the forward estimates? That makes a mockery of the commitments that Australia was part of making, in recent weeks, at the convention on the status of women, and I would again urge the government to not take that step of cutting this crucial funding that will, in fact, help the status of women across the country.

Senator MOORE (Queensland) (16:44): I too wish to take note of the statement that has been presented to us today. In particular, I want to put on record my appreciation to the minister for making this statement public and bringing it into the chamber. This is an issue we have discussed many times at Senate estimates. It is very important, when we take our position as a nation to the session of the United Nations Commission on the Status of Women, that it is brought back into this chamber for discussion. So I want to note the minister's action in doing that.

The 58th session is particularly important because at the moment the UN is looking at what is going to happen in the challenges, achievements and implementation of the Millennium Development Goals for women and girls. Certainly, the statement that Minister Cash presented in relation to the delegation of the 58th session was a positive statement. It talked about celebrating what we have achieved in this country around the issues of the Millennium Development Goals. We must celebrate the fact that in this period nations of the world worked together to look at issues around poverty and to make an international commitment to move forward. And we had a goal: to look at the independence and empowerment of
women—which was goal 3. This is a goal that has not been universally successful around the world. The issues which Minister Cash focused on in relation to the statement were things with which we can agree across the chamber. Certainly we agree with the statement that it was a commitment for all of us.

Minister Cash also noted the appointment of the Ambassador for Women and Girls. That is a wonderful process that will move into the future based on an initiative of the Labor government. In the future we will be able to see the importance of having such a position. Through the position of ambassador—and there is no-one better than ex-senator Stott-Despoja to take up that role—Australia could then move internationally to look at how we can engage with the women and men of the world to ensure that Australia can take a leading role through our aid program to improve the safety of women and focus on the development of women's issues.

The minister went on to talk about the most important element—absolutely no tolerance for violence against women and girls. She went on to talk about the National Plan to Reduce Violence Against Women and their Children, which is an important element of public policy which this government has taken forward, again on the basis of things that had been done before. It is so important that there is this cross-government commitment to looking at the issues of safety for women and girls in our country.

I take on board points that were made by Senator Waters in her contribution. In terms of looking at the empowerment of women in our nation, it is clear that there must be an effective review of what we are doing. We had a review built into the National Plan to Reduce Violence Against Women and their Children program. The program can be assessed and we can look at real achievements and work with organisations and individuals who have made a difference in their communities.

Unfortunately, over the last couple of years, at the same time as there has been investment in issues around domestic violence in our nation—both in programs to support victims and also in raising awareness—we have seen some frightening statistics, as you would know Madam Acting Deputy President Ruston. As recently as International Women's Day there were a number of articles in the Australian press that talked about the fact that there are more women suffering—more victims of domestic violence—across our nation than in the recent past. There needs to be a greater focus on debates around violence, awareness and safety in our community. There is no doubt that that is an important element for us in Australia. It is also important as we move into the international framework where we all agree on the need to look at the safety of women. We need to have the data to ensure that we can say that what we are doing is effective.

On that point, one of the clear issues around goal 3 in the Millennium Development Goals was the issue of the empowerment of women and their independence. I take on board, absolutely, Senator Waters's comments about the Workplace Gender Equality Agency. The rise of the Workplace Gender Equality Agency, which has taken many years, has been as a result of reviewing what has been going on. It is all very well to make splendid speeches. It is all very well to be extraordinarily passionate about the fact that women need to have equal opportunity in our country as well as overseas. But if we do not have the data to back that up—if there is no agreed independent assessment of data to indicate what is happening in our
workplaces—then it is something that we can talk about in a rhetorical way but we cannot actually see what works and what does not work.

We have in place the basis for making that data available in Australia, after years of discussion. We have all talked about how many times we have won equity in wages in this country. Very soon after I came into this place I made a statement that we had celebrated equal pay in Australia, I think, at least four times—and we have still not got it. In fact, the pay gap now is around 17 per cent—but we are not sure. We know it is around 17 per cent but we have not been able to identify in which industries and in which workplaces these gaps are wider, and what causes them.

So one of the reasons that the Work Place Gender Agency was put in place—with expectation that it would collect data—was to ensure that we had that database. We are just waiting to see the first round of results from the first full year of data collection. They are confronting. We have already seen some of the data come into the public domain. That data shows that in some industries we are not achieving true equity for women in Australia—let alone comparing favourably with the international community.

We need to look at that data, see why that is happening and then put effective, responsive policies in place to ensure that we get the results that we all seek—that women who are working in our country can expect to have equitable wages so that they can make independent assessments and decisions about their lives. We know—certainly in the international context—that when you have economic security you have the ability to make choices around education, employment and around personal safety. All too often we see that the most vulnerable are those who suffer the most in our community.

One of the really positive aspects of the ministerial statement that was made on our behalf at the UN meeting was a commitment that we would work together in the future. We are committed to designing a post-2015 development agenda that works in the international arena to look at meaningful progress in our spheres of development and look at effective ways to drive economic growth and build stronger societies. Australia has had a strong history in working effectively in the international aid area in looking at issues around women and girls—maternal and child health, reproductive support and education opportunities for women in developing countries in our region.

We have recently seen cuts in our aid budget. I think that is something we need to review in the context of what will be the expectation for women and girls in those regions. I am not saying that there should not be any review generally of our international aid budget, but, if we are looking at our commitments through the lens of women's independence and security, we need to look at what programs there are in our international aid budget, working with the Ambassador for Women and Girls, who has a key role in looking at international aid and the developing nations. We need to continue to work effectively in that space.

At the International Women's Day celebrations we had in Australia, we had a commitment from Minister Bishop and Minister Cash that that would be part of the way that the international aid budget is being planned and reviewed—that women's independence and security would be part of that process. We have an opportunity. We have had a wonderful history of Australia working at both the national and international levels to see how we can ensure that women have their rightful equitable place in our community.
After the 2015 process, much of the focus will be on what is going to happen next. One of the clear challenges for all of us is that we need to continue to have a special focus on women and girls. There is no argument about that. We will need to continue that process. Each year when Australia goes to the United Nation's Commission on the Status of Women, we can proudly say what we have achieved in our own nation—how we have worked cooperatively with our neighbours, in particular, to see how we look at the independence and security of women and know that this parliament, as part of that process, will be able to review what has happened and will be able to be part of any statement that is made. It is not for us; it is with us. (Time expired)

Question agreed to.

DOCUMENTS

Order for the Production of Documents

The ACTING DEPUTY PRESIDENT (Senator Ruston) (16:54): I present a document listed on page 4 of today's Order of Business which was presented since the Senate last met.

The list read as follows—

Return to Order (pursuant to Senate standing order 166)

Education—Heads of Agreement on National Education Reform—Order for Production of Documents—Letter to the President of the Senate from the Minister for Human Services (Senator Payne) responding to the order of the Senate of 17 March 2014 and raising a public interest immunity claim, dated 21 March 2014. [Received 21 March 2014]

Western Australia: Shark Culling

Tabling

The ACTING DEPUTY PRESIDENT (Senator Ruston) (16:54): I present a response from the Minister for the Environment, Mr Hunt, to a resolution of the Senate of 4 March 2014 concerning the shark cull in Western Australia.

Senator SIEWERT (Western Australia—Australian Greens Whip) (16:55): by leave—I move:

That the Senate take note of the response by Minister Hunt to the resolution of 4 March on the shark cull.

I must say that I am not surprised at the minister's response, although of course I am disappointed that the minister has yet again failed to enact the intent of the motion that the Senate passed on 4 March about the Western Australian shark cull. He makes three points in his letter. One is that he does not have to look at the impact of the shark cull on the mako sharks that have been taken during the cull. We are aware of two; there are possibly more, but there has not been a report for around two weeks on the number of sharks that have been taken. He said that it is a migratory species and he only has to pay attention to Commonwealth waters. That is as though an impact in state waters is not going to impact on sharks in Commonwealth waters. It is extremely disappointing that he does not seem to be concerned that this indiscriminate shark cull is impacting on a migratory species.

Secondly, the minister says that he decided in the national interest to temporarily exempt the Western Australian shark cull from the provisions of the Environment Protection and Biodiversity Conservation Act. We are talking about the fact that, as of two weeks ago, 104
sharks had been caught, 101 of which were tiger sharks, 30 of which had been destroyed, about another 10 had died on the hooks and others had been released, although—because this is not being monitored by the government—there is a lot of anecdotal evidence that suggests that these sharks are not surviving their release. In fact, a shark was released today and there are photos available that show the shark lying on the bottom of the ocean and not looking very healthy. That is further evidence that these sharks are being significantly harmed. I do not think in any way, shape or form that either the Western Australian government or the federal government can claim that the environmental impact of this shark cull, with drum lines, is minimising environmental harm.

One of the problems is that the federal government granted an exemption, which they are now failing to monitor. They did not require any independent monitoring or observation. I received a letter from the minister today, separately, in response to a letter I wrote to him. He said that they are using the hooks they said they were going to use. Those hooks are causing environmental damage, so why aren't they picking that issue up? They have washed their hands of this issue because they have granted an exemption. That exemption in itself is a misuse of section 158 of the Environment Protection and Biodiversity Conservation Act. That provision is used for granting exemptions in the national interest. When we are talking about the national interest we are talking about emergencies such as bushfires and floods. They had to put in place emergency provisions to look after the pipistrelle bat to save it from extinction. Unfortunately, they put the provisions in place too late and they did not save it from extinction.

To get back to the issue around exempting the drum-line provisions, that is a misuse of the provisions, which is why I tabled today a motion to introduce a private senator's bill—Save Our Sharks Bill 2014—that would stop the use of this exemption clause, section 158, to allow drum lines to be put in place. It is misuse of that provision. It was never intended for this sort of action. It was convenient for this government to aid and abet Premier Barnett's knee-jerk PR exercise to make it look as though they are doing something about sharks when, in effect, it is causing a great deal of damage. It is not improving the safety of ocean users in Western Australia. The idea was to aid and abet the Western Australian government and put in place the drum lines.

This bill will stop that abuse of the exemptions provision of the act. It will be effective from 17 March. That means not only that the drum lines will have to come out straightaway but also that the Western Australian government will be stopped from going ahead and putting in more drum lines in Western Australia after 30 April. In the letter that I have received from Minister Hunt, he says that the Western Australian government have advised that they propose to establish an ongoing shark mitigation program—in other words, the drum line program will be extended from 30 April. The Minister for the Environment, Mr Hunt, has said he has told the Western Australian government that the rollout of any extension of the program beyond 30 April will require a full assessment under the national environmental law. It is a pity he did not do that previously. There is absolutely no doubt in my mind that the Western Australian government will seek another extension to enable them to roll out the drum lines while the assessment process is being undertaken. It is quite clear that that will be their intention.
The bill that I will read into the *Hansard* tomorrow will stop that from occurring. It will stop the Western Australian government from rolling out those drum lines, because they will not be able to seek an extension from the federal Minister for the Environment to facilitate the rollout of those drum lines. We know that this is a knee-jerk reaction from the Western Australian government because great whites are not prevalent off the Australian coast at this time of year. We know it is from September through to December. So it is important that we do not allow the Western Australian government to continue to roll out the drum lines because even more sharks will be taken during that time.

It is essential that the Australian government stops this program, stops this indiscriminate cull of Western Australian sharks, and starts looking at measures that really will help with the issues around safety, that will involve discussions with the community, and puts in place measures that genuinely work. In Western Australia yesterday we saw another example of the community's opposition to the shark cull when we gathered at Leighton Beach, just near Fremantle, to form a human shark so that we could again send a clear message to both the Western Australian government and the federal government that this shark cull is indiscriminate, it has environmental impacts and Western Australians love their marine environment. They do not support this indiscriminate program that culls sharks. They want a more thought-out approach rather than Premier Barnett just making it look as though he is doing something, making it look as though he cares. If he cared he would not be going ahead with these drum lines just to be seen to be doing something; he would be investing those resources in better research and better alternatives and looking at what works overseas. For example, in Brazil they have drum lines but they are three kilometres offshore, much further offshore. They use hooks that do not damage the sharks. The sharks are released and continue on their way. There is also a shark spotters program in South Africa that has proven to be very successful.

While the bill would remove this exemption, the minister has said he would carry out an environmental assessment program. He should be assessing drum lines around Australia. They consistently use Queensland as an example of a program that works when, in fact, I have articulated to this chamber on several occasions how that program does not work. We need to be using the Environment Protection and Biodiversity Conservation Act to protect sharks. That is what the act is for; it has got the words 'protect biodiversity' in it; that is what that act should be used for. We should not, for example, be misusing section 158 to exempt a program that kills and maims sharks. It is having an unacceptable environmental impact; it should stop; we have got a bill to make it stop.

Question agreed to.

**DOCUMENTS**

**Review of the South Australian Economy and the Victorian Manufacturing and Industry Economic Review**

Order for the Production of Documents

**Senator BIRMINGHAM** (South Australia—Parliamentary Secretary to the Minister for the Environment) (17:05): I table a document relating to the order for the production of documents concerning the economic review of South Australia and Victoria.
Senator KIM CARR (Victoria) (17:05): by leave—I move:

That the Senate take note of the document.

I would like to draw the Senate's attention to the government response to an order for the production of documents which I moved regarding the economic reviews of South Australia and Victoria. I asked that the minister provide copies of the Review of the South Australian Economy and the Victorian Manufacturing Industry Economic Review, and that was agreed to on 20 March. To date, we have the government's response, which consists of a letter—it was not even read to the chamber; it was tabled—which says, 'The review is to be completed by the end of February, with reports to be ready to be released by mid-March. Given Toyota's decision in January to cease manufacturing in Australia by 2017 and Alcoa's decision in February to cease operations in July this year, the scope of the review has been broadened and as such there is an extended period of review.'

I would have thought it would be a simple proposition for the minister to explain that the government is seeking to extend the period of this review rather than trying to drop the letter in such a way that—hopefully—it will not be noticed. I say that in the context that the government has maintained a position that they would have these reviews ready by February. In fact, it was said as late as 19 February that the Prime Minister told the Victorian Premier: We'll be getting our report on the Victorian economy; we'll be getting it in about 10 days' time, so early in March we'll have some announcement to make … That was the position just a few weeks ago. But the letter that has been tabled here today suggests there has been a change of plan. Why has there not been an announcement of the change of plan? It strikes me that what we have here is yet again a government that shows contempt for this chamber and, more importantly, contempt for Australian workers.

We know that the situation in manufacturing is critical. We know that, as a direct result of this government's policies to drive the automotive manufacturers out of this country, there are going to be tens of thousands of jobs lost in this industry. We also know that the situation in the north of Melbourne is deteriorating because we have a state government that does not seem to appreciate the urgency of the task any more than the federal government does. People are now at risk and are incredibly anxious. It does not take a political genius to appreciate that, on every single issue on which public expressions of opinion have been stated, the question of jobs is at the foremost of people's consideration.

The government of South Australia, which was seriously at risk politically, has been re-elected. I would say that is as a direct consequence of the concern that has been expressed. I am more than happy to acknowledge there are crises in the health system as a result of the inadequacies of the Commonwealth government, there are the lies and duplicities about education and there are of course the constant references to the reduction in services by this government, but amongst all of those there is concern about the future of quality jobs. We have a government that seems to have no appreciation whatsoever of the urgency of these matters.

An investment fund was established by Labor in response to Ford's decisions, decisions which of course were made on the basis of their view of the future of the automotive industry and which was affected by no small measure, even back then, by the prospect of a coalition government. That fund was announced and applications for assistance for new investment proposals actually closed back in September. What does this government do about that? It
chooses not to make any announcements. It made one announcement with regard to Geelong only recently. I understand that it might have made a second one just last week.

What do workers in the north of Melbourne say about this? Can they look to the government for assistance? Can they look to the political system to actually respond to their anxiety? Not this government. The government will not release these reviews because it knows how serious the situation really is. Let us get to the nub of this so-called broadening that we are looking at. The government is trying to find alibis for its failure to deal with the real concerns that working people in this country have about the future of their livelihood.

The government set up the Commission of Audit. We know that is about cuts. We know that the Productivity Commission is really a post-mortem into the automotive industry, because the government had a deliberate policy to destroy that industry. We are told by the minister that the Productivity Commission will now broaden its work to look at components manufacturers. Yet no instructions or advice were provided to the Productivity Commission to change the scope of its inquiry. This is a government that does nothing other than search for excuses and alibis when it is in fact trying to hide the consequences of its policy, which will actually see the undermining of industrial conditions, wages and people's job security. It is an attempt by this government to walk away from what has been a traditional concern of government—that is, an investment in the future of jobs. That is what the public want to hear. They want to know: has this government got a plan for an investment in the future of jobs, rather than allowing the free marketeers to rape and pillage the Australian economy and allowing the transfer of jobs to other countries.

At the heart of this is the government's absolute obsession with destroying industrialised or organised labour. When you look at all the industries they are seeking to drive out of the country, what do they have in common? Strong unions. The government have a political motive here as well. It has now been expressed so many times by their sycophants in the right wing press. Their political motive is very simple: destroy the unions. They think that if they destroy the unions they will destroy the Labor Party.

What you will not face up to is the fact that you are actually destroying people's lives. You are actually destroying the conditions of life that provide the security of employment and the prosperity that people have a right to expect. This country is not just a country for the rich man; it is supposed to be a country that actually allows for people to prosper at all levels of society. But your policy is about stripping that fundamental assumption away—the so-called removal of the right to 'the age of entitlement'—the entitlement to a decent standard of living and the view that, if you are not rich and powerful, you have a right to expect that the government will actually be there to ensure that the prosperity, the incredible wealth of this country, is shared throughout the nation. So much for broadening your inquiry. What you are trying to do is get past the Western Australian election. That is the broadening of the inquiry. We know that the Productivity Commission brought down its report to try to get past the South Australian election. So the latest stunt that we are now seeing is: how do we get past the Western Australian election, in an effort to try to dupe people about the prospect of this country actually being able to provide the economic security for all its citizens, not just for those who are already in incredibly wealthy and powerful positions.

We have here a clear case of secrecy and a case of broken promises yet again. This is the hallmark of the government—you have to do stuff in the dark; you have to try to hide it from
people and you have to tell them, 'We know that it is good for you to take wage reductions, it is good for you to have your penalty rates reduced and it is good for you not to be able to look towards the government to provide the economic security that we have traditionally come to expect.' This is a government that says to working people on average weekly earnings—in the manufacturing industry, the average wage is about $58,000 a year—'You have it too good. You have to take a wage cut, you have to reduce your economic security, and it does not matter if the consequences are adverse for your family, because we're in the business of looking after those who can already look after themselves.'

Senator BIRMINGHAM (South Australia—Parliamentary Secretary to the Minister for the Environment) (17:15): Mr Acting Deputy President, after the breathless and hysterical performance we just saw; after the ranting and raving from the senator for North Korea in this chamber, it is little wonder that those on the other side have such little confidence in him—and that Senator Carr finds himself in and out of the industry portfolio over the years. Many seem to doubt his capacity in this portfolio. Certainly, his tenure as industry minister in the previous government demonstrates a significant lack of capacity, as funds came and went, and were axed and then grown, and then axed again, and the swapping and changing that occurred under the previous government that caused such a crisis of confidence in Australia's industry, especially in the manufacturing industry, in relation to the situation that government had created. Senator Carr tried to create a big deal about the fact that the statement provided was not read to the chamber. Of course, having been a minister off and on in different portfolios in the previous government, he would know full well that these statements are generally tabled, as exactly was the case. There was nothing exceptional about that. Senator Carr was just seeking to make a cheap political point.

Senator Carr wanted to talk about jobs—well, the truth is that if he and the Labor Party cared about jobs, and if they truly cared about creating jobs in this country, they would at present be getting out of the way of the reforms this government is seeking to introduce. If you listen to Senator Carr, all you need to worry about to create jobs is having some kind of comprehensive government industry plan—that is how you create jobs. But that is not the case at all. Yes, industry plans and industry funds are important, of course; but they pale into insignificance when compared with the fundamentals of how we structure the economy, how the government taxes the economy, and how all of the different areas of government regulation impact on the economy. It is not government that creates jobs. It is industry and business that create jobs. Government policies simply have a great capacity to impede the ability of industry and businesses to create jobs. And that certainly is what those opposite are doing at present.

Just last week, we saw them come in here and vote against the government's attempts to repeal the carbon tax, a multibillion dollar annual cost on Australian jobs and on Australian businesses that flows through to all aspects of the Australian economy. We see them continuing to filibuster against the government's attempts to repeal the mining tax, a tax on jobs, once again, in some of our most successful industries. We see their opposition to our attempts to reinstate the Australian Building and Construction Commission—an initiative to make sure that we actually stamp out rorts and union practices that drive up the costs of doing business in Australia and eliminate competitiveness for this country. All of these things that we as a government are seeking to do are fundamental to trying to make Australia a more
It is not about lower wages, as Senator Carr wants to claim in some type of fearmongering campaign, but about lower costs for businesses to operate under. Lower costs can create more economic activity; lower costs and lower taxes can create more jobs. Senator Carr may not be here to listen to these remarks, but if he was serious in caring about jobs, and if he was serious in caring about growing the Australian economy and creating more high-paid jobs, then he would be supporting the government in our measures to reduce the tax base and increase competitiveness in Australia. He would be supporting our measures to grow free trade, and to establish and finalise free trade agreements with other countries. We have already done so with South Korea, and we are aggressively pursuing opportunities with China and Japan. He would be supporting those things—but no, he carps and complains from the sidelines. If it is not fear about wage cuts, it becomes fear about other areas of government spending reductions. Senator Carr rails on about the Commission of Audit and what it might be doing. Never mind the fact that he seems to completely ignore: the reality that the previous government was completely incapable of controlling their spending and completely incapable of managing a budget. —

Senator Bilyk interjecting—

Senator BIRMINGHAM: You can sigh all you want there, Senator Bilyk, but you were part of a government that in cumulative terms generated $123 billion worth of budget deficits—

Senators Bilyk and Moore interjecting—

Senator BIRMINGHAM: That is your legacy, Senator Bilyk, and yours, Senator Moore—

The ACTING DEPUTY PRESIDENT (Senator Whish-Wilson): Please address your comments through the chair, Senator Birmingham.

Senator BIRMINGHAM: Through you, Mr Acting Deputy President, that is the legacy of Senators Bilyk and Moore as members of a Labor government that generated $123 billion of cumulative budget deficits and racked up gross debt that is spiralling towards $500 billion dollars if it stays on the same trajectory. So of course we have to make changes! If we sat back, that debt would just keep growing, and create an unsustainable burden on future generations. If those opposite care about jobs and if they care about the future of this country; if they care about future generations in that sense, they will support us to bring the budget back under control and to restore competitiveness for business and industry—and people like Senator Carr, who belongs in another era, will be cast to that other era in future, so that we do not have to deal with those who seem to think that the only answer to jobs is more government intervention.

Senator GALLACHER (South Australia) (17:21): I rise to make a contribution to this debate on the government response to an order for the production of documents. The honourable—well, he's not quite the honourable yet, are you Senator Birmingham? What a display of absolute contempt for his own state of South Australia! Here we have a government that walked away from manufacturing. We have had a contribution from Senator Birmingham in the chamber which was chilling in its lack of empathy for workers. They will
find other jobs;' he said, 'there will be other jobs'—in this brand-new economic world he is building. He cannot point us to any of those jobs. He cannot tell us where those thousands of manufacturing workers and component suppliers are going to fit into this brand-new world of his. I might practise doing my belt up and putting one hand in my pocket as he does—it might make me look a little bit more politician-like!

His opposition in South Australia took to the electorate very, very clearly the statement: 'We are about business. We want to reduce land tax. We want to reduce the cost of business.' They did not win enough seats to form government. So your message, Senator Birmingham, to those workers in manufacturing and other places—

*Senator Birmingham interjecting—*

**The ACTING DEPUTY PRESIDENT (Senator Whish-Wilson):** Order! I remind senators that interjections are disorderly.

**Senator Gallacher:** The message of Senator Birmingham and his cohort to the electors of South Australia was not that well received. In fact, it was not that well understood. They chose to stay with a government that supports manufacturing workers and, in fact, cares for all workers across the South Australian economy.

We have had this group of South Australian senators arguing against the Woomera bill, which is another attempt by a Labor government to get in and supply some opportunities for people in the economy. But, no, Senator Birmingham's model is: 'It is someone else's fault. There is a great big pile of reasons why we cannot do anything about manufacturing jobs. We are going to blame them and hope for a future plan.' But there is no future plan. The Commission of Audit report will come out and inflict more pain on more sectors in the government's grand desire to recreate this new fiscal world that they think we should all live in. I do not know where the place for manufacturing workers is. I do not know where the place is for the 70 per cent of our children who do not go to university. Where is it?

We heard Senator Birmingham say, 'They will go into this new economy we are creating.' Let's articulate a few of those jobs. Where are they? They are not going to be in building cars—we know that. They are not going to be in making car components—we know that. There is an awful doom and gloom hanging over the air warfare destroyer project. There is a work gap there which means that there could well be an exodus of skills. Let's be fair, Senator Birmingham: your predecessors, who were very much more influential in their governments, created a defence environment in South Australia which we sought to continue on. But you did not even get up and articulate the case for your own state in respect of the air warfare destroyers.

**Senator Birmingham:** What did you add in six years? Name one thing you added.

**The ACTING DEPUTY PRESIDENT:** Order, Senator Birmingham! Interjections are disorderly.

**Senator Gallacher:** You did not get up and articulate for it. You paint this picture of a great big new world, but you will not tell a worker where he has an opportunity. You will not point to manufacturing and say, 'We have a plan,' because you have your Commission of Audit. Also, you had an inconvenience or two. There was a state election. Oh, my goodness, there is another inconvenience on 5 April—a Senate election. So you are saying: 'Let's not tell anybody in the economy what the plan is seven months after we were elected. Let's just keep
blaming the carbon tax and the minerals resource rent tax.' You are blaming everybody but yourselves.

Your message to the South Australian electorate fell on deaf ears. If you cannot win the seats in a parliamentary democracy, you cannot form government.

Senator Birmingham: Sure, but don't claim it as an overwhelming endorsement for you.

Senator GALLACHER: The fact is that there is a South Australian Labor government as we speak, formulating plans to help out those people who may be dislocated in manufacturing, to continue opportunities in the defence industry and to get together with the federal government to take up the mantle of making sure that South Australia is a good economic place to be. There will be opportunities for all, not simply business.

What is this government trying to hide? Have they a plan or are the 900 pages of the Commission of Audit report so terrifying even to themselves that they cannot release a part of it? Are they going to wait until after the Victorian election in November to give us a look at it? Can they keep blaming Labor for all the ills of the economy right up until the Victorian election? After that they might have a bit of clear space to come out and say what they are doing. I think it is probably about time that people were honest enough to articulate their standing and positions. Our position is that we are on the side of the workers. We are on the side of manufacturing and the small and large businesses that hang off it. We are interested in creating an environment in South Australia, in conjunction with the federal government, which will create opportunities and jobs in areas where people are skilled.

It is very clear that there will be workers moving from automotive manufacturing into all sectors of the South Australian economy. That is right and proper. As that industry winds down, those people will take their skills, wisdom and even investment dollars, perhaps, into all manner of sectors. That will be a challenge, but I have faith that those people will go forward in a good way. But there needs to be a package that is designed to facilitate that to ensure that we get the greatest outcome for these resources that will be deployed elsewhere in our great economy. If we do not have that, we will just have a situation where another zone of Adelaide will have layer upon layer of unemployment. That will be costly to the federal government. So why they did not come out and release a package of support and have it on the table prior to the South Australian election is beyond me.

But it is probably not beyond Senator Birmingham. He probably knows all about that and he will get up and give another dissertation at another point in time and tell us, 'It's all going to be good. I will just pop my jacket on, put one hand in my pocket, wave my magic wand and the whole economy will be hunky-dory. The worries of workers who are facing redundancy and families wondering about where their next dollar will come from will all disappear because we are going to create this bright new future.' I am going to wait in this chamber, Senator Birmingham, while you describe that to me, and then I am going to test where a manufacturing worker would fit in that new scenario of yours. That is because you cannot just wave a magic wand and say, 'Remove land tax, do this for business or do that for business.' It is going to create a whole new future for people and a future they will have for 50 years. It is not going to happen with a wave of your hand, a hand in the pocket and a look around the chamber.
You really have to articulate some fair dinkum stuff here—something real and tangible—that the people in the northern suburbs of Adelaide can listen to and say, 'That fits me. I could probably get into that sector.' Whether it is a hub like the one we developed down at Mitsubishi after its closure. The new hub down there is starting to reach some sort of reasonable activity level. Are we going to have one of those in the north? We are waiting with bated breath, but we cannot be told.

The Special Minister of State, Senator the Hon. Michael Ronaldson told us, 'I can advise that the reviews of the South Australian and Victorian economies are nearing completion.' Nearing completion! He went on to say, 'The government is currently liaising with both of the relevant state governments and two expert panels to finalise reports and we expect to make an announcement in the coming weeks.'

We did hold it up for a fair while. Let us be reasonable. Let us get something on the table for the South Australians who are in the firing line, if you like—the pun is intended—and also for those people in the Victorian economy who are suffering a similar malaise. I implore the government to put aside their partisan views from time to time and actually work in the best interests of those workers who face dislocation in these very important sectors of our national economy.

Senator BACK (Western Australia—Second Deputy Government Whip in the Senate) (17:31): I only rise to speak in this debate about the reviews of the South Australian and Victorian economies because what I like to see in this chamber is reasonable debate—but I will never ever stand by and listen to hypocrisy and cynicism writ large, such as that which we had from Senator Carr in his contribution to this particular discussion this evening. It was when Senator Carr was the minister—Carr by name and car by nature—that we actually saw visited upon the car manufacturing industry in this country the worst levels of cynicism that, I think, are imaginable.

They were firstly—through you, Senator Mason, because you would remember it well—the imposition of a carbon tax equating to some $400 per vehicle. That is $400 per vehicle, in case Senator Bilyk did not hear it, on an already desperate and desecrated manufacturing industry. I remind the chamber and those listening that there were one million cars sold in this country per annum in the last two to three years. The proportion manufactured in this country has declined from 20 per cent down to some 10 per cent.

This is the consumer—to my good colleagues on the other side—making his and her own decisions with regard to the types of vehicles that they want to purchase. Unless, the Labor opposition—supported by the Greens—is thinking about going back to nationalising the car industry or vehicle protection, who can possibly imagine what greater harm you could do to an already failing and fading manufacturing industry than to put a $400 tax on locally manufactured vehicles—but no $400 tax on imported vehicles?

But that was not enough. We hear from Senator Carr—and regrettably from Senator Gallacher, for whom I have far higher regard than I have for Senator Carr—some comments about the role of the coalition in the demise of the car manufacturing industry. I do remind those on the other side that, unless I am mistaken, it might have been under Labor's watch that Mitsubishi actually ceased manufacturing. I am delighted to learn about the hub that has now been created, but it was under the Labor government that Mitsubishi pulled the pin. I believe
the Ford company also made its decision to cease manufacturing whilst Labor was in government.

When it comes to Senator Carr accusing the coalition with regard to General Motors, I can report that, whilst I was in the United States in the latter part of last year, I actually heard a question asked to an executive of General Motors in Detroit. When he was asked whether there was going to be a discontinuing of vehicle manufacturing by General Motors in Australia, his retort was, 'Didn't we stop manufacturing Holdens in Australia straight after the global financial crisis?' He did not even know that we still were manufacturing General Motors Holden vehicles in this country as recently as 2013. Let me remind Senator Carr, in case he was not aware or had forgotten, that Detroit recently declared itself bankrupt. They were bankrupted because of the failure of decisions they had made. This coalition government will try to protect the long-term jobs of people in the industry. We will not stand by and see cynicism or hypocrisy from Senator Carr.

The ACTING DEPUTY PRESIDENT (Senator Whish-Wilson): Order! The time for debate has expired. Senator Back, you will be in continuation at some point in the future.
(a) Senator Carr be discharged from and Senator Pratt be appointed to the Economics References Committee; and

(b) Senator Carr replace Senator Pratt on the Economics References Committee for the committee’s inquiry into Australia’s innovation system, and Senator Pratt be appointed as a participating member.

Question agreed to.

BILLS

Export Market Development Grants Amendment Bill 2014

First Reading

Bill received from the House of Representatives.

Senator MASON (Queensland—Parliamentary Secretary to the Minister for Foreign Affairs) (17:37): I move:

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

Question agreed to.

Bill read a first time.

Second Reading

Senator MASON (Queensland—Parliamentary Secretary to the Minister for Foreign Affairs) (17:38): I table a revised explanatory memorandum relating to the bill and move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

The changes proposed in this bill, the Export Market Development Grants Amendment Bill 2014, deliver on the coalition's pre-election commitment to progressively restore funding to export market development grants starting with an initial $50 million boost.

The export market development grants program provides funding for the partial reimbursement of eligible export marketing expenditure for small and medium enterprise exporters. These grants assist small and medium sized enterprises to enter new export markets and become self-sustaining exporters.

The 2013 Mid-Year Economic and Fiscal Outlook allocated an additional $50 million over four years. The associated policy changes required to give effect to this provision, as well as some additional administrative enhancements to the scheme, are contained in this bill.

This increased funding of the Export Market Development Grants Scheme is designed to progressively restore the funding to the scheme, which had been cut by $25 million per year by the previous government, and thereby, seek to boost Australia's manufacturing and services export base.

This cut that was witnessed under the previous administration says much about Labor's lack of feel for small and medium businesses. It shows that they were more interested in meeting a political objective than in supporting the engine of growth that small and medium business is in this country.

To achieve the objective that we have set, to increase the manufacturing and services' export base, the bill increases the maximum number of grants per applicant from seven to eight, and reduces the required expenditure threshold to qualify for a grant from $20,000 to $15,000. Based on the profile of last year's applicants, this will enable hundreds of extra small businesses to benefit from the scheme. Currently the export market development grant does not reimburse the first $5,000 of an eligible claim;
this will drop to $2,500—around 85 per cent of export market development grant recipients will receive an extra $2,500 per grant as a result.

To illustrate what this means:

A new business with a unique product that has only had a market overseas and is looking for their first sale and is spending just $15,000 on export promotion will now get a $5,000 grant. Previously they would have received nothing;

An experienced exporter who has received the maximum seven grants in the past, but whose export business had dried up due to the high exchange rate, for example, will now be eligible to apply for an eighth grant to help try and recover those markets now that, say, the exchange rate is improving, of up to $150,000. Previously they would have received nothing.

The improvements the coalition is making will benefit many small business exporters in rural and regional areas. Businesses like:

Wrightcom Australia, exporting agricultural equipment from near Echuca;
Carbon Revolution from Waurn Ponds, exporting premium-priced carbon fibre wheel rims;
Ramler International from Cheltenham, providing seating products to a global customer base that's included the London Olympic Village, US airports and hotels; and

The Angus Society of Australia, promoting beef exports from Armidale in New England and hundreds more are now eligible for higher grants and more grants than have been provided previously.

It is in line with the coalition's overarching economic objective to remove from centre stage unsustainable government spending, endless and economically damaging rule changes and new taxes, and replace that with robust growth of the private sector, to back our strengths in doing that. Small and medium enterprises are the engine room of the private sector. They are historically the greatest source of innovation in our community. They need to be unshackled from the endless rule changes, the high taxes such as the carbon tax, and they need us, where we can, to give them the assistance to break into new markets. They have not got the infrastructure, they have not got the experience, they have not got the opportunity, they have not got the resources, to go to some of these foreign markets. And to achieve success, to penetrate these markets in an informed way, providing some small measure of assistance has proven enormously successful. This is probably the most successful small business program that we have witnessed over the last 10 or 20 years. This Export Market Development Grants Scheme has been demonstrably successful. It has delivered a massive dividend to the Australian taxpayer. This measure of support gives not only some support. It gives hope. It gives a sense of partnership, in that these people are taking a risk, going out there and risking a lot of their own funds, and they are getting some measure of support from the community. These are elements that are very important if we want to ensure an export-led growth by small businesses, if we want to get trade and investment as a leading edge of sustainable economic growth and sustainable jobs.

The government is seeking to introduce this bill now to address urgently the need to boost Australia's manufacturing and services export base as rapidly as possible and to provide certainty for small businesses as they consider their export marketing plans into the future.

I commend this bill to the Senate.

Debate adjourned.

Minerals Resource Rent Tax Repeal and Other Measures Bill 2013
Second Reading

Debate resumed on the motion:
That this bill be now read a second time.
to which the following amendment was moved by Senator Milne:

At the end of the motion, add:

"but the Senate calls on the Government to recognise that the benefits of the mining boom should be enjoyed by all Australian society by:

(a) applying a 40% tax rate to all minerals,
(b) rebating only those royalties that were in place at July 2011, and
(c) allowing depreciation on the book value of the amounts actually spent on mining infrastructure only."

Senator WATERS (Queensland) (17:38): As I was saying in my contribution on this bill earlier, the last time I checked we did not have Rio, Xstrata or BHP in charge of this place yet. In fact, we were here to represent people. Earlier I was cataloguing the changes that those companies had succeeded in making to the original resource super profits tax, including downgrading of the tax from 40 per cent as originally proposed to an effective 22½ per cent and, of course, leaving out most of the minerals that it was originally designed to cover, shrinking it down to just coal and iron ore.

Perhaps one of the most offensive loopholes which was inbuilt into the MRRT was the royalty rebate, which, frankly, has been a total lark. It has allowed the MRRT revenue to be eroded by state governments. The Australian Greens, on advice from Ken Henry, had sought to close this loophole. Sadly, at the time we received absolutely no support. The Henry tax review had recommended replacing royalties entirely with a profits based tax but had said that as a second-best option there could be a royalty rebate, but only if those royalty regimes were fixed at a particular point in time so as to ensure that the Commonwealth did not then automatically fund future increases in royalties. Well, what do you know? That is precisely what happened when Western Australia, New South Wales, Queensland, South Australia and Tasmania upped their royalties: this left the Commonwealth responsible for rebating those mining companies that increase. What a farce! I do not think you have ever seen the design of a tax and rebate system more farcical than that.

The Greens had the Parliamentary Budget Office cost closing that loophole and estimate the revenue that would have been raised had that loophole been closed. Their estimate was that it would total $2.2 billion—a significant amount for a very small change. Because we received no support at the time for that amendment, the loophole remained on the books. History shows the mining tax has barely raised a dime. The other feature of the MRRT which made it less effective than originally envisaged was the depreciation rules, meaning that mining companies were able to price their assets using today's inflated market rates and then claim massive annual deductions under that amount—not what they had actually spent on capital investment.

The $4 billion that was expected to be raised under the MRRT this financial year was, because of those exemptions, reduced down to an actual amount of $232 million. This is an absolute tragedy considering that the profits of the three big iron ore companies to whom the tax applies have risen by 81 per cent in this financial year. Their combined half-yearly profits were $14.6 billion; the half-yearly profit for Rio was $6.4 billion and, for BHP, $6.5 billion. If they are not superprofits, then I do not know what are.
Most of those profits are shipped offshore. We know that more than 80 per cent of those profits flow to foreign shareholders, so that leaves about a fifth of the industry's enormous profits accruing to Australians through dividends—and even then only those with enough discretionary income to invest directly in shares would benefit. Clearly there have been some winners from the mining boom, notably those overseas shareholders. As the Reserve Bank has put it:

Since the mining sector in Australia is majority foreign owned, most dividends and retained earnings accrue to foreigners and therefore do not add to national income.

These enormous profits do not equal more jobs for Australians. The large profit margins are lovely for the mining companies, but they do not equate to job creation. If those profits do not stay on in the Australian economy, then clearly they are not creating jobs, as Ross Gittins pointed out a week or so ago.

The mining industry does create some jobs—about 2.4 per cent of total Australian jobs—but not as many as the industry constantly claims. Even those jobs, however, come at a cost to the broader economy. We know that the Australian dollar has become more volatile because of the boom and that sustaining it at high levels keeps interest rates higher than they otherwise would be. That of course creates labour shortages in other regions or skill areas. This has resulted in lower profits, fewer jobs and lower returns to shareholders in other industries, such as manufacturing and tourism. We have one chance to make sure that the nation gets a share of the current windfall profits being made by these 80 per cent foreign owned multinationals and that is why the Greens have moved and foreshadowed our second reading amendments to this bill.

The first amendment was moved by Senator Milne earlier today and it is to increase the tax rate back up to that original 40 per cent and to have it apply to all minerals, not just to iron ore and coal. It is to fix that royalty loophole that I referred to earlier to rebate only the royalties there were in place as at July 2011 so that the mining companies and not the federal government pay any subsequent increase in those royalties should the states hike them up further. It is to fix that depreciation treatment so that it is a book value and not an amount actually spent on mining infrastructure.

According to the PBO's post-election report, those features, should they be adopted, would raise an extra $21.8 billion in revenue which, frankly, we could all do with. I would have thought that this government, if we are in a so-called budget crisis, would welcome such a revenue avenue. The mining boom is transitioning from that capital-intensive phase, and the production phase is now beginning. This is when the super profits will occur, because the revenue from production will be rising and companies will be less able to deduct it against capital investments. So we need to get a super profits tax in place, a proper one that works, before those profits are shipped offshore to their foreign investors.

We have also foreshadowed a second second reading amendment, because axing this tax—as the government's three-word slogan would have as the description—would also axe the low-income super contribution, which we all know will have a massive and disproportionate effect on women. This reform should never have been tied to the mining tax. The low-income super contribution is about equity and removing it will simply further entrench the disparity that women face when they retire. The bill abolishes the low-income super contribution on working Australians and, as I have said, this will have a particular effect on working women.
The Greens have sought for this to be dealt with separately by the parliament and not cloaked in the mining tax repeal bill, because of the significant impacts that it will have on everyday Australians—not just women but low-income earners as well—and because this issue has not had the public airing and the debate that it rightly deserves.

Frankly, the Abbott government is making a cash grab on the retirement savings of one in three workers to the value of around $27,000 each, or 15 per cent of their expected retirement savings. Under that low-income super contribution, the government pays a super contribution towards workers earning less than $37,000 a year. The repeal will therefore disproportionately affect those employed on a casual basis, which is young people, students and women with parenting duties. The fact that the bill will deplete the retirement savings of one in every two working women and 80 per cent of women working on a casual or part-time basis has sadly not received sufficient attention. Furthermore, for most young women the repeal of the low-income super contribution would completely erode the retirement income gains expected to be realised from the government's Paid Parental Leave scheme.

The low-income super contribution attempts to address the inequities in our super system, which favours high-income earners and does nothing for low-income earners. So repealing this low-income super contribution will place greater burden on future governments by increasing people's reliance on the age pension. So this legislation has basically no redeeming features, and the government is trying to sneak it in under the guise of the mining tax. In Queensland, the figures show that 744,286 people will be affected should the low-income super contribution be repealed—that is 35.7 per cent of all Queensland workers. That is an enormous number. In total, those employees in Queensland would lose $203 million. In WA, the figures are likewise very stark: 353,613 people would be affected, or 31.4 per cent of total employees. They would lose out on $93 million. These people, who can least afford to have their income and their super further restricted, are now going to be hit with the removal of a safety net for the benefit of people like Rio, Xstrata and BHP. 'The world has gone mad' is the only conclusion you can draw.

Australia's mining boom is transitioning from the capital-intensive phase to the production phase and, as I have said, this is when the profits will really start flowing, which is precisely why we need to fix this tax now rather than simply rip it up as the government is now proposing. A poll in January this year found that the majority of Australians, 54 per cent of Australians, believe that multinational mining companies do not pay enough tax. I strongly agree with the 54 per cent of Australians who hold that view, and I would urge the government to rethink its obsession with making it harder for low-income folk and making it easier for multinational mining companies. I think the 54 per cent of Australians who believe that do so because they actually value the things that a good government should provide, like keeping the low-income super contribution and keeping Medicare as a universal health entitlement that a rich country should provide its citizens, rather than an increasingly two-tiered system whereby your medical care is determined by your bank balance. What a horrific track for us to be on.

These people value things like increasing funding for all levels of education, starting at the early childhood level right through to higher education, and of course funding the fifth and sixth years of Gonski that, should we fix this tax, we would then be able to fund. They value things like properly addressing affordable housing and homelessness, which is made worse by
the mining boom and the fly-in fly-out nature of employment in the mining industry. They also value things like raising Newstart and taking the single parents who were dumped onto Newstart off that inadequate payment and putting them back onto an enhanced parenting payment whereby they can actually care for their children and do not have to choose between textbooks or dinner. The 54 per cent of Australians who think that multinationals do not pay enough tax probably also value funding child care so that women actually have some decent options to return to the workplace—affordable options and quality options. They value things like decent public transport and dental health. The list of goods that the government could and should provide were it to have a revenue stream that was fixed and with these loopholes closed could go on and on and on.

   Sadly, what we have seen is that instead of a government choosing to service the community that it is meant to be here to represent, it is servicing its mining masters. Once again, we will have the Xstratas, the BHPs and the Rios of the world, who originally wrote their own tax, now giving themselves a complete exemption from tax. Whoopee to them! Wouldn't it be lovely if we could all do that; but, sadly, it would bankrupt the nation. What the community does not want is a bankrupt government—a government that is morally bankrupt and that is abandoning the interests of the community and the services that it should be providing to its people. Until such time as the Abbott government abandons the parliament and decides to just put BHP, Rio and Xstrata in complete control and give up the facade that we are here to represent the people, the Greens will continue to stand for a mining tax that works, that raises the revenue that we need in order to provide the services that the people rely on, and we will do so proudly. So I again urge all senators in the chamber to support our second reading amendments to fix this tax. When something is broken, you fix it. You do not just toss it out. Let us fix this tax so that we can provide the revenue to do the good things that the community wants us to do.

   Senator BOYCE (Queensland) (17:52): It is interesting that the Greens environment spokesperson could not even find sufficient to say to fill 20 minutes speaking about the Minerals Resource Rent Tax Repeal and Other Measures Bill 2013. She had to resort to the sort of platitudinous nonsense that we get—

   Senator Waters: Mr Acting Deputy President, I rise on a point of order on relevance. When I was 10 seconds short, I think the senator is being incredibly ungenerous and demonstrating the ills of the government.

   The ACTING DEPUTY PRESIDENT (Senator Whish-Wilson): That is not a point of order.

   Senator BOYCE: As I was saying, we ended up with a little diatribe of the platitudinous and inexperienced nonsense that we have come to expect from the Greens in relation to anything to do with business and how to go about it.

   Opposition senators interjecting—

   The ACTING DEPUTY PRESIDENT: Order! Senator Boyce has the right to be heard in silence. I remind senators that interjections are disorderly.

   Senator BOYCE: Thank you, Mr Acting Deputy President. I appreciate your efforts to maintain order on the other side of the chamber. This is not a broken tax; this is a dog of a tax
that should never have been introduced. Unfortunately there is nothing else to do with this tax except, reluctantly, to put it down.

It was interesting listening to the contributions of some of the earlier speakers on this topic. We had Senator Ludwig trying to keep a straight face while he discussed some of the more left-wing aspects that he was forced to talk about whilst looking at this piece of legislation. It was quite amusing. I think you would find that, left to their own devices, there would be a number of people opposite who would agree with us totally on this. The one thing that neither of the more recent speakers from the non-government side has mentioned is that repealing this legislation was an election promise of this government. We were elected on the basis of saying that we would repeal the minerals resource rent tax. That is what we will attempt to do, despite the opposition that we are receiving from Labor and the Greens in this area.

I do not suppose we should be surprised that a dog of a tax was introduced by the Labor government. Their ability to introduce coherent legislation that brought about the effects it was meant to was very, very limited, across the board. Everything you looked at was overlegislated, underlegislated or wrongly legislated. This was partly because of their inability to manage the schedule of legislation that they had and how they could go about it. So there is no surprise that we have here a dog of a tax that needs to go. But, whether it is a bad tax or not, the point is that we promised, and were elected by the Australian people, to get rid of this tax. Last time I noticed, the Greens did not exactly do very well when it came to winning in the last election, and I would hope that they would think about why that might have been the case. Despite the fact that we said very, very broadly that we would repeal the carbon tax and the minerals resource rent tax, we—not the Greens and not their Labor flunkies—were elected to govern Australia for the next three years.

You would get the impression, from listening to some of the nonsense that has been spoken in this chamber, that the mining companies do not pay tax. Surprise, surprise; that was one thing that apparently the Labor government could not break. The mining companies pay company tax in Australia. Certainly they receive tax deductions for development and for exploration, but they pay company tax. They are companies and they pay company tax. So they are not sneaking out from under, although those opposite would have you believe that they are and that somehow mining companies do not behave like companies.

Not only do mining companies pay company tax but they also pay royalties to state governments, because it was recognised long ago—particularly in my home state of Queensland, which I believe was the first state to undertake this—that the mineral resources of Australia belong to the states. Unfortunately, under our Constitution, they do not belong to the Australian people, as Labor and the Greens would have you believe, but rather to the states where those resources lie. That is the way our Federation continues to work. The resources in the ground belong to the states, not to the federal government, despite Labor's best efforts to change that reality. That is how our Federation is constitutionally established and that is how it should remain.

Let us get past some of the nonsense that has been spoken in this place by the opposition in regard to the fact that huge numbers of companies are required to register for this. Over 300 companies have been required to register for the minerals resource rent tax, but, as you would be aware, Mr Acting Deputy President, only 20 companies have so far been obliged to pay it. So there is a significant compliance and administrative burden imposed by legislation that
was more complex than it needed to be. Unnecessary as it first was, why would we be surprised by any one of those qualities in legislation put up by the previous Labor government? It was an appalling mess, as usual.

Much has been made of the fact that it was going to raise billions. It will still raise billions one day, according to someone! It will raise billions the day that hell freezes over, because the other aspect of this legislation that has not been appreciated, I do not think, by the other side is that the Minerals Resource Rent Tax Act further damaged international investor confidence in Australia, particularly in the energy and resources sector.

*Senator Sterle interjecting—*

**Senator BOYCE:** Senator Sterle has come up with a hollow laugh and joined himself to the many on the opposition benches who appear to believe that everybody who sets up a company in Australia is a cash cow that can be milked indefinitely, forever, and will just stay here no matter what is done, no matter how much is ripped out of them by a Labor government. That, of course, is not the case. We operate in a global market. There are plenty of other places to get your iron ore. South America is certainly becoming extremely competitive in this area, with better shipping than we have and lower costs than we have for our iron ore. Whilst we would certainly want to operate in a very safe and very environmentally controlled environment for our mining industry, we have to believe and we have to accept that we operate in a global market. If we do not act like we have competition in this area—well, gee, guess what? We will not be in the market. It is not the others that will go out of the market.

I must admit that I found Senator Cameron's contribution to this debate—with his crocodile tears about our lack of interest in manufacturing and his views on the car industry—particularly galling. Where do you think a lot of those companies that were downstream of the car manufacturers have gone looking for jobs, looking for work for their companies and looking to keep their well-trained and highly qualified staff in jobs? They have gone and looked at the mining sector. To suggest that there are a few multinational companies that might be gouged for an extra little bit of cash if this tax were to stay in place is a complete and utter nonsense and denies reality. One of the best and largest creators of downstream jobs, of downstream manufacturing, of downstream professional services and of many other services is the mining industry. I think we would all accept—that, majority of us would accept—that, without the mining industry, the Australian economy of the past 15 years at least would have been a much, much sadder sight than it currently is. We need the mining industry, and we cannot pretend that we do not have competition. We have to keep going in that area. We cannot simply try to claim that we can do whatever we like to mining companies and that it will not affect (a) their level of investment in Australia or (b) their level of activity elsewhere in the world. There is a direct relationship, and we need to be very aware of it and to continue to support it.

I was most interested to hear Senator Waters' contribution. I think she used the term 'mules' as a way of talking about people being stubborn. But she also mentioned people behaving like stubborn, rusted window latches. Memo to Senator Waters: if it was a rusty window latch, someone mined some iron ore sometime to create it! So I think you need to think about whether we want to keep those industries in Australia or not. Even if it was an aluminium
one, some mining took place. Of course, along with Labor, the Greens would rather not talk about nasty things like mining.

We have got Labor, with the WA election coming up, saying, 'Let's talk about education, let's talk about anything—but let's not talk about mining, because, goodness, we can't get our act together to have a coherent message on the topic of mining.' So desperate are Labor in WA that they are running robo-calling campaigns to talk to every elector—or half the electors, anyway—of WA about health and education because they cannot talk to them about the real issues and the real problems that are going to develop in WA because of their behaviour towards the mining industry and the economy of WA.

Senator Cormann made the point during question time that Labor's minerals resource rent tax deliberately targeted WA and the WA economy. I would suggest that it also targeted my home state of Queensland. But the damage that it has already done in WA is there for everyone to see. The industry is already slowing down because of concerns that the repeal of the carbon tax and the repeal of the minerals resource rent tax will not happen, because the non-government senators in this place cannot bear to pass the legislation because it was moved by the Liberal Party—a move that caused us to be the government. It is the repeal of those two taxes that we proudly stood up for for months and months and months before the election that was instrumental to us being elected, and here is everybody trying to thwart the government's agenda—and not just the government's agenda but that of the people of Australia.

I think it interesting to note that, if you look a little deeper at what is going on, the Labor Party are being played for fools by the Greens, who do not have an agenda for jobs in the mining or manufacturing industry. They do not want manufacturing and they do not want mining in Australia. Labor is going along with all this, without quite realising what is happening to them. The Greens have been saying that Australia's Future Fund should not be investing in coal. Do the Labor senators agree with that view? That is the agenda they are supporting, an anti-mining and anti-coal agenda. As we move to other renewable forms of energy there will continue to be an increased need for coal, with the increasing number of middle-class people in China, India and other developing countries. Even if we use a smaller percentage of coal we will actually use more coal, over the next 50 years or so, than we do now.

A chap called Ben Caldecott, from Oxford University's Stranded Assets Program, has come out here to run a campaign, to encourage superannuation and other companies to divest themselves of investments in the coal industry. They are trying to 'trigger a process of stigmatisation' of fossil fuel businesses. Why would we be surprised that the Greens would try to do this? Ruining the economy of Australia is exactly the sort of thing they would set out to do, because with a ruined economy we would not have too many exhaust emissions, anywhere. We have the anti-coal movement trying to scare investors away from the coal sector. Brendan Pearson of the Minerals Council said:

It is a campaign heavy on hyperbole and emotive rhetoric and light on facts. It is a political campaign dressed up as investment advice.

When did we last hear that from the Greens? Any time they want to, they try it on in any way they can. They even tried it on with chlorine, one of those chemicals it is almost impossible to exist without in the developed and more hygienic world. There are countries in South
America that tried to drop chlorine out of their water supplies, and after a couple of plagues and epidemics they put it back again. To suggest that we can stop using chlorine and coal is the sort of thing you would expect from the inexperienced platitudinous people of the Greens party.

What is distressing about this is that they are dragging the Labor Party—which, one would think, had a proud and long tradition of caring about jobs in Australia—along with them. Senator Ludlam is so desperate to have himself noticed in WA that he makes up the most extreme and ridiculous nonsense about this government, in a smug and ‘caring’ way. He said to the people of Western Australia: ‘We want our country back.’ As was been pointed out in the Sydney Morning Herald recently, who are ‘we’—the Australian people?

The Australian people know who they have given the government of their country to for the next three years and it is not Senator Ludlam and his ilk. It is the Liberal coalition government that is supposed to be in charge of our country for the next three years. But we have to put up with the uneconomic nonsense that comes from the opposition—and the Greens, who are leading Labor around by the nose, yet again, for what they perceive to be some sort of vague political advantage. It is a bit sad. I hope that Labor will come to its senses and behave like a party that cares about jobs and the economy. (Time expired)

Senator GALLACHER (South Australia) (18:13): I rise to make a contribution in this debate opposing the Minerals Resource Rent Tax Repeal and Other Measures Bill 2013. One of the beautiful things about this Senate is the depth of research that is available to the most casual of observers or people with the slightest interest in these sorts of debates. My research indicates that a resource rent tax is quite different from a royalty. Basically, royalty is a tax on production; a resource rent tax is a contribution made after the appropriate investment is recovered for exploration and investing back into business, and it is on super profits.

The first rent tax I came across was the PRRT. Some contributions in Hansard on 23 March 1987 are:

This legislation is yet another example of this Government introducing new taxes on the few productive industries we have left in Australia, thereby inhibiting their development

We have a further contribution:

The Government should try to remember, in the whole debate about oil exploration—it seems entirely blind to this—that we have to compete with other countries …

It says:

Again, a multinational company looking to expend dollars on oil exploration is going to do so in a country with a better cost structure and therefore the potential for a better rate of return than Australia has.

It says:

I think it is an ideological proposal which is going to do very real damage to oil exploration in Australia. It is going to affect our balance of payments situation and it is going to affect the overall state of our economy. If this is to be one of the pieces of legislation which will form the general epitaph of the Government, I think it is highly appropriate. It is an anti-production, anti-development, anti-profit and anti-export tax …

That was a contribution in 1987, essentially about a rent tax. Here we are, in 2014, talking about another rent tax. What has happened over those intervening years, some 26 years, is that
the Petroleum Resource Rent Tax Assessment Act 1987, effective 15 January 1988, has existed and has contributed to the Australian economy. Despite its birth in a wave of Liberal coalition castigation—that was the then member for Mayo, Alexander Downer, taking it to pieces in his original speech—it has continued to contribute to the Australian economy and to the Australian tax base. It contributed $42 million in 1989-90 and that rose to $293 million in 1990-91.

Finally, 79 companies in Australia paid the PRRT $1,584 million in 2011-12—up from $1,047 million paid by 71 companies in the previous year. This data is available from the ATO. So, in the debate in 1987, all of the things it is being alleged today are going to come to pass were alleged about the PRRT. We had a long period where the Howard government could have repealed the PRRT. They could have changed the PRRT or got rid of it if it was such a horrendous piece of legislation and if it was driving people offshore and discouraging investment.

After a quick glance around Australia you would see that there has been substantial investment despite all of the ills that were going to befall the economy and the country at the introduction of the PRRT. Those who scream the loudest on the other side are going to be on the wrong side of history in this argument. The example of the PRRT means that there is a future for the MRRT. It can work in a way that will not discourage exploration and investment—in fact, that probably is the case.

As I speak, around 105 large miners, 35 small and medium miners and five micro miners have submitted their MRRT instalment notices, whilst making no net payments. So they are in the picture. The difference between the number of companies registered for the MRRT and those lodging instalment notices is due to the Taxation Office providing an exemption for certain categories of mining—those holding only mining exploration licences. They are exempt from lodging instalment returns for the 2012-13 MRRT year. However, they still need to lodge the paperwork.

We hear the other side howling about the administrative costs and all the rest of it. By necessity, these things need to be carefully worked through. The appeal to the Australian community of a rent tax on a mineral resource which is finite is because it is sensible—rather than a tax on production, which is a royalty. I think a royalty would be more of a disincentive to getting projects off the ground, because it has no regard for profitability.

So we have a situation where those on the other side have claimed this incredible mandate to repeal, repeal, repeal. They have gone, they say, to the electorate. But there was no real debate about whether there should be a rent tax versus a royalty tax or whether the finite resources of Australian are Australian and should bring some benefit to the wider economy. It was simply the 'no-alition' saying: ‘They're a bad government; we don't like them. They told a lie. We want to get out of it. We'll get rid of it.' The fact is that the Roy Hill project has come to fruition in the last few days, despite the existence of the minerals resource rent tax. That means the financiers and the miners can make very detailed decisions about tremendous investments in Australia. It does not seem to bear weight that the MRRT is pushing people away to other parts of the world.

We know there is competition in the resources industries, but in Australia we have a very efficient mining sector—which has costs of production, but there have been extremely good prices. We also know that, should those prices fall, there is still profitability in the mining
sector. We know that it is estimated that 83 per cent of the shareholders in Rio Tinto are overseas and around 60-plus per cent of BHP Billiton investors are overseas. We know that foreign shareholders take about $50 billion out of the country by way of dividends. But we also know that those companies bring about $205 billion back into the country to be invested.

The government is saying that if this repeal does not happen the whole world is going to slow down and close. That does not stand up to any real, prudent scrutiny. The reality is that the minerals resource rent tax has not been a catalyst for people to stop investing in Australia. It has not been a catalyst for projects not getting off the ground. It has been an emotive, political arguing point which the government in opposition used to tremendous effect, particularly in Western Australia.

I am unashamedly pro-mining. The more mining we can get in a sensible, environmentally sustainable way in Australia the better off this country will be. I am pro-foreign investment. I am also for things like sharing the wealth of our nation around. You do not have to spend too much time in Perth to realise that there are two economies in Perth. There is one absolutely booming economy. You evidence that if you happen to lob there when there is a gas industry conference and you cannot get a motel within 20 kilometres of the city under $500 a night. Recently I had the opportunity to spend a couple of days in the city. I was astounded at the lack of advantage, where people were begging in the streets. You could not walk up and down Barrett Street without being asked for a smoke or a dollar, and there were a great number of people who to me looked to be in a very ordinary state. I accept that, like my own city, if you live in a city you very rarely spend all that much time in the centre of your city, other than going in and out during the course of your business, but, when you actually see some of the sectors that are disadvantaged in Western Australia, there is a very good case for spreading some of the wealth of the nation around.

The purpose of this bill is to basically repeal the MRRT and give effect to schedule 1. Also, we have schedule 2. There are eight other measures that this bill addresses. Some of those really go to the heart of the matter that I have raised. There are plenty of people in Western Australia, as there are throughout Australia, who are not sharing in this extraordinary wealth creation from the mining boom. You do not have to be Einstein to realise that there are lots of people in all parts of Australia who share in it by flying in and flying out.

Schedule 9 proposes to abolish the Schoolkids Bonus—a lump sum payment made twice a year to those on family assistance and other payment recipients with school aged children. That is the consequence of getting rid of the MRRT: we are going to take the Schoolkids Bonus away from families who may not be doing as well as those who are enjoying the benefits of the mining boom. There is a proposal to abolish the Income Support Bonus—a lump sum supplementary payment made twice a year to people on certain income support payments. You would not be very aware if you had not heard Senator Siewert make enormous contributions on people in the homeless sector and people on Newstart and the like who do not share in all of these economic opportunities.

Then we go to the Superannuation (Government Co-contribution for Low Income Earners) Act 2003. Low-income superannuation contributions will not be payable in relation to eligible contributions made after 1 July 2013. This is basically, you would imagine, the Hon. Tony Abbott's heartland. This is basically women who work, part-time casuals, who can get their hands on an additional sum of money through scrimping and saving, put it into their
superannuation and have it met with an equal or the larger contribution. They are low-paid workers trying to make their way in the world and provide for their retirement. That will also go.

They say the MRRT is crueling the mining sector. There is no evidence of that. Roy Hill was evidence that the exact reverse is true. We do not have any projects which have fallen over because of the MRRT. The government argues that it does not collect enough money anyway, so which way do they want to have the argument? Is it a tax that is not collecting enough money or is it an awful tax that is stopping people from investing in our country? I do not think that case is well made. Schedule 5 amends the ITAA 1997 to repeal the immediate deductibility of geothermal exploration or prospecting expenditure. If we are going to meet our targets with respect to carbon emissions, geothermal could be one of the solutions, and we are taking away the immediate tax deductibility of that.

So we have hit the schoolkids, we have looked at people on low wages trying to superannuate themselves, we have looked at people trying to find solutions for our energy sector, and then we go a bit further: we have a whack at small business. A small business entity can at present deduct the first $5,000 of the cost of a motor vehicle in the income year that it is first used or installed ready for use. This concession treatment will be withdrawn. Where are we going in this debate? They say the MRRT has stopped mining and it has cruelled the opening of new mines, when the evidence appears to be on the contrary. They say it is such a horrific thing. But the impact of all of these changes, with the schedules underneath, just go to the heart of people who do not enjoy the mineral boom.

It is true that there are two economies in Perth: those with and those without. I saw ample evidence on a weekend in Perth recently that a number of people are missing out. Their look at the world is vastly different to the one that we have had here from the government side. You would not need to be Einstein to work out that there are other people in regional Australia. There is the Regional Infrastructure Fund and the Regional Development Australia Fund. I had the opportunity of visiting a number of places in the electorate of Grey and spoke to many grateful recipients of those funds. There is the Port Lincoln Airport upgrade and any number of projects. At a recent luncheon for the regional mayors of South Australia they asked, 'Alex, what's going to happen with those projects?' I said, 'Well, you'd better speak to Dr Southcott,' who promptly said, 'You'd better speak to Minister Briggs'—pass the parcel—but there will be no money for those things. Those things will be unfunded. The things they have on the drawing board will have no stream of funds to go to. If the government eventually is successful at getting rid of the MRRT, I would like to know what they are going to put in its place, particularly for regional Australia and for those Australians who are not doing as well as they could be.

**Sitting suspended from 18:30 to 19:30**

**Senator RHIANNON** (New South Wales) (19:30): The Minerals Resource Rent Tax Repeal and Other Measures Bill 2013 is a shameful piece of legislation. It is one of the clearest examples that we have seen from this government of robbing the poor to give to the rich. That is how you can sum up this legislation. There are many things that this legislation could be called. Probably the politest way that you could describe what the government is doing here is to call it the 'Thank Gina Rinehart Bill.' The mining companies are really being
let off the hook here to an extraordinary degree. They will not be required to even pay a small amount of their profits back into Australian society.

What also makes this bill very interesting is a development that occurred last week, when we heard that the Australian government is planning on providing a $110 million loan to the likes of Rio Tinto and BHP Billiton, two giant mining companies that certainly do not need another handout from the Australian public. I bring those two issues together because the Australian government is taking away what is really quite a minimal tax—the tax that will be repealed if this legislation goes through—while at the same time giving a huge loan to mining companies. So once again what we are seeing is that what mining companies want, mining companies are given—and it is bucketloads of dollars. They are given handouts of public money and they are allowed to keep a greater percentage of the profits than they should be allowed to.

We are seeing a government pandering to global mining interests, with the Australian community being left behind to a huge degree. If we had had a properly structured mining tax, it could be funding so many services across this country—in particular, assisting mining communities that have borne the brunt of so much of the hardship that comes with mining over decades and indeed centuries. I am referring to polluted air, damage to our water resources, and fly in fly out workforces that break up local communities. Over the decades our mining communities have been very strong, working together. In my own state of New South Wales, in the areas of Lithgow and the Hunter Valley it was mining communities that worked together to build the first hospital, to help fund the sporting teams and to look after the local schools. But once you have the workforce broken up into fly in fly out communities it does enormous damage. This is the burden the local communities have carried for a very long time. The tax that would be raised if this legislation were left in place would go a long way to assist in those communities. We also know of some specific things that will be lost if this legislation passes. Taking away the very mean $4 a week bonus for the unemployed, and the superannuation tax concessions for low-income earners, is simply wrong. Again, it reveals how cruel this government is, how it will pander to those who are greedy and so deeply self-interested.

We know that the Minerals Resource Rent Tax is a minimal tax, but even at the level it is, we should be keeping it. Companies have been successful in wielding their power over this and previous governments. It is precisely because of these industries that the tax in its current form is only raising a predicted $3.5 billion over four years. But still that money is urgently needed. The tax should be retained, and improved on. We should not be doing what we are seeing being attempted here tonight—getting rid of it. The power of the mining industry to intimidate successive governments is once again on the record, although I suspect that this government would have been opening up the door and inviting the mining companies to come in so they could spell out that they were ready and waiting and champing at the bit to get rid of this legislation.

It is again worth reminding ourselves that mining employs two per cent of the workforce. This needs to be emphasised because, in so much of the way the arguments are presented around the mining tax, you would think that the whole economy depended on the mining industry. It is actually minimal. If you look at jobs growth in the mining industry, it has largely plateaued in recent years. That two per cent of the workforce is only one-quarter of the
number who work in the university and tertiary education sector, and a little more than the printing and publishing industry or even the dairy industry. Again, it is just a small part of our economy and it really has been a big lie that the jobs created in this industry are absolutely critical to the economy. That is not to take anything away from the fact that people working in the mining industry obviously have important jobs. But as they lose those jobs—and many are losing them now—a responsible government would be working on a transition so that they have other jobs to move into.

It is even worth looking at the situation in Western Australia. We have seen in that state that there are severe limitations in the mining boom. Jobs that are gained in the construction phase are lost when we move over to mining operations. The times of working in a mine for life and getting a good retirement income are well over. In the first six months of the global financial crisis the mining industry shed 15 per cent of its employees. As of July last year at least 26,000 jobs have been lost in the Australian mining industry. And the stories about job losses keep coming in. I was very concerned to hear last month that in Perth alone 1,300 workers lost their jobs when mining services company Forge Group restructured. That obviously has a huge impact on those workers and their families as it ripples out.

Again, there is no plan for transition. This is a government we should be calling the 'no-plan government' because it is just letting it rip, giving no thought to the future of these workers. Meanwhile they give more and more handouts to the mining industry, letting them get away with not paying their fair share and ensuring these very wealthy, cashed-up foreign mining companies take so much of their profits offshore.

This issue of the loss of jobs in the mining sector is very big for many of the communities I work with in New South Wales. I am often in the Hunter region and in just the last year more than 600 jobs have been lost from the mining sector. This is an area that, again, has carried a huge burden because of the mining sector there. The Hunter has made a huge contribution to Australia's economy over the decades and, in fact, the centuries because the Hunter is where coalmining in Australia started. That community has carried a health burden; there has been insecurity around the waxes and wanes and the health of the mining industry, often with high levels of unemployment; it has suffered damage to all the water resources; and it has lost farming land. Again, I say those words: the job of a responsible government should be to work with communities when economies are in transition to ensure that it is not the working people who carry the hardship and the burden. That is certainly what is happening in the Hunter.

What we now know, with the news that broke overnight, is that this government is really trying to cover its tracks here, because it knows that jobs matter to people. It came into government, saying, 'We'll provide jobs.' What do we now find out? The staff of one of our own senators who sit in this place, Senator Abetz, have been reported as being out there, putting pressure on, ensuring that the job figures that are about to be—

Senator Williams interjecting—

Senator RHIANNON: I acknowledge that interjection. Interestingly, we have the Nationals there, defending the Liberal Party, when they are distorting the true story about jobs. What has been reported is that employment minister Eric Abetz is seeking to add 160,000 jobs to the projections due this week. Interestingly, that figure would bring the jobs estimate, which the government are hoping will be announced, very close to what the Prime
Minister was forecasting would be the jobs that they would be creating in the coming years. We are seeing the government misusing their position, by coming forward with a very deceptive position with regard to jobs growth in this country. It is this industry, particularly now the mining boom is over, where great attention needs to be given. The Greens have put in a great deal of work into this area, because there can be huge jobs growth both in the renewable energy sector and by moving over to clean manufacturing.

Extensive work has been undertaken in New South Wales by the Centre of Full Employment and Equity, identifying that 73,800 jobs can be created if New South Wales moves over to 100 per cent renewable energy. We should be addressing this sort of work and cooperation between governments, the workforce, the private sector and unions at this time when there is a downturn and a shift away from the mining industry.

But what we are seeing from the industry is them crying poor, claiming that job losses are because of taxes on their industry. That is one of the excuses we have heard time and time again from the likes of some of these big companies, such as Billiton, as to why this legislation has to go. But their profits tell a very different story. In the last financial year BHP Billiton made a profit of $12 billion. In one year, $12 billion! I acknowledge that is around the world and it is from the diverse mining interests that that company has. But it certainly highlights that there is no reason why they should not be paying their fair share of those profits back into Australia. They are mining Australian resources, resources that are essentially owned by the Australian people, and the bulk of those profits should stay in this country.

Rio Tinto’s half yearly profits for 2013 were $1.7 billion. Glencore Xstrata’s underlying profit was $2 billion. That is big money that should stay in Australia, to help build our public schools, our transport system and our hospitals. We could be taking some very wise decisions on how our society develops.

My colleagues who have come into this debate have pointed out some really excellent ideas on how this matter should be handled. Western Australia is a very interesting example here. It is worth revisiting some of the issues with regard to Western Australia, because it is often put up as the poster child of how excellent the mining industry is for the local economy in that state. But, again, we need to ask: who actually benefits?

The government of Western Australia has lost its AAA credit rating, and services across that state are being slashed. The truth is that this tax is a small amount of money to these companies. They are taking the state and federal governments for a ride. It could have been so different; this money should have been helping people in this country. That is why the Greens reject very strongly the legislation we have before us tonight.

Removing the minerals resource rent tax is a choice between the past and the future. Mining can raise a great deal of money and I certainly acknowledge the contribution at different times that it has made to our economy. But not enough of that benefit has stayed here. Right now we do have a choice between continuing with the old mining industries that we now know are polluting our waterways and our air, damaging our climate and our immediate environment, often impacting on local biodiversity, and robbing us of farming land. That is why, when there are alternatives, we should be looking at them.
What I see up close in New South Wales, where the bulk of mining is the coal industry, is that this is an industry that the world is turning its back on. We should be preparing and be ready to deliver our energy in other ways and to deliver clean manufacturing. But the evidence is in: the renewables are commercially and industrially viable. We need a government with the political will to drive that change. We highlight that we should be making a different choice here, by keeping this tax. That would help that choice be made in a very responsible way.

The Greens have set out how this tax should have been more extensive; we had that costed by the Parliamentary Budget Office. If the tax had been more extensive, it would have raised nearly $20 billion extra over the next four years. It is worth considering what that money could have done. It would not make a huge difference to the operations of the mining companies—they might cry poor, but that would still leave them with a very hefty profit. But for Australians now, and for future generations, that money is badly needed.

I return to the example of the Hunter Valley in NSW. This is a community that is struggling. Unemployment is very high, particularly amongst young people; in many areas it is over 19 per cent. The community is still struggling to deal with the encroachment of mining into farming areas. There is a real alienation of people's lives as a result of the hardship that they face. People in this area are very uncertain about their future. But, if they were able to move to a low-carbon future, they would not be locking the coming generation—the young people of the Hunter—out of a healthy future. It is integral to people's wellbeing to have the prospect of a job. And there are many young people from families where there are up to three generations who have not been in employment. That is deeply wrong. Society needs to take responsibility for that.

That is why the Greens have put so much effort into developing policies around the clean energy industry. This is absolutely vital. It could be the start of a new export industry. We have had many discussions and many meetings about this. The Hunter is an area that has given so much to the economy, not just to the economy of its local region but to the economies of New South Wales and Australia, in terms of the energy and manufacturing that has come from there, in particular from the coal industry. At a time when the world is starting to turn its back on coal, this is an area with a strong history in energy delivery and manufacturing. It is an ideal region for a transition, with the assistance of government, from coal to clean manufacturing and clean energy delivery—building wind turbines and solar panels, not just for the Hunter region but also for the export market. This is where there could be such a bright future for this region. The way a responsible government would do this is to work with the TAFEs and the University of Newcastle to develop programs, and that regional approach could be repeated in so many other areas.

It is clear that we need greater investment in so many of these communities. The repeal of this tax will, however, put money back into the pockets of the major mining companies operating in Australia. This is so deeply wrong. Again I say: it is robbing the poor to give to the rich. This money might come from the profits of the mining companies, but let us remember where those profits are sourced from—public resources, dug out of the land of Australia that is owned by the people of this country. These are issues that we feel very strongly about.
There is another issue that I want to mention, because it comes up often when I am in regional areas, and that is how tough single parents are doing it. They are facing enormous cuts to their payments. The repeal of that legislation that we saw go through is just one more form of hardship. If it were a proper mining tax, or at least if we kept the form that it is in now, that would be another thing that that money could be expended on: reducing inequality in our society. I think we particularly need to note that when we are talking about the many single parents who are doing it tough, 85 per cent of them are women.

We are left with a society that is being done over because we have a very cruel coalition government that is willing to open the doors to the mining companies. Obviously some discussions are held, they work out what they want, and then they are given what they want. What a company is on the planet to do is make profits, and this government has just made it so much easier for companies to keep the bulk of their profits. Some of that money should rightfully come back to the Australian people—and that will not occur.

Senator WILLIAMS (New South Wales) (19:49): I rise to make a contribution on the Minerals Resource Rent Tax Repeal and Other Measures Bill 2013. I would like to comment on Senator Rhiannon's contribution to this debate just now. Several times she used the word profits—'huge profits'. Why is profit such a dirty word in the eyes of the Greens? Perhaps losses would be a more suitable word in their speeches. When Rio Tinto makes a profit, who owns Rio Tinto? What about those Australian workers who have compulsory superannuation? And what about the industry super funds, or the super funds the workers are with, which buy shares in Rio Tinto? What about the profits that have been returned to the Australian workers for their retirement? That seems to be very wrong in the eyes of Senator Rhiannon. I think it is a good thing that business makes a profit, grows, and employs more people—and raises the living standards of all Australians.

I do not think there is any argument. We all feel that the minerals in the ground belong to the people and, when wealth is created out of those minerals, the people should get a share in it. The minerals belong to the Crown—to the states and territories. As I have said on numerous occasions: if you want the people to get more, let the states raise their royalties, which some have done. Then the royalties return more money to the people for those assets in the ground, belonging to the people. This minerals resource rent tax is simply amazing. I must say I am astounded that the Greens are not over on our side of the chamber cheering us on, because their friend Mr Clive Palmer, the member for Fairfax, certainly wants the mining tax and the carbon tax repealed. Prior to the election the Prime Minister, Mr Abbott, along with many others in the coalition, made it quite clear that the carbon tax and the mining tax would go. Mr Palmer is telling Western Australians to vote for his Senate candidate to get rid of the taxes I am talking about. But then the Greens leader, Senator Milne, says: 'The Greens will not support moves to put big business and mining profits ahead of people and communities.'—that is why I am confused.

Back in 2012, Mr Palmer accused the Greens of being a tool of the US government and the Rockefeller Foundation. The Queensland Greens were putting out press releases with headlines such as 'Clive Palmer ignored solution to toxic water', 'Reef is not Clive Palmer’s dumping ground' and 'Congratulations Clive Palmer: QG Inaugural Fossilfool'. There was definitely no love lost there, but who cares about old grievances when your political future is on the line?
That is what we saw at last September's election in your state of South Australia, Mr Acting Deputy President Bernardi, when Senator Hanson-Young was in grave danger of being voted out. The only thing to do was throw their principles out the window. The Greens, who hate mining, cuddled up to mining magnate Mr Clive Palmer, who hates the Greens, and they swapped preferences. Oh, how we sell out our principles when it comes to election time! The Greens do not mind who they get into bed with when it suits them. They gleefully accepted former Prime Minister Gillard's offer to run the country, and run it they did—into the ground.

In the recent Tasmanian state election, Labor and the Greens were finally given the message after destroying that state's economy. You would not have thought so, though, because deposed Premier Lara Giddings and Greens leader Nick McKim gave virtual victory speeches outlining what a great job they had done. It reminded me of the Black Knight in *Monty Python and the Holy Grail*—he had no arms or legs left but said, 'We'll call it a draw.'

The coalition government told the Australian people its priority would be to repeal the mining tax and the carbon tax. Not one voter in Australia at the 7 September election was not aware of that fact. This would have been done if Labor and the Greens were not still in denial about the election loss. The Australian people put their confidence in us to run the economy, to cut red tape and to provide jobs and hope for the future, but those on the other side refuse to take the umpire's decision—the umpire being the voting people of our nation.

Let's talk about mining tax mark 1 and mining tax mark 2. I well remember asking a question of then Minister Kim Carr when talk of the mining tax first surfaced. I asked the then minister—he is the shadow minister now, of course—if it would affect quarries. The then minister turned to his advisers and asked, 'Does anyone know anything about this?' It turned out it was not only Minister Carr who knew nothing about it. It subsequently turned out that Prime Minister Gillard and Treasurer Wayne Swan knew nothing about it either.

Let's look at the history of this tax. First we had the resource super profits tax. It was to be levied at 40 per cent and applied across a wide cross-section of the resources sector, but it never got off the ground. As Labor's faceless men were doing the numbers and Prime Minister Rudd was looking over his shoulder rather than looking ahead, along came Ms Julia Gillard to take him out. The new Prime Minister, Ms Gillard, did not want the former Prime Minister's legacy to remain, so she decided the minerals resource rent tax would be a better option and her mark would be all over it.

The mining tax was a joke from day one. You can imagine how the eyes of the miners lit up when Prime Minister Gillard and Treasurer Wayne Swan put that deal on the table. I saw the signed piece of paper in a Senate inquiry chaired by Senator Cormann in the previous parliament. The miners would have fallen over themselves to sign because you only get one opportunity like that in life—that is, to sign up to a tax that does not cost you anything.

Fast forward to 2012 and Treasurer Wayne Swan proudly proclaimed the mining tax would bring in $3 billion for the financial year. But a few months later that figure was downgraded to $2 billion. In May 2013—surprise, surprise!—the Treasurer said, 'Oh, dear. The tax will fetch only $200 million.' That was a long way from the $3 billion forecast. I can tell you that the net figure from 1 July 2012 to now is $435 million. Remember that this was going to be the pot of gold, but they ended up with loose change. But the amazing thing was that the previous Labor government, in conjunction with the Greens, then went out and spent it all and
more, promising all these programs when they did not have any income. What did that do to the budget? We know what that did to the budget. Have a look at the mess the budget is in.

Evidence at the Senate inquiry revealed that mining companies and peak bodies were strongly supportive of the repeal of the minerals resource rent tax. These companies and peak bodies were broadly united in arguing that the MRRT was a poorly designed tax which imposed a significant compliance cost on the Australian mining industry and undermined the industry's competitiveness.

The Chamber of Minerals and Energy of Western Australia welcomed the proposed repeal, suggesting the MRRT:
… has been administratively onerous and costly as well as ineffective, falling significantly short of delivering the genuine tax reform needed to ensure Australia's continuing international competitiveness.

The most important thing is our international competitiveness. Similarly, the Australian Chamber of Commerce and Industry indicated that it had consistently opposed the MRRT and supported its repeal on the grounds that the MRRT was a poorly designed tax that was implemented without proper consultation with the mining industry. There were just three companies consulted. The former government forgot the small guys and just had a chat with the three big guys.

Treasury also acknowledged, both at the hearing and in the explanatory memorandum, that far more companies need to comply with the MRRT than have actually had to pay the tax to date. Specifically, the explanatory memorandum confirmed that there are approximately 235 companies registered for the MRRT and 65 more are due to register should the repeal of the MRRT not proceed. However, fewer than 20 companies actually incurred an MRRT liability in 2012-13. So we have 235 companies, with another 65 to be added, that have the cost of all this paperwork when fewer than 20 are paying the tax.

A number of witnesses also indicated that the MRRT has undermined the capacity of the Australian mining industry to attract much-needed investment. We have seen that flow of investments taper off. That is concerning for the future of this industry that has delivered so much wealth to our nation, employed so many people and raised the living standards of so many Australians, along with returning taxes to government for it to deliver the services so desperately required by so many Australians.

The government is serious about getting Australia moving again. The Prime Minister has introduced legislation that will lead to the removal of 10,000 onerous regulations. Also, $1 billion worth of red tape and green tape will go so that business in Australia can get on with the job. It is time that everyone realised that we live in a free enterprise economy. Those on the other side of the chamber should learn that fact. Our nation's wealth is derived through the private sector. The more you strangle our private business sector the more you restrict our nation from growing and employing others and the more you reduce our living standards.

On this side of the chamber, we are committed to cutting the unnecessary burden of red tape. We went to the election promising a reduction of $1 billion a year in red tape costs to business, and I am glad to see that the Prime Minister is already working on that. The Prime Minister quite rightly says that cutting red tape is essential if we are to boost employment and if we are to reduce or take the pressure off the prices that families face every day. This is a
very important part of our commitment to the families of Australia and to the workers of Australia.

I will not use all my time up. I would like to finish my contribution very much like I started it. I am a little bit confused about the signals coming from the other side of this chamber. Apparently the Leader of Opposition, Mr Bill Shorten, was very evasive when confronted on this question whilst campaigning in Western Australia just recently. A newspaper report said:

Mr Shorten … appeared to change his language around whether Labor would continue to support the tax.

Mr Shorten then said:

… we will engage in a dialogue with the resources sector.

This tax is a tax on Western Australia. It is a tax on our iron ore industry. Ninety-six per cent of Australia's iron ore is mined in and exported from Western Australia. When it is comes to the Senate by-election in Western Australia, people should just remember who is trying to strangle their jobs and their economy. It is the Greens and the Australian Labor Party.

I will go back to Mr Shorten. Based on a previous dialogue with the miners by Prime Minister Gillard and Treasury, my money is on the miners. But perhaps Mr Shorten had received early advice of Mr Paul Howes leaving the union movement and possibly having his eye on a spot in this place. Perhaps Mr Howes is looking at Mr Shorten's job! Who knows who will come forward from the union movement next. After all, that is the chosen path for union officials: run the union and then become a Labor Party politician.

Mr Shorten has every reason to be off his game and not know whether he supports or opposes the mining tax. He would be very nervous of Mr Howes' record of deposing Labor leaders and he is probably looking over his shoulder as we speak. I can guarantee the Nationals' Senate candidate for the Western Australian by-election, Shane Van Styn, knows exactly where he stands, as do the Liberal candidates. They stand against the carbon tax and against the mining tax, as do those on this side of the chamber. I commend the bill to the Senate.

Senator SINGH (Tasmania) (20:01): When the Labor government introduced the minerals resource rent tax—the MRRT, which the coalition now seeks to repeal—it was a proud moment and it was a moment when in this parliament we recognised the importance and the strength of mining to our nation. Mining is an industry that has built and sustained communities across Australia, not least in my home state of Tasmania. In fact, in Tasmania, towns have been built on foundations of metal and ore, from the rich ranges of the west to the rivers of tin in the east and from seams of coal in the south to scheelite on the wind-swept islands of Bass Strait.

Tasmania has known the benefits that mining can bring to regions, just as Western Australia and Queensland are now experiencing such a thing. Towns can boom, swelling with workers from across the state, across the country and across the world. In fact, some of Australia's most significant cultural events have occurred as a result of the beacon that mining has been able to provide.

As an interesting aside, as much as an influx of Chinese miners and prospectors caused tension in Victoria and across the goldfields, the same wave of Chinese entrepreneurship in the tin fields of north-east Tasmania aroused both curiosity and admiration. The different
experience in Tasmania meant that an adoptive son of a Chinese family could be elected as early as 1913. Thomas Jerome Bakhap's involvement in public debate had begun prior to 1900, as discussions of Federation were moving towards a model of nationhood that would restrict non-white immigration. When he was elected to the Australian Senate, after a stint as the member for the state seat of Bass, he proclaimed his Chinese heritage and spoke out against the White Australia policy. Bakhap understood the contribution that Chinese miners and hard-working migrant labourers had made to their adoptive communities. He understood, as a former shop owner and tin miner, the contribution that mines and minerals made to the communities in which they were situated.

But the Tasmanian experience also shows that mines must be managed properly to build sustainable communities, communities that do not just dry up and disappear when the deposit is depleted or no longer economic to extract. Governments must be mindful of both the good fortune and the finitude of the resource in every region—and the responsibility that confers upon government as custodians of the common good.

It is with that in mind that I draw upon Senator Williams' contribution to this debate this evening, because, as he stated, he believes that minerals in the ground do belong to the people. If he believes that minerals in the ground do belong to the people, then he would not be choosing to vote for this repeal bill before us, because it is with that premise in mind that this bill came about in the first place—the fact that the minerals in the ground do belong to the people and that we all do have a share in them. We must take the profit generated by the resource that is in the ground and redirect it to where it is needed and where it will do the most good. We have to support the people who have contributed to the social and economic environment that makes profit-making and prosperity possible. We have to help invest in things that keep our communities alive.

The risk is that the benefits of mining are all too short-lived. It is the case that the markets for Australia's mining resources are often these days overseas—with some notable exceptions, such as the zinc works in my home town of Hobart and the coal fired power plants of mainland Australia. They are plants that are rapidly becoming less and less sustainable in Australia, as compared to renewable energy generation. But given that the bulk of markets are currently and are likely to remain export markets, much of our resource ends up overseas. We must therefore retain the value of the ore in our soil by extracting as much monetary value for it as we can. It is a task at which Australian businesses are adept. We must ensure that profit remains in the nation from which it was originally derived.

That is exactly what the MRRT is designed to do. Just as state and territory governments exercised their ownership of mineral deposits at the start of the 20th century by licensing out exploration and extraction rights in return for royalties, the MRRT is underpinned by the fact that Australia's mineral resources are owned by all of us—something that even Senator Williams acknowledged. All Australians deserve to share in the extraordinary and unprecedented wealth that has been generated by the mining industry over recent years. Naturally, state based royalties do attempt to cover part of this task, but the incredible profits returned by mining companies by virtue of high demand, strong prices and other factors are not adequately accounted for by volumetric royalties alone. State and territory royalties do not keep pace, and have not kept pace, with the profits of mining companies because they reflect a fundamentally different measure of activity.
The fact is that as profits increase Australians deserve a further share of the fortunes reaped from minerals they have gifted to those companies. The social share of profits can come in many forms. I have already spoken about royalties, but there are other social dividends from mining. During the construction phase of the mining project, when profits are relatively low, a dividend is delivered to communities in the form of jobs and wages and investment in the construction of infrastructure that supports towns and regions, as well as the mines themselves. But, as construction comes to an end, employment scales down and companies generate huge revenues without the corresponding social benefit.

In fact, while profits in the mining industry grew by 262 per cent over the decade to 2012, when the MRRT was introduced by the Labor government, only seven per cent of Australia's employment growth was a result of the mining industry. Unlike other industries—for example, the building industries, which often function as a proxy for the economy as a whole—there are relatively few sectors indirectly linked to mining. Profits made by these companies remain extremely concentrated in and restricted to the mining sector, leading to the phenomenon of a two-speed economy that Australians understand all too well.

It is either naive or disingenuous, therefore, for the coalition to assert that Labor ever imagined that the MRRT would be a constant and immediate source of revenue for government. Comparable initiatives, such as the PRRT, show that initial periods of profit based taxes generate relatively little government revenue. But in these periods, it is usually the case that companies are delivering different types of return to communities—as I said, the construction jobs and wages or adequate royalty payments—or simply do not have the types of revenue for which the MRRT is designed. But the MRRT was never supposed to be a scheme for the next six months; it was to account for the boom periods when mining companies are generating huge wealth and little social benefit relative to that wealth. The frequency and regularity of those periods increases when the sector is booming, when prices and volumes are high, and when deductions in the form of depreciation on market values have been run down. The notion that the MRRT has not performed as expected is not borne out by an assessment of the deliberate design of the scheme. It is, like so much of what this government says, a hollow three-word slogan. But Australians will never have the opportunity to benefit from these boom periods in the mining industry if the coalition gets its way and will never see the fruits that it would produce.

I want to take you through some of the areas in which Australians stand to lose from this bill and the repeal of the MRRT, many of which the coalition has included under the vague and obfuscating heading of 'associated measures'. The coalition will start the cuts early on in the lives of Australians, targeting the measured aims at supporting families in giving their kids educational opportunities. Labor introduced a payment of $205 for each child in primary school, and $410 each child in secondary school, last paid in July 2013 under the Labor government. This assistance would have been paid again to around 35,000 Tasmanian families in January this year if the coalition had decided that children's education was worth supporting. Instead, they decided that kids were an easy target in their phony 'budget emergency' campaign before the election.

This assistance follows from its predecessor, the education tax refund. Up to 7,250 Tasmanian families with legitimate claims to the education tax refund missed out on their deductions. And so, the direct method of payment, termed the schoolkids bonus, was one of
the recommendations of the Henry tax review commissioned by the Labor government and designed to make the tax system simpler and fairer. Unlike the ETR, you did not need to claim the schoolkids bonus or keep receipts for education expenses, because Labor understood that there are costs in educating kids that families necessarily have to shoulder and costs for which they deserve support. Cruellest of all, this is not even a payment in any way linked to the MRRT. Despite the coalition's rhetoric, it will increase the cost-of-living pressures on Australian families at a time when they can least afford it and a time when they most need support. It is simply about targeting low- and middle-income families in an attempt at ideological purity.

It is the same rationale that the coalition applies in repealing the income support bonus, a tax-free payment of $211.60 that goes to Australians who are most in need of it. Perhaps the most discussed beneficiaries of this payment are the children of soldiers killed or seriously injured in service. Children of veterans aged under 16 years, who are homeless or living away from home, or those under 25, who are unemployed or studying full time, would have been entitled to receive this payment. But, in their infinite wisdom, the coalition have decided that these people do not deserve our country's support. Their sacrifice, it seems, means so little to the coalition that they are unwilling to support them when they need it most. As if it were a defence of this callous action, the Prime Minister insisted:

There are tens of thousands of people who will lose the income support bonus, and I do not suppose that any of them will be very happy to lose it.

He was right about that. He went on to say:

But this idea that the children of veterans are somehow being singled out for mistreatment by government is simply false. … It is an outrageous smear …

It is difficult to understand how the Prime Minister can consider a provision of his government's legislation, their own doing, as an outrageous smear, but he is correct in saying that the collateral damage of the coalition's championing of the wealthy and powerful is broader than just the children of war veterans. The victims of the coalition's cuts also include those people receiving—and the list is long—Abstudy living allowance; Austudy; exceptional circumstances relief payment; Newstart allowance; parenting payment; sickness allowance; special benefit; transitional farm family payment; and youth allowance. The repeal of the income support bonus is, as you would expect, opposed by the New South Wales Returned and Services League and by National Seniors Australia, as well as by other groups that are concerned about the welfare of vulnerable Australians.

The MRRT was also heralded as a chance to secure Australia's future by building a stronger superannuation sector. Compulsory superannuation is a Labor government achievement that guarantees not only the wellbeing and personal financial security of retirees but also the nation's financial security. Among the very many economic achievements of the Keating Labor government, superannuation stands out as one of the most important and enduring features of Labor reform. So important and so positive has superannuation been to this nation that the Prime Minister felt obliged to promise, when he was opposition leader, that there would be no adverse changes to superannuation. But those platitudes offered by the Prime Minister have, like so many of the sentiments he has expressed, failed to survive his transition to becoming Prime Minister on taking government.
Buried in the bill before the Senate is the axing of the low-income superannuation contribution—a move that will increase superannuation taxes for one in three of Australia's lowest paid workers. Indeed, within weeks, the government sought to cut the super of millions of Australians who earn up to $37,000 while boosting the super for 16,000 people who have over $2 million in their super balances. This makes it very clear which end of town this government supports. It has no support at all for low-income Australian workers who would have benefited under the previous Labor government's low-income superannuation contribution. It also speaks volumes about the coalition's priorities whereby any scheme designed to redress the inequality in support for low-income earners so that they can live with security, dignity and opportunity is scrapped in favour of one that increases the wealth of the wealthy. For high-income earners, superannuation can be concessional; for low-income earners, there are no effective incentives for them to contribute to their superannuation. This is shameful. Labor's measure addressed this issue. And disproportionate among the low-income earners who were catered for by Labor's measure were women. It is worth noting that more than 2.1 million women are affected by the proposed change. A significant percentage of these women are mothers who are working part time while looking after their children. This is exactly the time in a woman's career when an additional $500 a year going into her superannuation would be of most benefit for building savings for her retirement.

Not content with stripping these benefits from here on in, the coalition is backdating this cut; it is implementing this tax measure retrospectively—a fact confirmed by the Parliamentary Budget Office's checking of the coalition's election costings. Low-income earners entered the 2013-14 financial year on the understanding that they would be refunded their superannuation tax, but part way through this financial year the government has shifted the goalposts to make it harder for low-income earners.

When you combine this move with the delay in increasing the super guarantee to 12 per cent, far from helping out the Australian economy, national savings and economic security will be hit by $53 billion by 2021-22. This means a reduction in available capital for infrastructure investment of around $5 billion based on current industry-wide asset allocations. The coalition has complained, falsely, about a flight of investment from the mining sector because of the MRRT. But the worst thing we can do for investment security is to make capital harder to access—exactly what the 'associated measures' of this bill will do.

Labor will oppose this bill. Labor will oppose the removal of the MRRT and the 'associated measures'. The Labor Party believe in Australians. We believe in our students, our jobseekers, our families, our kids and in the descendants of women and men who sacrificed their lives for our country. We believe in them, and that is why we will oppose this bill.

Senator WHISH-WILSON (Tasmania) (20:21): Shortly before I started in the Senate, a friend of mine, Peter Lloyd, gave me a book to read which he told me was essential reading for any new MP. Standing here tonight I realise just how important it was and how right he was. The book, Don't Think of an Elephant!, by cognitive linguist George Lakoff, is essential reading. For those Australians bewildered by how this Liberal-National government can be so ferocious and effective in undermining good public policy, such as pricing pollution or implementing a fairer tax system for all Australians, I recommend you read this book. Lakoff explains why the conservative side of politics have been devastatingly effective in promoting
their own agendas by consistent, disciplined, simple and emotive messaging designed to attack and undermine progressive politics, and not just in this country.

One focus for Lakoff is the subject of taxes, which are a good thing but are consistently painted by conservatives as an evil. Sound familiar? Lakoff goes on to explain that taxes are a critical part of any democracy. Taxes are roads, taxes are hospitals, taxes are law and order and taxes are safety nets for the poor. Taxes help build economies and create jobs. I would fall off my Senate bench if I ever heard this point publicly acknowledged across the chamber. It certainly has not rated a mention in any of the coalition's debate speeches on this subject. It does not fit their simple and glib messaging and their fundamentally dishonest spin.

In an ideal world, good tax policy would focus less on taxing effort, or what economists call 'work', and more on taxing the 'bads'—for example, through a pollution-fuel excise or an excise on tobacco. We would also focus taxation on equitable levying of the public good across common resources, such as the economic rents from our abundant mineral wealth. The 'tragedy of the commons' and the fair setting of 'property rights' on public goods is understood by most first-year economics students but seemingly not by those on the other side of the chamber.

Do not just take my word for this; this logic was inherent in recommendations made by the Henry tax review. Ken Henry is the man who was at the helm of Treasury through much of the Howard-Costello so-called glory years of economic management in this country. I was lucky enough to be in the audience for a speech Ken Henry gave at the University of Tasmania the very same night—in fact, the very same minute—his resignation came into effect and he stepped down and was a free man. At the end of his speech, when asked by a young student what he thought was the biggest challenge facing this country, he replied, 'A lack of political conviction for reform.' Today in this chamber, I see and feel this firsthand. Henry said he hoped the bright young students in the audience would go on to careers in public service and politics and help make this necessary change happen. How ironic that now the Liberal-National Party do not respect the vision or legacy of this man. How can they when they are turning their backs on many of his important recommendations for reform, including a mining superprofits tax?

Let me be clear: Ken Henry designed the superprofits tax to improve the taxation of resources. State governments currently tax resource projects through inefficient state royalties. These are generally based on a fixed amount per tonne of production or a fixed percentage of the value of production. Resource commodity prices are volatile but trends show iron ore up 700 per cent and coal up 100 per cent since 2004. Add to this record volumes of production and shipments of both coal and iron ore. The current mining taxation regime has caused fewer benefits to accrue to the community as a proportion of these increased profits. In 2001, mining companies paid approximately 40 per cent of their profits as royalties to state governments. Today they pay less than 20 per cent. And let us not forget that the mining boom, while it has no doubt been a bonanza to big foreign owned corporations, has had its downsides for the Australian economy. We need a more honest debate about this, if that is at all possible in today's politics.

Employment in mining is often cyclical and short term in nature. The mining boom has given a sugar hit to the Western Australian economy, but Western Australia needs more eggs in its basket if it wants to secure its economic future. As my colleague Senator Ludlam has so
eloquently pointed out, the state must diversify its economy. At least Senator Ludlam and the Greens have a plan to do this. This government's economic plan for WA is simply to 'axe the tax' and suddenly tens of thousands of jobs will be created overnight. This is not a plan; this is a scam or a sham. Hopefully the government will have the guts to turn up to debate Senator Ludlam over the coming weeks on his vision for the WA economy.

We the Greens believe the Australian people who own the mineral wealth that is to be extracted deserve a greater share of today's profits. This is exactly what this tax was supposed to rectify. This begs the question: why is this policy being scrapped by this government? The biggest porky of all being pushed by this government is that the mining tax has contributed to sovereign risk that is impacting on mining investment and employment. Sovereign risk, also called country risk, is made up of both political risk and broader economic risks such as inflation, interest rates, volatile exchange rates et cetera. Australia ranks in the top 10 global investment destinations on a variety of independent global assessments of this risk. We are by any measure a low-risk investment destination.

This same argument was used generations ago against the introduction of a petroleum resource rent tax— that it would devastate employment and investment in the Australian energy industry. What claptrap that has turned out to be. If you want to ask about sovereign risk, go speak to the ex-CEO of Rio Tinto Tom Albanese about a real sovereign risk destination, Africa. He lost his job as CEO of Rio Tinto after a $3.4 billion write-down, a loss on their investment in Mozambique. Or ask the other employees of Rio Tinto in Mozambique, who have had to leave the country amid security concerns. Or ask the Australian companies that recently successfully received $100 million in Australian government export assistance loans to do business in Chile because the project was too risky for conventional finance. In justifying this loan in question time last week, Senator Cormann made some comments about finance markets not working efficiently overseas. So the Australian government has had to step in and provide finance on what is already a well-established project in Chile. South America, like West Africa, is a high sovereign risk destination. Australia is not. What overseas mining company has asked their government to invest taxpayer dollars to cover their risk of investing in Australia? Not one.

This debate should be called the mining the truth debate because there is so much dishonesty and selective debate surrounding it. The real reason the government is seeking to overturn this tax reform is simple: the old royalty system, which has a lower impact on their profits, suits the profit-chasing nature of big business and their drive for shareholder returns. Economists call this rent-seeking behaviour, and this is what underlies the advocacy of big business groups and their lobbyists. Our miners earn huge economic rents. They pay lower tax rates than most Australians, and they are heavily subsidised by the taxpayer. According to the Australia Institute, fuel tax credits are worth $2.35 billion a year to the mining industry. The wealthy miners also get $495 million in annual tax write-offs for capital works and an additional $550 million in deductions for exploration and prospecting. Add in other government incentives, such as generous research and development tax concessions and taxpayer funded infrastructure investments, and the annual number climbs to over $4 billion of Australian taxpayer subsidies per annum.

The mining industry effective tax rate of 13.9 per cent is also far lower than the average of other industries in this country, at around 21 per cent. The mining industry also combines its
corporate tax rate with royalties in order to argue that it is highly taxed. But royalties are the cost of raw materials. It is no different from when a restaurant buys food or bricklayers buy bricks. These industries do not count these inputs as taxes. We, the Australian people, through our governments, sell resources to the big miners. Of course we should seek a better and fairer price—a bigger share of the pie. But the big end of town, pulling the strings of this puppet government, does not want to give it you. A whopping $22 million was spent by big business just on advertising against the first super profits tax, and I note that we have heard, in just about every debate, from the Liberal-National government that this led to the downfall of Mr Kevin Rudd, the Prime Minister at the time.

This debate is indeed about the profits of big business—it is about protecting them. Do not believe the mining industry or the coalition when they cry poor. The Liberal-National government are right about one thing in this debate: the MRRT is not the original super profits tax, and it has been a failure in delivering its revenue objectives. Only $126 million has been raised in the first six months since introduction, yet $4 billion was expected to be raised this financial year under the revised version negotiated by Prime Minister Gillard. It is also worth noting that only BHP paid any mining tax for the year to 31 December 2013. This is despite the profits of the three big iron ore companies to whom it applies—BHP, Rio Tinto and Xstrata—having risen by 81 per cent in this financial year. Their combined half-year profits are $14.6 billion, and 83 per cent of these profits go offshore. So any super profits tax is essentially a tax on foreign shareholders—a transfer of wealth from foreigners to Australians who own these resources. Note that, without the MRRT in place, their profits would still be a staggering $14.81 billion. The current super profits tax takes a meagre 1.5 per cent off their extravagant headline profits, and for this government that is still too much. This government would prefer to charge people to see their local doctor or to make life harder for small business.

The Greens want to fix this tax on wealthy miners and their super profits. We stand alone in this regard. We want to fix it for a more fair and equitable Australia. We have been consistent on this matter. We support the original Henry super profits tax. According to the Parliamentary Budget Office, fixing the tax would yield $26 billion over the next four years. Removing the mining depreciation allowance, additionally, would add another $2.2 billion to be spent on healthcare and looking after our vulnerable. It is important to point out that the proceeds of this megaprofit mining tax were designed to be spent on pensions and tax cuts for small business and infrastructure projects, particularly in WA and Queensland. Treasury and independent modelling forecast a $450 million per year gain to the Australian economy, due to flow on results of company tax and tax breaks for small business.

The mining tax was also forecast to reduce the cost of living and increase employment, contrary to Senator Mathias Cormann's false and unsubstantiated claims made in this chamber. Small business is the backbone of our nation. Nearly two million businesses employ nearly half this nation's taxpayers. My wife and I have run two small businesses for the past decade. My wife currently employs 16 people in our home town of Launceston. We know, unlike many in this chamber, how tough it is to get out of bed and go to work because no-one else will if you don't. We know the long hours and the risks of losing it all. I am sure no-one from the Liberal Party would disagree with what I am saying here tonight, so why are they penalising Australian small business with this legislation? Why are they removing the instant
asset write-off thresholds and loss carry-back provisions—effective tax breaks for struggling, hard-working small business in Australia?

This anti small business legislation reduces the flexibility and cash flows of small business right across the country. I note with pride that the Greens want to increase the instant asset threshold to $10,000, not wind it back to a paltry $1,000. We want to give small business a bigger tax cut to help grow the national economy, and we ran a policy going to the last federal election fully costed to do this to reduce the corporate tax rate for small business to 28 per cent. Previous attempts to do this had been voted down by the Liberal-National government. Why? Simply because they feel they have the small business vote of this country in their back pocket, so they can take them for granted.

I ask again: Why? Why is the Liberal-National government turning its back on small business in this country? They are doing it because they are puppets on a string to the big end of town, because they care more about maintaining the huge profits of mining companies than about Aussie battlers. The legislative agenda that we have had in this chamber for many months is all about ripping up and tearing down, but I am yet to see any vision or alternatives for employment opportunities. The mantra that suddenly we will cut taxes and everything will be okay certainly does not wash with me, and I do not think it will wash with the Australian people.

This bill is another example of the Liberal-National government legislating for special interests over public interests, as it is doing with the carbon bills, where the big end of town—the big polluters—have run a campaign against the entire clean energy package because it is a threat to their business and to their hold on the energy market. Legislating for the big polluters over the environment, community and future economy is becoming a bit like Groundhog Day in here.

This government will go to any lengths to push its short-sighted, dangerous agenda. We saw, this week and last week, the government's attempt to push through the FoFA reforms, which Senator Dastyari, in the chamber tonight, knows a lot about. It has become very clear—thanks to an article on Crikey on Friday afternoon—that the Liberal Party has been a beneficiary of donations from the big end of town, the big banks and AMP, who stand so much to gain in not seeing these reforms pushed through, these sensible reforms backed by the financial planning industry. They do not want to see conflicted remuneration, they want to see these conflicts of interest removed so that the industry can get back on an even keel. They have suffered reputational damage because the way a lot of the products have been sold has been unethical and has lost investors a lot of money. And it talked a little about the Liberal-National government's obsession with managed investment schemes. I hope we will hear a lot more about this in the coming years.

The government's agenda, if you can call it an agenda, is designed to further its own short-term political interests, at the expense of good public policy, the broader interests of the Australian people and the future of this nation. Although we do a lot of good work in this chamber, as I was putting this speech together tonight, I thought about Ken Henry's words in the lecture theatre at the University of Tasmania. The clock had struck six and he said to everyone, 'I'm officially retired.' Someone said, 'Are you going to speak your mind tonight, Ken?' He said, 'Well, I still have a lot of respect for the politicians and the people I've worked with, in the system, over the years.' He gave a very good, balanced speech.
At question time, a young lady put up her hand and said, 'What is the biggest challenge facing this country?' It was the first question. He said, 'A lack of political conviction for reform.' This is a man who had been and seen it all, and certainly has tripartism respect, from everything I have seen. I look at why he is right and why we are failing—by trying to put up this type of legislation to tear down good public policy. It needs to be fixed, there is no doubt about that. When I ask myself why, I can only see one reason: this government is governing for big business, not for what is in the interest of most Australians. I will certainly be voting against this bill, as will Senator Di Natale and all of the Greens.

Senator DASTYARI (New South Wales) (20:41): I rise to speak in opposition to repealing the mineral resources rent tax. I rise to speak in opposition to arbitrary and heartless cuts to valuable programs under the guise of this bill, because at the end of the day that is what this proposed legislation will do. It does not matter what the government says. It does not matter what language they choose to use. This is not just a bill about repealing a tax; it is also about abolishing a series of funding measures that go to the heart of a series of programs implemented by the last government. I rise to speak in opposition to a government bent on attacking low-wage workers to give cash to large mining companies and, again, that is what repealing this legislation would do.

I heard other speakers talk about how this legislation is not perfect, how there are elements of the bill that are worthy of reform or debate. If we were talking about that in the Senate it would be a debate worth having. But that is not what this proposed legislation does. This proposed legislation gets rid of the minerals resource rent tax and gets rid of the spending measures associated with it. There are two elements to this bill that Labor opposes and that I oppose. Firstly, it repeals the tax itself, the purpose of which was to ensure that the Australian community received an adequate return for its natural resources—built on the principle that these are resources that belong, in one way or another, to all Australians—and there deserves to be adequate compensation for the Australian public when they are being ripped out of the ground.

The current legislation outlines the process for taxing above-normal profits made by miners that are derived from resources in the form and place they were in when extracted.

Not only does the bill repeal the MRRT, it also abolishes a series of measures that have an important impact on the community—that help people overcome a series of cost-of-living pressures. There is a fundamental dishonesty that has been happening in this debate. The government has not been clear that this is not just about repealing tax; it is about repealing benefits. The MRRT was not implemented only to fund these programs—there was an equity argument as part of it. These programs are being abolished by a government that has been secretive and inconsistent in cutting support for low- and middle-income Australians.

The MRRT was designed to take into account profitability and to give a fair return to the Australian community for the extraction of our non-renewable resources—resources which we all know are not going to be there forever. A profits based tax regime on these industries ensures that when global commodity prices are high, as they were in previous years, so are the returns to the community. Currently, if this legislation were not in place, taxpayers would see none of the benefits of these kinds of profits. Frankly, there is an equity argument here that deserves to be legislated for.
The MRRT system meant a fairer outcome for the Australian community—for those to whom these resources belong. These resources are, and should be, owned by the Australian people. They are non-renewable. We all know that they are not going to be replaced. The community rightly expected a return from their extraction and sale. It is also better and fairer for that sector if more tax is paid during periods of high profitability and if taxes are lower when lower profits are being realised. This principle applies on a site by site basis. The MRRT is a project based tax, so a liability is worked out separately for each individual project. More profitable sites will naturally attract a tax without diminishing the investment case for less successful ventures. That fundamentally lies at the heart of this equity argument. This argument says that the Australian public deserve to be adequately compensated for these resources but that we cannot put an unfair burden on business. That is why the taxation system is geared towards a direct relationship with the level of profits.

The bill we are debating tonight gives a tax cut worth $3.3 billion to the biggest mining companies in the world but hits Australian families and small business owners with, over the forward estimates—over a longer period—$16.3 billion in higher taxes and cuts. The government has listed measures that are amongst the first to be cut, by artificially tying them all to the MRRT.

I said before that the MRRT was not implemented just to fund these programs but that they are being abolished because the government does not believe that they have value. Make no mistake: this is a deceptive attempt to reverse social policies that are benefiting low- and middle-income Australians. And who are the beneficiaries of all this? A small handful of the largest, most profitable, most powerful mining companies in this country and across the world benefit from this.

Frankly, this is a government which, on this front, has its priorities completely wrong. I just want to run through some of the measures that are going to be cut if this legislation is adopted by the Senate. The first is the schoolkids bonus. The cuts in this bill will hit low- and middle-income families by abolishing the schoolkids bonus—$410 a year for primary school students and $820 a year for high school students. For families with two children this could mean they would lose as much as $1,500 for school costs over the course of their kids’ education.

While figures of $410 or $820 may not seem so large, for families on lower incomes—these families struggle when all the bills comes due at the same time and when school bags, school shoes, the school uniform and the textbooks have to be purchased—these kinds of payments make a big difference. These kinds of payments matter. Families that receive family tax benefit A, youth allowance or veterans payments may be eligible for the bonus. It was intended to replace an annual education tax refund. Abolishing this payment in its entirety would remove financial support for families with young children at the time when a lot of them need it most.

It is not just schoolchildren who will be affected by these cuts. The income support bonus assists people with unexpected costs of living. People who receive that bonus will also be victims of this bill if it is adopted in its current form by this Senate. It is an income-tax-exempt, indexed, non-means-tested payment twice a year to eligible recipients, including over-50s on the Newstart allowance. The fact that the government proposes to abolish these payments without considering options for their replacement is highly irresponsible and completely mean spirited. To hide cuts to family and income support within this bill also
shows gross disrespect to the Australian people, especially to those who are the most financially vulnerable and who are most in need of government support.

What worries me perhaps more than the other measures is the cut to the low-income superannuation contribution. Workers in low-paid employment will suffer as a result of the government's proposal. Previously, low-income earners received little or no benefit from concessional super contributions, so there was no adequate incentive for them to save for retirement. The low-income super contribution made superannuation tax arrangements fairer by rebating most of the tax they otherwise would have paid on these contributions. If this contribution is abolished, millions of Australians earning up to $37,000 will have increased super taxes. Before we had these low-income super contributions measures, low-income Australians who chose to save instead of earn were penalised by paying 15c in the dollar extra tax.

Women in particular are reflected on a grand scale—2.1 million female workers will suffer as a result of this bill. Many of these people are working part time and many are balancing work/life challenges. Industry Super Australia gave evidence to the Senate that abolishing the low income super contribution could reduce a low-wage earner's total retirement savings by about 15 per cent. This short-term cut will have a financially significant impact on Australians for years to come. In the short term, these working single mothers will lose support for their kids' school costs. In the long term, they will have fewer savings to retire on. There is the idea of delaying the increase in the superannuation guarantee. By winding back increases in the superannuation guarantee, the government will be undermining the ability of many Australians to save for their retirement.

Senator Singh spoke earlier about the Labor legacy of creating a savings space for all Australians with superannuation. What worries me is that what is initially a measure for delay becomes further delay and further delay, and in the end it is never implemented. I do not—and I know a lot of other senators in this place do not—have the confidence that those on the other side of the chamber have the same commitment to superannuation that some of us on the Labor side have demonstrated. The superannuation guarantee was to be increased from the current nine per cent to 12 per cent by 2019. This bill pushes those percentage increases back. My fear is that, once you start with these kinds of delays, you end up with never actually implementing it. This will mean lower retirement savings and increased pressure on the budget as retirees remain dependent on the aged pension. Again, it is a short-term measure which has a long-term impact on the future finances of many Australians.

On top of that, there are some tax increases for small business. Taxes will increase for 2.7 million small businesses. Earlier, Senator Whish-Wilson outlined some of this in detail, with some personal experiences. The idea of removing the instant asset write-off for small business is a particular concern. Small businesses will face increased red tape as a result of changes to this instant asset write-off. Increasing the threshold for claiming a deduction to $6½ thousand was intended to reduce the red tape compliance burden on small business. This proposal will reduce the threshold back to the 2007 level of $1,000. The government has been out there boasting that we will see some kind of bonfire tomorrow about cutting red tape. You have here a direct measure designed to make it easier to run a small business and easier to be part of a small business, and yet the government is proposing legislation in this place at this time that would make it all harder.
Special rules for motor vehicles would also not apply if this legislation is adopted. The government should be supporting small businesses. If they were genuine about cutting red tape, we would not see a measure like this in the Senate that is designed to do nothing more than increase the burden on small business. What we see here is all talk; when it comes to action, there is nothing.

I am also concerned about discontinuing the Regional Infrastructure Fund and the Regional Development Australia Fund. Additional to all the cuts contained in this bill, funds for regional development will be discontinued. No legislative change is required to defund the Regional Infrastructure Fund and the Regional Development Australia Fund, and that is a concern. It will be interesting to see the impact of this on regional infrastructure. How can the government justify hiding all this in a bill that is supposedly about nothing more than repealing the MRRT? They hope that no-one will notice; they hope no-one is watching. Well, we have noticed and we will hold the government to account for this shameful attempt at cutting support for those who need it most by opposing this legislation.

While the government proposes to cut all these measures that we have outlined this evening under this bill, we know there is a lot more to come. The Commission of Audit has handed the Abbott government a 900-page report that at this point we can only determine is sitting on the desks of the Prime Minister, the Prime Minister's chief of staff and the Minister for Finance and now also Acting Treasurer Senator Mathias Cormann. We are told it contains a recommendation for a comprehensive review of government spending. If the Commission of Audit is an honest and holistic review of government, why did the government cut these measures instead of considering them in the totality of all government programs? Why have these measures designed to help those on low and middle incomes been separated from a whole-of-government review of spending?

There are two explanations. Firstly, this is nothing more than an ideological attempt to undo everything the former Labor government implemented—that this has more to do with politics than it has to do with policy—in a show of spite and focused squarely at removing any of Labor's signature policies, regardless of their merits. As irresponsible and small-minded as this approach would be, I hope this is the reason, because the alternative reason is, frankly, much worse. The alternative reason is that they are deliberately hurting low- and middle-income earners to benefit a small handful of the richest, the most powerful and the wealthiest mining companies across the world. All of these companies gains will come at the expense of the Australian people, who own the resources the companies are extracting a profit from. When these big, powerful mining companies are making their largest profits, there should be an obligation upon them to give the greatest return to the Australian public, who own these resources and fundamentally deserve to have their share of remuneration for the resources that belong to this great land.

The government has its priorities wrong if it thinks it can cut programs aimed at helping single mothers and school children; those that are about supporting small business and giving small business the resources that it needs; and those that are about creating a superannuation system so that those who work for a living and contribute to the Australian economy for a lifetime are able to retire without being dependent on the government. If the government's priorities are that cutting those programs is okay, that cutting all those programs is the right thing to do—simply to give a tax break to highly profitable companies that exploit our natural
mineral wealth—then, frankly, it has all of its priorities wrong. If that is the path of this government, then it would be undermining Australia's national interest by removing a measure that would ensure the broader Australian community gets a fair share of value from a finite amount of natural resources. Fundamentally, that is what the MRRT is about.

We are not saying that the MRRT is perfect. We are not saying that legislation of this kind does not from time to time deserve and warrant appropriate review. But that is not what this legislation does. What this legislation does is in two parts. It removes a tax that is about creating equity, about making sure that the largest and most successful companies pay their fair share when they are making the most money, but it also aims to tear at the heart of a series of social programs designed to build the social fabric and help address the cost-of-living pressures that so many families across this country face. I will be opposing this legislation.

Senator MADIGAN (Victoria) (21:02): The Minerals Resource Rent Tax Repeal and Other Measures Bill 2013 will remove what most Australians know as the mining tax. But what most Australian do not realise is that this bill also seeks to remove low-income super contributions. This bill will pause the superannuation guarantee and it will remove income support bonuses for the children of defence veterans, among other things. I acknowledge that when they went to the election the government said they would not meddle with the super of high-income earners, but what they did not tell the people on low incomes was that they were going to have a go at theirs. I, for one, support the government's intention to bring the budget back into the black—and I do realise that you cannot spend what you have not got.

Some time ago, under the previous government, we had a raft of bills slammed through the Senate. Of course, some of these bills were booby trapped like this one has been. But what I do not support is penalising hard-working, low-paid Australians through these changes to their super. It is one thing to ask people to work for welfare but it is another thing to rip away from them what little potential retirement savings they will have. What is more, last week Senator Ronaldson signed a regulation to remove the income support bonus for the Veterans' Children Education Scheme. Such a decision by the government is both insensitive and despicable.

It is for these reasons that I am asking the chamber to support my amendments to oppose both schedule 6 and 7 of this bill, and for parliamentarians both here and in the other place not to accept a pay increase from 1 July, to offset the costs of this small allowance to these children. When you think about it our annual pay rise, relatively speaking, is not a lot of money for those in the other place and in this place. But for these young Australians this money would make a big difference to their lives. As for the nation's political elite, all we have to do is ask the Department of Finance to redirect around $1,200 of our pay each year to this scheme—problem solved. Even if the government members and senators do not think it a worthy enough cause, I would be willing to pitch in with the ALP members and senators, who have been very vocal on this issue. After all, if media reports are correct and the yearly cost of 1,240 students receiving an education allowance under the Veterans' Children Education Scheme only equates to around $260,000, then each ALP member and senator, along with me, would only need to put in less than $3,000 from their own pay. When you take that amount of money out before tax, who is really going to notice it?
In regard to the super aspects of this legislation and my amendments which I intend moving in the committee of the whole, by opposing schedule 6 we are allowing many low-income earners to save up to a further $20,000 in today's terms in their superannuation, with the average being between $5,000 and $15,000. This has been forecast by Industry Super Australia to benefit some 3.41 million low-income earners. By opposing schedule 7 the chamber we would be telling about 35 per cent of working Australians that they do not need to pay more tax on their super than they do on their income. Industry Super Australia puts it clearly:

The low income super contribution operates as a tax offset, effectively refunding the contribution tax paid by low-income earners on their superannuation guarantee and other concessional contributions up to $500 per annum, thus allowing low-income earners to accrue a tax concession on their contributions like all other income earners.

By repealing schedule 7 of the bill, the chamber would be allowing low-income earners to save up to $27,000 in today's terms when accessing their super when they retire. If schedule 7 is not repealed, one in three working Australians will be left without any tax concessions from the government, despite having their super locked away until retirement. These are the Australians who need concessions the most. I think it is important for the chamber and the government, in particular, to realise that there was no pre-election commitment by the coalition to remove the low-income tax benefit and therefore I ask the government to reconsider its motives.

Finally, the government should allow some respite for low-income earners when it comes to super. After all, increased super balances now will decrease the pressure on taxpayer funded age pensions in the future. It is for those reasons I implore all senators to support my amendments.

In closing, when we guillotine legislation, when we think we have the upper hand and the pendulum swings one way or the other in this house, it is the result of bad legislation that did not raise the amount that we would have hoped it would have raised. In effect, the comment made by Senator Dastyari that the minerals of our nation belong to all Australians is quite true. Those people who seek to exploit our minerals, our finite resources, should pay for those resources, because they belong to each and every Australian.

Senator LINES (Western Australia) (21:08): I rise to oppose the Minerals Resource Rent Tax Repeal and Other Measures Bill 2013 and I do so for the following reasons. Repealing this bill shows, once again, that the Abbott government puts ideology first on its agenda, ahead of the interests of companies; small business; regional infrastructure and regional development; low-income Australians; families doing it tough; Australians who value savings; Australians with retirement incomes; and the 3.5 million low-income Australians who were promised a boost to their superannuation.

All Australians should, as a matter of right, share in the benefits of the mining boom. After all, multinational companies, digging up our precious and non-renewable materials, are delivering their profits back to shareholders. Both the Barnett Liberal government in Western Australia and the Abbott Liberal government in Canberra have no issue with the sharing of profits with shareholders. However, both governments have a very big problem with Australians, particularly Western Australians, sharing in the wealth created by digging up precious, non-renewable minerals.
The Abbott government wants to take away tax cuts from 2.7 million small businesses. However, Labor’s assets write-off for small businesses was welcomed by the often struggling and forgotten part of our economy—the mums and dads and the small companies, many in Western Australia. The Abbott government will take away any opportunity these companies have of expanding and employing more staff. The Abbott government likes to say it wants to create wealth and jobs, but its actions show the Australian people that it is a government that just does not care.

The Prime Minister has made much recently of his commitment to women. Indeed, he is the minister for women. That is something I struggle with—a male as the minister for women. When asked the question by a year 9 Newtown High School student, even the Prime Minister, frankly, struggled to answer. The PM said, ‘People are male or female.’

He then went on to say that he believed all that mattered was that people were represented by decent human beings. Then, on International Women's Day, the PM declared himself a male feminist. Nobody is fooled by that. The women of Australia do not believe that and, if the Prime Minister counts himself as a decent human being, he has failed to convince the women of Australia of that. Why do we not believe that? Because the PM has done nothing to demonstrate his commitment to women. In fact, he has done everything to show that he has no interest in the wellbeing of women, as this is a PM who is taking away, ripping out, the rights of women in relation to expanded superannuation concessions. He is ripping money away from the lowest paid workers—3.5 million workers. And of course the Prime Minister knows that these are mostly women workers. I can tell the Prime Minister that losing this entitlement is an issue for aged-care workers, early childhood educators, hospital workers, hospitality workers and retail workers in Western Australia. These low-paid, predominantly women workers, currently retire with very little superannuation and will continue to rely on the aged-care pension for support, at a great cost to government.

To top it all off, this bill seeks to abolish the income support bonus, a tax-free payment for the over-50s on the Newstart allowance to help meet unforeseen costs, such as medical expenses. At a time when this government is secretly considering a tax on GP visits and bulk-billing, it is taking money away, again, from people who need it the most. It is a modest payment: just $210 extra per year for singles and $350 extra per year for couples. The abolition of this payment is opposed by National Seniors Australia. By ripping away this modest assistance, the Abbott government has revealed its uncaring approach and indifference towards those it should be providing support to—a government that pays heed to shareholders but cares little about Australians doing it tough.

As a Western Australian senator, I want to focus on what is happening in my state. This is particularly important as on 5 April, Western Australian voters have the unique opportunity of voting in a half-Senate election. They have an opportunity to send a strong message to the Abbott government that Western Australians will not be taken for granted—that Australians have a right to share in the wealth of our country, that that wealth does not belong to shareholders but deserves to be shared with all Australians. It seems that is a concept the Abbott government does not share. Its view is that only big business should share in the wealth of the country, and that this wealth will somehow magically trickle down to the rest of the country, particularly to the low-paid, through employment and increased pay—a failed economic theory if there ever was one. Along with this, the Abbott government is attempting
to further disadvantage low-paid workers in Western Australia by an attack on penalty rates to make these workers earn even less, robbing them of superannuation and reducing their take-home pay. Western Australians will not be duped by this. They know that voting Labor on 5 April is the sensible and safe thing to do.

What is happening in the minerals resource sector in WA? If you listen to the Abbott government, it is all doom and gloom. Earlier this month, the Fraser Institute survey of mining companies found that WA's resources sector had been identified as the top-rated jurisdiction for investment attractiveness in the world, with no signs of slowing down—something that the WA senators for the Abbott government seem not to have noticed; it has passed them by. But this survey has found that Western Australia is the No. 1 investment opportunity for many companies seeking to do mining. Furthermore, during the 2012-13 period Western Australia's mineral and petroleum sectors set a new record of value of $113.8 billion. This is a new record value and yet, if you listen to the Abbott government and particularly to the Liberal senators from Western Australia, you would think that the mining industry was in deficit. You would think that no money was being made in mining in Western Australia, because the Abbott government goes on and on about the carbon tax and the MRRT—which is having no impact on investment in Western Australia. But again we see a government totally committed to just making it up, to whatever suits on the day. They do not look at facts; they just rely on fiction. Whatever it takes is what will be motivating them.

That record value was an increase of over 15 per cent on the previous period, showing significant growth both in the industry as a whole and in petroleum mining itself. Not only that, this report goes on to say that WA was rated No. 1 on a range of key indicators—something else that seems to have passed the Western Australian Liberal senators by. So what were some of those indicators? Guess what: No. 1 one for investment attractiveness. That is not what the Abbott government would have the Australian public believe, and it is not what the Abbott government would have Western Australian voters believe. Western Australia was also No. 1 on certainty concerning existing regulations—again, nothing you would ever hear from the Abbott government. The MRRT did not rate a mention—and again, the Abbott government is completely out of touch particularly Western Australian Liberal senators, who I assume meet with Mr Marmion and yet seem to have missed the major statement that Mr Marmion made just two weeks ago about Western Australia being the top investment destination. Mr Marmion went on to say: 'WA has a dynamic, world class resources industry which underpins the State and national economies'—this is coming from their own side, from a Liberal minister in a state government. They seem to have missed that. These statements by Mr Marmion are completely different to what we hear from the likes of Senator Cormann and from other MPs and senators from Western Australia. They are clearly out of touch. They are just running a political and ideological
agenda. How can they be trusted when they are so out of step with what their own Western Australian Liberals are saying?

This is something else the Abbott government should be proud of: just last week, Gina Rinehart—one of their buddies—demonstrated her commitment to and her confidence in the future of mining when she announced a $7.9 billion debt package to bankroll the Roy Hill iron ore project. Where did the Abbott government and the Western Australian senators crow about that? They do not crow about it, because they want to paint this false picture—that somehow Western Australia is under threat from the MRRT. That is all they go on about, and they are completely wrong. The Abbott government has tried to paint a very bleak picture of our future, telling Western Australians that the MRRT is holding mining back, holding investment back and holding us all back. Yet we have seen that Western Australia is the No. 1 investment destination and we have seen the massive investment that Gina Rinehart has made through the Roy Hill project. But we have not heard about that from the Abbott government. You would think that would be something they would be proud to stand up and talk about, but it does not suit their political agenda to do so. We know the facts. The fact is that Gina Rinehart is here to stay and those who have the facts in front of them—unlike the Abbott government, who just prefer ideological political opportunities—know that Western Australia is a good place to invest in. These are facts, not ideology.

I remind the chamber, as I am sure others have done, that this so-called mining tax came about as part of the Henry tax review at a very torrid time in Australia when we were facing the financial challenges of the global financial crisis. My fellow Labor Western Australian senator Senator Sterle said at the time:

I remember travelling throughout Western Australia in 2010 for that last election. If someone were a visitor to these great shores from another country and they had the misfortune of having to listen to the unfolding Liberal campaign of what they were not going to do should they gain government—it really makes me wonder—they could walk away and think, 'How did this country ever make it into the OECD?' It really was ridiculously embarrassing, but that is history and we had to put up with it.

Yet here we are, arguing this matter again, facing the hysteria from the other side and the hysteria from the mining sector and some of their mates about what will happen should we share the spoils of Western Australian mining resources not with shareholders but with the people.

The Labor Party believes that if companies are making a decent profit, like our iron ore mines in Western Australia are, they can afford to and should be expected to put a bit more into building the rest of the nation. Yet, whether in opposition or government, the Prime Minister and the Premier of WA stood beside their mining mates and other poor billionaires and told the people of Australia—the cleaners, school teachers and retail workers—that they should vote to 'axe the tax' that these unbelievably big earners would pay to contribute back to all Australians, not just shareholders.

Senator Wong told the Senate last week that the Abbott government is hiding the truth with these repeals. What the ideologically driven Abbott government is doing with the repeal of these bills is giving a tax cut worth $3.3 billion to the biggest mining companies in the world and, at the same time, hitting Australian families and small business owners with $16.3 billion in higher taxes and cuts to benefits. That is shameful. Repealing the MRRT is retrograde
policy. It seeks to enrich those who need no assistance at the expense of those who need it most.

WA needs investment from government to actually build rail, roads and energy infrastructure instead of a broken promise. We do not need an Abbott Liberal government and a Barnett Liberal government cutting jobs and services. That is what both the Abbott government and the Barnett government want to do. In WA we already know that we have lost our urban rail. We know from the Prime Minister that the schoolkids bonus is on the chopping block. The Prime Minister wants to take money away from hardworking Western Australian families.

Only a government with a truly perverse set of priorities would give billions of dollars to profitable corporations while cutting funding for families, health, education and welfare as well as raising taxes for low-income earners and older Newstart recipients. Where is their mandate to take away superannuation changes for low-income workers? Where is the mandate to keep taking and taking from families and small businesses who are the backbone of this country? There is no mandate. It is their politically driven ideology that is on show here. That is all they can hold up. Only a sneaky government full of nasty surprises would try to sneak in the repeal of the schoolkids bonus, which is not even linked to the MRRT. That is exactly what this government is doing.

Senator XENOPHON (South Australia) (21:28): I agree with Senator Lines that a government putting up a measure and then trying to throw in a few other things as part of it is a sneaky way of legislating. I do not think that is fair. There are some measures here that are unrelated to the mining tax but relate to superannuation benefits and the like that I think ought to be resisted for that reason alone. The debate on the Minerals Resource Rent Tax Repeal and Other Measures Bill is a good opportunity to review the sorry story of how a central plank of the former government's policy agenda in all likelihood is weaving its way onto the scrap heap of Australia's tax reform history and also to look more broadly at issues of tax reform and the challenges we as a nation will face in the years to come.

In 2008 the then Labor government commissioned the respected then Secretary of the Treasury Ken Henry to review Australia's tax system. About two years later, Mr Henry—who was then and is now a widely respected expert on tax and other economic matters—delivered his report, which was optimistically entitled, Australia's future tax system review. The Henry tax review made 138 recommendations. Among them was a resources rent tax, which Mr Henry said, would:

… ensure that the Australian community receives an appropriate return on its non-renewable resources. Mr Henry said the existing taxes and royalties were unresponsive to the steep rises in profitability in the resources sector. A rent tax would replace existing charges on mining projects and better track the so-called superprofits said to be earned by some miners.

But, instead of engaging constructively with the recommendations raised by the Henry review, the then Labor government cherry picked what it thought were the so-called 'easy sells' politically. Then Treasurer Wayne Swan and then Prime Minister Kevin Rudd picked up the resources super profits tax and ran with it. But, as they soon discovered, it was not an easy sell—far from it. While the government saw the superprofits tax as a popular move for a sector which was making billions of dollars in profits each year, many believed the concept of rent taxes to be outdated and discredited.
The resources sector mounted a spirited, high-profile and very expensive campaign against the superprofits tax. While then Prime Minister Kevin Rudd tried to hang tough, the attempt to introduce the original version of this tax foundered. Labor changed leaders and the new Prime Minister, Julia Gillard, sought to fix the political problems with the resources sector caused by the tax by sitting down with three massive mining companies—Xstrata, BHP Billiton and Rio Tinto—to hammer out an agreement. I agree with some who have observed that this was akin to taking advice on competition policy in the supermarket sector just from Woolworth and Coles and leaving out IGA and the independents.

The result was the minerals resource rent tax. It was not so much a dog's breakfast but a bit of a dog's smorgasbord. The tax has not worked as intended. Concerns were raised about the movement of global capital away from Australia's mining sector. I know a lot of water has gone under the bridge since we debated this two years ago, including a fall in many commodity prices, such as iron ore. But the MRRT did and does add to the perception, at least, that Australia is a high-cost country for resources companies.

After reluctantly supporting the MRRT two years ago, I reluctantly support its repeal today. The MRRT was poorly designed and poorly implemented as a tax. There was not adequate transparency in the design of the MRRT. Its underlying revenue assumptions seem to be known only by the three big miners and the government. History has shown that, had there been some transparency over these negotiations, the MRRT may have been saved from itself; but it was not to be.

A tax which was predicted to raise $22.5 billion in its first four years only raised $126 million in its first six months. The tax was far from the massive economic impost on the resources sector that the coalition had then loudly claimed it was. Instead of a supertanker full of cash, we got a rubber dinghy with some loose change that was taking on water from the moment it was launched. Ken Henry's broad-based superprofits tax would have applied to 2,500 mining and petroleum companies. The MRRT applies to a limited number of iron ore and coal companies. Perhaps in the future a properly designed resources tax may be passed.

A January 2014 poll conducted by UMR Research found that the majority of Australians still think that multinational mining companies do not pay enough tax. Only one in 25 Australians think the minerals sector pays enough tax. That is according to the poll, which interviewed 1,000 people online. The ALP says that it is committed to the principle of a resources rent tax and opposes this repeal bill. I understand and respect that. But clearly the current leadership has backed away somewhat from associating with the original legislation imposing the tax, which had its genesis some three prime ministers ago.

Campaigning in Western Australia recently for the upcoming Senate by-election, the Leader of the Opposition, Bill Shorten, called for 'a dialogue' with the mining sector ahead of formulating the ALP's policy for the next federal election. I think that is pretty wise, I think there needs to be that dialogue and I think that is the way forward. That seemed to be a strong hint that the ALP is not so much committed to this tax as looking at an alternative way of genuinely dealing with superprofits.

This tax was always a concern to the mining sector. Small and emerging miners remain concerned that they have been disadvantaged by the tax in that the mining sector could no longer claim competitive neutrality, given that projects that were approved post the tax have been much less competitive for those small and medium miners. Surely clever thinking can be
brought to bear on how best to support small and emerging miners using either the existing revenue of the MRRT or other funds.

Built infrastructure in the form of ports, sealed roads and electricity transmission lines must be high on the priority list, as has been made clear by the Chamber of Mines and Energy in my home state of South Australia. But further, connecting outback towns in South Australia—such as Coober Pedy and Oodnadatta—to the electricity grid is a long-overdue measure that would further support the new mining ventures that are emerging in the far north of South Australia. That these towns remain reliant on high-cost diesel generators and must pay much higher prices for electricity is a sad but little-known fact. There is a real potential of geothermal energy being a real source of competitive and reliable energy in the far north of South Australia.

When we were debating the MRRT, I said many times that we had to be very careful not to kill the goose that lays the golden egg. However, in the two years since the flawed MRRT was passed, commodity prices have taken the shine off that so-called gold. The mining boom is over, we are told. This surely adds weight to the concerns raised by the mining sector about this tax, especially for small and emerging miners. They are the miners we should be encouraging to grow. They are the miners that really are the future of this industry. We should not just be looking at the big three. Many small and emerging miners are active in my home state. At a time when BHP Billiton has placed Olympic Dam and its multi-billion dollar investment in job creation on the backburner, South Australia's small and emerging miners are crucial to the future of the sector.

In 2011, there were eight new mineral exploration licence applications; in 2012, there were 14; in 2013, there were 84; and so far this year there have been 23, according to figures compiled by the state government. Clearly, the future of my state's mineral sector is at an important stage and should not be put at risk. I will also be strongly supporting the amendments of Senator Madigan to retain the introduction of the superannuation guarantee charge's increase to 12 per cent from July 2019 and the low-income superannuation contribution of a maximum of $500 for people earning less than $37,000. These were sensible amendments. They were initiatives of the former government that were very worthy amendments in increasing the pool of superannuation contributions by employers. They were gradual and sensible. For low-income earners we need to provide whatever incentives we can to ensure they boost their superannuation. I do not like the fact that those amendments were rolled up in this bill. Senator Lines made reference to other amendments as well.

I also said at the time the MRRT was passed that a debate on Australia establishing a sovereign wealth fund was necessary. Today it is long overdue. The Member for Wentworth, Malcolm Turnbull, acknowledged in a speech in 2011 that:

Many countries, particularly those dependent upon single finite resource commodities, already have such funds—globally they are estimated to hold up to $4 trillion in assets.

The global nest egg of commodity based sovereign wealth has grown since I quoted Mr Turnbull some two years ago. Unfortunately, so has Australia's opportunity cost in not establishing one. More broadly, the failure of the MRRT is emblematic of the lost opportunity of tax reform, and I am not singling out the former government on this. That would be unfair.

As Ken Henry commented last week on ABC TV's 7.30 program, there is an 'emerging crisis' in tax policy in Australia that has made it impossible for the federal government to fund
new social policies with the current tax base. Mr Henry said the budgets of the states and the federal government were probably not sustainable. I also note that the current Treasury secretary, Martin Parkinson, is reported just a few days ago as calling for ‘a reality check’ in an article in *The Australian* on 21 March. He warned there was a widening gap between what the community expects governments to deliver and what can sustainably be provided. As the outgoing Treasury secretary, Mr Parkinson needs to be congratulated for those remarks.

States have relied on highly volatile sources of taxation and a dwindling GST take. In a sense, that is reflected in the comments of both Ken Henry and Martin Parkinson. Federal taxes, as a percentage of national income—of GDP—have fallen three per cent since 2001. That is something that Mr Henry said recently on the 7.30 program. Mr Henry, as the Prime Minister has helpfully pointed out, is now a private citizen; as such, he went on to make a veiled criticism of politicians and the media. He said the public had not been properly informed of the challenges in tax policy or the repercussions of not addressing them. Ken Henry had the intellect and the stature to come up with 138 recommendations across nine broad themes. Instead of taking 138 steps to tax reform, the then government took a couple of steps forward and then lost its balance. Yet the review that bears his name sits largely untouched, as much by this government as the previous government. I will support this bill because of the inherent flaws in the design and execution of the tax, but the challenge for this and future governments is to heed the recent warnings of Ken Henry and Martin Parkinson.

**Senator McKenzie** (Victoria—Nationals Whip in the Senate) (10:18): I rise this evening to speak on the Minerals Resource Rent Tax Repeal and Other Measures Bill. It gives me pause to mention the original mining tax, the resources super profits tax, which was expected to raise $49.5 billion over five years. In July 2010 the resources super profits tax proposal was replaced with the MRRT and an extension of the PRRT to onshore projects. Whilst the MRRT was forecast at that time to raise $26.5 billion over five years, the minerals resource rent tax revenue estimates have since been progressively revised down. It is a great pity that the $26.5 billion, or the earlier $49.5 billion, has not been available to previous federal governments or indeed our own government in order to address this severe issue of structural deficit.

The minerals resource rent tax damaged international investor confidence in Australia, and in particular the energy and resource sector. The repeal of this tax will provide a boost to the mining industry and is a strong step towards repairing perceptions that international investors have formed on Australia over recent years. We know that foreign investment is important to our future economic prosperity. Since it started, the minerals resource rent tax has only raised $400 million in net terms, yet the former government has locked in more than $16.7 billion of expenditure on an underlying cash basis over the current forward estimates or $18.4 billion of expenditure on a fiscal basis over current forward estimates. Only Labor can do their maths and their budgeting like that, and only Labor can leave us with such a diabolical mess. The repeal of the MRRT’s associated expenditure will improve the budget’s bottom line over the current forward estimates by $13.4 billion on an underlying cash basis and $15.1 billion on a fiscal basis.

The repeal of the MRRT will save millions of dollars in compliance expenses for small, medium and large entities. Fewer than 20 taxpayers have contributed to the net $400 million raised by the MRRT to date, but around 145 other miners have been required to submit
MRRT instalment notices while making no net payment. That is, around 145 tax payers are compliant with the MRRT legislation but are not actually paying any tax. That is what happens when you to sign a tax without understanding the sector for which you are legislating. So well designed by Swannie, the Treasurer of the world, was this tax—

The ACTING DEPUTY PRESIDENT (Senator Fawcett): Order! I remind you to address members by their correct title.

Senator McKENZIE: Mr Swan designed a tax that does not collect any revenue and then proceeds to attach funding promises against said lack of revenue. This tax has been very poorly executed and has been criticised for favouring big multinational mining companies. Australian owned and operated mining companies which are trying to expand their businesses are being stifled by this tax. These young companies provide Western Australia and the nation with thousands of job opportunities and billions of dollars in royalties and export revenue. Senator Back, I am sure, has already made mention in this place of the young geologists who have been laid off as a result of the impact of this tax on the mining sector in WA. Given the large scale of mining operations in Western Australia, mining companies need to make large profits to pay off significant debts accrued when investing in their business.

The Labor Party—the supposed party of the fair go—has stifled the ability of ordinary Australians to develop viable businesses, effectively turning their back on the workers as a result. This is an anti Western Australian tax that has not worked, has scared off investment into Australia through the Labor Party's political posturing and has done more harm than good. It is time this tax was abolished so that we can get on with the business of fixing the mess the former government left us in. Australians voted to get rid of this tax. Western Australians voted to get rid of this tax, and they will have the opportunity come 5 April to once again vote for a party, for a coalition and for senators who will actually stand up for their right to have a strong economic base within their own state boundaries.

As a National Party senator, I am dealing with the mess left over from former Minister King's playing around in regional development. So many of those projects relied on the supposed funding from this failed tax. For many communities, Labor's Regional Development Australia Fund and Regional Infrastructure Fund have been another cruel con. Up to election day, Labor was announcing projects using money it knew did not exist. Hundreds of projects were announced that had not even received cursory departmental assessments, yet Labor was promising anyone who would listen that these were somehow a done deal.

The government will of course honour signed contracts undertaken by the previous government. However, non-contracted announcements made by the Labor government have the status of election promises and do not bind an alternative government. Some projects to miss out on funding include the Bendigo tennis centre, which was going to develop the current infrastructure in Bendigo to ensure that we could host international-level games in the fabulous regional centre of Bendigo. Another example is the Wangaratta saleyards. They were funded under RDAF round 5 and 5B. Similar projects in Wodonga to revitalise its streetscape and in Bendigo to upgrade its botanical gardens were similarly going to miss out on funding thanks to failed Labor budgeting processes.

Unlike the previous government's phantom funding based on a flawed and failed mining tax, the government's $1 billion National Stronger Regions Fund is fully funded and accounted for as part of our budget. That funding is guaranteed, and projects that will be
announced under that program will proceed, unlike the phantom promises that Labor made throughout the election campaign.

On the coalition side, we note the rhetoric of the Greens and Labor that the coalition somehow does not believe that the non-renewable resources within Australia belong to the people—but we do; we had that argument. We had that argument about 113 years ago when we formed our federation. We had the argument, and, guess what—the states won. So they get to collect the royalties and spend them on things for their state and their citizens. We forget sometimes—and we should not in the Senate, but some senators do forget—that the states are sovereign entities and completely have the right to retain their state royalty rights. I think that WA has used those royalties for the very best purpose—that is, to send them right back to the regions from whence they came.

In our own mining boom in Victoria, we did not give WA a bean; we kept it all for ourselves. We have beautiful cities in Bendigo and Ballarat. I would love you to all come and have a look at the wonderful and magnificent infrastructure built two centuries ago on the back of our mining boom.

Senator Urquhart interjecting—

Senator McKENZIE: We were not giving Tasmania a cent, Senator Urquhart, and we were definitely not giving it to WA. I do not think WA should have to share that with the nation. It is their resource. They are choosing to mine it now and they are sharing it with their citizens, as is their constitutional right—and indeed responsibility. As I was saying, the Western Australian government's Royalties for Regions program is a great example of well-developed policy that is doing an excellent job of spreading the wealth of the resource boom to the wider population of Western Australia.

As the National's Western Australian Senate candidate Shane Van Styn says, 'This program is about ensuring some of the profits from mining go back to the communities where that wealth was created.' You cannot rent out something you do not own. The Commonwealth government does not own those minerals. Section 114 of our Constitution prevents that. Conceived by former Western Australian National's leader, Brendon Grylls, and continued now by Terry Redman and the partnership between the Liberal and National parties in Western Australia, the Royalties for Regions program quarantined 25 per cent of all mining and petroleum royalties to be spent in the bush. This has been—

Debate interrupted.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Fawcett) (21:52): Order! It being 9.50 pm, I propose the question:

That the Senate do now adjourn.

World War I: Commemoration

Senator BACK (Western Australia—Second Deputy Government Whip in the Senate) (21:50): I want to report to the Senate that yesterday I was privileged to represent the Prime Minister of Australia, Mr Tony Abbott, at a wonderful ceremony to commemorate the 100th anniversary of the beginning of the First World War—I know it is slightly premature. At the outset, I want to give enormous credit to my Senate colleague Senator Glenn Sterle. It was in
fact the initiative of Senator Sterle and his friend Mr John Davis that allowed four gentlemen to travel from Ypres in Belgium. Two of them were buglers from the fire service in Ypres. You, Acting Deputy President Fawcett, and my Senate colleague, Senator Ronaldson, know well the tremendous ceremony that the buglers perform every night of the year at the Menin Gate. The other two were Mr Benoit Mottrie of the war grave office in Belgium and Mr Didier Pontzeele who oversees the Last Post Association.

As I said, this came about as a result of the ongoing communication that Senator Sterle has had with the Darling Range Sports College in the Darling Ranges of Western Australia. I understand that Senator Sterle takes students across to Belgium each year and I believe he is doing that again this year.

The ceremony yesterday was held in the small Western Australian south-west town of Yarloop, not known widely anymore but once a thriving small community—in fact, a community that once had a very significant foundry as a result of people from Sheffield in England gathering in that area. It was the foundry in which many of the naval guns that were used on our battleships and other warships in the Second World War were manufactured.

Why Yarloop was chosen is to signify the fact that 260 young men went from there to the Western Front and of course to Turkey, to Gallipoli. Of those 260 young men, two were Victoria Cross winners and only 201 returned. In a wonderful ceremony in which the names of all those were read out and a bell tolled regrettably for those who did not, it was the sacrifice of families, where often two sons of a family did not return from that terrible war on the Western Front, that was most poignant.

I am very proud to be able to say that the buglers from Ypres were joined by a Western Australian fire serviceman by the name of Mr Ted Tate. I say proud, because I was once, as you know, the chief executive of the Bush Fires Board, and Mr Tate—himself a bugler, a volunteer in the Bush Fires Board and indeed a volunteer naval rating—joined the two buglers for the playing of The Last Post and Reveille.

It was a wonderful ceremony. Young people were involved in the parade and there were representatives of the 10th Light Horse Regiment, which served with such distinction in the Middle East. But, in particular, the students of the Darling Range Sports College acquitted themselves so very, very honourably.

I was told that at an event at the college on Friday some thousand students actually sat down and listened to the stories that were presented to them by their Belgian guests—and I would think by Senator Sterle and his colleagues—and not a single solitary sound could be heard from those students, just total concentration on what was being said.

I would urge any members of the community who are traveling to Europe to visit Ypres, to visit the Menin Gate. Of course this was very much part of the Western Front, very near Fromelles, where, as we all know now, not many years ago the graves of many, many Australians were uncovered. This leads at eight o'clock every night to a ceremony. I think the names of some 64,000 soldiers whose bodies were never found are inscribed on the Menin Gate. I believe it was in 1928 that the fire service in Ypres said, 'We will honour them by playing The Last Post with a ceremony at 8 pm every evening.' I think they intend doing it until all 64,000 have been recognised in this way.
My wife and I were privileged to participate in that particular ceremony, and our host in Ypres told us that the most striking times were not in the middle of spring, autumn or summer but on those bitterly cold, damp, wet nights in the middle of a Belgian winter when the firemen turn out, even if there are no visitors.

When we were staying at Ypres, we were very close to Hellfire Pass. I said to the gentleman that we were told about the bombs at Hellfire Pass and asked where the evidence of this enormous crater was. He said, 'It was the swimming pool, Dr Back, outside the front of the motel. That was the largest of the craters.'

We were directed of course to Hill 60, to Passchendaele, to Tyne Cot cemetery, and in fact we ran into some British people who asked whether we had been to Bayernwald. Bayernwald was another location where the trenches of the Germans and the Allies were literally only metres apart. It happened to be where a young corporal, Adolf Hitler, was actually stationed for a period of time during the First World War.

It was when we were at Bayernwald that we were again asked whether we were aware of the famous soccer match that occurred on Christmas Day 1915 when the Germans and the Allies put their weapons down, met on a field and had a game of soccer. They directed us to a paddock, and the only indication was a very small sign to say that was where the game of soccer had taken place.

What was tremendously significant to my wife and me was the fact that in 1914 through to 1918, the families around Yarloop—repeated everywhere, of course, across the world—would have had no knowledge at all as to the whereabouts of their family members or the wellbeing of their family members and indeed had no concept of the conditions under which they were surviving and living.

It called to mind our own family circumstances. Our youngest son was a serving officer in Iraq at the beginning of the war there, and of course we would get some communication every now and again, usually days or more after a major event had taken place, to the effect that he and his soldiers were okay. He subsequently served as a combat officer in Afghanistan—again, in far more dangerous circumstances—and less frequently would we hear. But it caused us on those occasions to reflect on how things must have been, particularly in the First World War, when the first notification that families had of a son who had been killed or badly wounded was when there was a knock on the door, there of course being no other means of communication.

I think it is to the credit of the Australian community today that, even when there are people who disagree with decisions of the government of the day whether to send troops into areas of activity, there never, ever is any criticism of the serving personnel themselves. I would always urge that we learn from the mistake we made in Vietnam, where soldiers returning were blamed for the decisions of their political masters—and that is us. Should there ever be any criticism, it is to us that it should be directed.

In conclusion, I want to recognise the significance of this occurring in a small village called Yarloop. I had the opportunity yesterday in speaking on behalf of the Prime Minister at this ceremony to reflect on the fact that it was in small villages throughout Europe—France, Belgium—that we were so impressed by the dignity and honour accorded to our fallen personnel through the way cemeteries were maintained. And I made that observation indeed
to Mr Mottrie of the war graves office. Just the enormous impact and the quality of the way in which those cemeteries are being maintained are true reflections of the regard in which they held Australia's effort and the regard in which they hold the fallen who remain in their soil today.

Foreign Aid

Senator SINGH (Tasmania) (22:00): Today around the world people are being reminded of a disease which has been called the 'forgotten plague'—tuberculosis, an illness which, although we might think of it as an affliction that was at its strongest in the nineteenth century, in fact killed 1.3 million people in 2012 alone. Today, 24 March, has been designated as World TB Day in order to raise awareness about the continuing prevalence of tuberculosis and the need for global action to combat it and assist its victims. The theme of this year is 'Reach the 3 million' who, according to the World Health Organization, remain untreated. Of the roughly nine million people ill with TB, a third fall through the cracks and are missed by health systems.

The Global Fund to Fight AIDS, Tuberculosis and Malaria is an organisation that helps to halt the spread of disease, slowing and even reversing instances of these preventable illnesses. The global fund has helped to test and treat more than six million cases of TB and provided more than 29 million mosquito nets to protect families from malaria. In the poorest countries of our region, Timor Leste and Laos, the global fund provides the overwhelming majority of TB resources. Despite this essential work, the Abbott government has failed to properly fund the Australian contribution to this organisation—falling $175 million short of the $375 million expected from our country. We call on the Abbott government to pull its weight and fund Australia's fair share of this global effort.

This, of course, is but one of a multitude of cuts to the foreign aid budget, with $4.5 billion being lost across the range of programs and agencies. In the 2013-14 year alone, $650 million will disappear with those cuts hitting some of the most vulnerable of nations, such as the $90 million being taken from the poorest countries in Africa. Even with a declared refocusing of the aid budget on the Asia Pacific, there will be a $250 million cut to our region, with PNG aid cut by $5.3 million, Fiji by $2.8 million and Indonesia by $59.1 million.

At the turn of the millennium, Australia was one of 189 countries around the world to gather at the United Nations in New York and adopt the Millennium Declaration. Among other things, the declaration contained a solemn resolution to 'spare no effort to free our fellow men, women and children from the abject and dehumanizing conditions of extreme poverty.' From that declaration sprang the Millennium Development Goals, a series of practical targets and measures of progress to be tested up until 2015 when the program is scheduled to conclude.

People of enterprise and goodwill can and have worked together to overcome the most severe of circumstances. Cambodian farmers construct canals to boost their yields of rice and vegetables on tiny otherwise dry plots of land. Children make the journey to new kindergartens in Uruzgan, Afghanistan, where six out of 10 children do not go to school. And the gradual, painstaking work of building a quality healthcare network continues in Pacific islands like Tonga, where 20 nurses have just graduated with advanced diplomas. These are just some of the examples of progress being made with the support of Australia's overseas
development assistance—some of many thousands of stories that cannot help but make every
Australian proud of our aid program.

Australia’s aid program is delivered both directly by Australians and by partner
organisations from across the world. NGOs, fellow governments, volunteers, businesses and
academia all have a role to play in the Australian aid program, and each partner is rigorously
assessed on the effectiveness or value of the donation that Australia makes. I was visited this
month by representatives of RESULTS Australia, an organisation with whom I have long had
a relationship in my home state of Tasmania in their campaigns for microcredit and for
empowering women. They brought my attention to a number of multilateral organisations to
which this country has made contributions that have ranked highly on the Australian
Multilateral Assessment undertaken in March 2012, either in the effectiveness of their work,
relevance to the strategic goals Australia has set for its aid dollar, or both. I want to mention
some of these programs today.

We can claim that Australian aid has assisted in wiping out polio from the Pacific and has
seen more than 1.5 million children immunised against measles and polio in Papua New
Guinea. We maximise our aid when we join with global multilateral organisations to multiply
the impact of our funding. One of the organisations involved in immunisation is GAVI, the
Global Alliance for Vaccines and Immunisation, which ranks as the most effective of all
multilateral organisations to which Australia donates. GAVI is a public-private health
partnership which operates where there are high burdens of disease. Through donor
investment, it cuts the cost of vaccines but requires recipient countries to co-invest in the roll-
out of vaccines to guarantee an effective and integrated national health system. It operates in
countries across the world, including our near neighbours Indonesia, PNG, Laos and
Myanmar. At the GAVI conference in June 2011, the Australian government announced a
boost in its commitment, increasing our contribution from $60m over three years to $200m
for 2011-13—a contribution that we think saved 167,000 lives. But, unfortunately, that
commitment concluded in January this year.

It is essential that Australia renew its commitment and help GAVI reach the goal over
immunising half a billion children by 2015. New pledges of $75 million each year in 2014
and 2015 would go a long way to doing this, and I urge the Abbott government to make this
pledge and fund this important work.

Finally, I want to mention the global plan for education. Fifty-seven million children
worldwide are still denied primary education; 250 million fail to acquire basic reading and
numeracy skills or drop out within three years of commencing school—sometimes as a result
of violence, sometimes as a result of the lack of value attributed to education, and sometimes
to perform other duties for families or communities. Education currently accounts for 20 per
cent of Australia’s total aid, and it is a central pillar of our programs. The 2013-2014 budget
provided $1.16 billion for education as part of a five-year pledge of $5 billion. That includes
$270 million over four years for the GPE to support the national education plans of
developing countries.

The GPE is currently seeking commitments, and I want to pass on a request from the aid
sector for the government to continue to be a leading contributor to this vital effort. A pledge
of $100 million per year to the GPE for the period 2015-18 would enable the GPE to assist
our neighbours with their education plans—and cement the other objectives of the aid program.

Every story of Australia's aid program is a source of pride. But it must also be a source of energy. The millennium pledge was for each country to contribute 0.7 per cent of gross national income to overseas development assistance. Australia is far from reaching that pledge.

I have long been a critic of the coalition government's particular neglect of this commitment in the years immediately following Mr Howard's attendance at the General Assembly. Following in his footsteps two days before the eve of the election, the now government announced it could not commit to a time line for the achievement of a fraction of our pledge: the 0.5 per cent of GNI which has become a feature of the aid funding debate in this country.

But, while they may have aborted this time line, we can make the concrete commitments that RESULTS Australia and others in the aid sector have, time and time again, reminded me of the effectiveness and the urgency of. If we cannot reach our millennium commitment in the next year, let us chart a course, in conjunction with the partner organisations I have mentioned, to do what we can in the approaching years.

Rural and Regional Health Services

Senator WRIGHT (South Australia) (22:10): I rise tonight to report on the rural, regional and remote road trip I conducted during 2012-13 to learn about the mental health needs of people living in country Australia. I set myself the task of gaining practical feedback from those working on the front line in rural, regional and remote mental health services. I wanted to understand the experience of those who live in the bush and are challenged at times by poor mental health. I also wanted to understand how it is for their carers and families. Rural communities are the backbone of our nation; they are not only important to our sense of who we are in Australia and our history, but they are integral to our economy and, ultimately, to our survival. They feed us, help clothe us and provide the food we need to sustain us.

In my home state of South Australia, it is often said that 'politicians think the state ends at Gepps Cross', which is a 20-minute drive north of the Adelaide CBD. But that is not true of me. As a Green, I am only too aware that it is our farmers who are the custodians of our food future. I am also very aware that it is the environment which sustains them and ultimately, of course, all of us.

Thirty per cent of Australians live in rural areas, but they do not receive their fair share of services and resources. This is particularly true, and particularly troubling, when it comes to health and mental health services and support for those living outside city limits.

The National Rural Health Alliance has stated that there is a general downward gradient in health and health services from major cities to remote areas. The more remote the community, the poorer the health status of its people and the less access it has to health services and health promoting infrastructure. Indeed, people living in remote communities receive only eight per cent of the mental health services that their city and urban counterparts receive.

Just like urban dwellers, country people experience challenges to their mental health. Some live with enduring mental illnesses, sometimes for large parts of their adult lives. But country people have unique pressures, experiences and factors affecting their mental health. They are
often faced with the added pressure of stigma associated with mental ill-health because they do not have the anonymity that people living in urban and city areas might have. While people living in country Australia generally experience mental ill-health at levels equivalent to people in urban areas, they encounter higher risk factors for mental ill-health, including unemployment, lower socioeconomic status, poorer levels of education and reduced access to mental health services.

To get a better understanding of the issues facing country Australians and what they needed in the way of mental health services, I set out to visit people in the bush and to listen carefully. Too often we see policies cooked up in Canberra, or other urban centres, foisted on country people with the hope that they will have the desired effect. All too often, they are not relevant and not responsive, and they are not ultimately owned by those people they are seeking to assist. But I was determined to listen carefully and then set out to develop well-informed, responsive and practical policy, grounded in the reality of the experience of those who live in the country.

So that is what we did. Over 18 months, I met with more than 185 people in 55 meetings across six states and 24 Australian towns. I met with service providers, carers, consumers and their families, and they all shared their stories generously with me.

While every person's experience is unique, there were also many common threads. I heard about, and experienced, the importance of community, and the importance of belonging. I believe every human being has a deep need to be acknowledged and validated, and my tour reinforced for me the importance of places in communities where people can go to feel connected.

So it was that I encountered community centres and neighbourhood houses. These were very, very important to the people who were lucky enough to have access to them, because they found them to be inclusive and safe places where often the focus was not solely on mental health but wellness more broadly, connectedness and social participation. I will share one story with you. I was eating lunch at Port Lincoln Community House in South Australia—sitting with others who had shared a lunch that was prepared and served by other participants and people who use the neighbourhood house facility. For a modest amount—and this was a common theme at many of the neighbour centres and community houses that I visited—these people, many of whom are on low incomes, were guaranteed a healthy and sociable meal at least once a week and sometimes several times a week and they could come together and share their meal and participate.

One woman who served me my lunch told me her story. She had lost her home in the bushfires that went through the Port Lincoln area some years earlier. She had been seriously traumatised. Indeed, she had been found in a cupboard hiding away from people. She was ultimately coaxed out and she began seeing a psychiatrist on a very regular basis. Over time, she also made contact with the Port Lincoln community house and gradually became involved and felt validated, valued and needed by starting to participate in some basic cooking classes and then preparing meals for the shared meal and so on. After a period of some months, her psychiatrist told her that her healing was being more effectively dealt with by her participation in the community house and she had no need to see him anymore. She was incredibly grateful for the experience that she had had and she sat down and shared that story
with me. By the time I met her she was attending regularly; she was confidently participating in the programs and activities and feeling valued and valuable.

On my travels I also learned about the importance of 'outreach'—actually meeting people where they are and reaching out to them, human to human. One organisation that I encountered that is doing great outreach work is Rural Alive and Well—with the acronym RAW—in the Southern Midlands of Tasmania. It is known affectionately by some of the people as 'Lifeline on wheels'. Basically, they would go out in their utes and their vans and reach out to people who might be at risk of suicide. This was often based on tip-offs that they had heard from other local people—maybe doctors or neighbours. They would also do cold calling. Particularly for people living on isolated properties, they would drive down the long driveway to the house, knock on the door and have a chat and a cup of tea and offer a listening ear. The person I spoke to there said he had only been turned away once in all the years that he had been doing it.

I heard so many other stories about communities coming together to support their own in innovative, generous, caring ways. But of course I also heard alarmingly and constantly about a lack of services and gaps. I heard from parents who were desperate to get help for their kids and grandparents who were desperate to get help for their grandkids. I heard about reduced alcohol and drug services. I also heard about there not being enough support for people struggling to maintain their mental health, ultimately reaching crisis point and often having to be taken out of their communities to urban hospitals and crisis care, away from the relationships that help sustain them. I heard about the need for incentives for mental health professionals to work in country areas and I heard about great initiatives trying to overcome some of the tyranny of distance, such as travel subsidies, making transport free one day a week and coordinated underutilised transport with the help of volunteers.

After many months of listening, note taking and joining the dots, my team and I collated the information and feedback we had received on the tour and through an online consultation that we conducted. Together we developed a comprehensive report—'Voices and experiences: Improving mental health services in country Australia'—with recommendations that reflected what I had learnt on my travels. These recommendations formed the basis of our 2013 federal election policy initiatives, which were fully costed by the Parliamentary Budget Office—coming in at $1.1 billion as a commitment to improving Australia’s mental health system.

But this commitment is far more than what can be measured in monetary terms. I often say that, once you have heard a story you know something and you cannot 'un-know' it. This has been an experience that I will never forget and something that will continue to shape my priorities and perspectives when it comes to the work I do within both the parliament and the community. To put it simply, I believe in an Australia where all people have the chance to live full, productive and connected lives—no matter who they are or where they live. I would like to place on the record my thanks to all those people across this country who trusted me with their time, their ideas and their often very personal experiences.

Greek National Day

Senator KROGER (Victoria—Chief Government Whip) (22:20): I rise tonight to note a wonderful event that I attended yesterday in Melbourne, and that event was the celebration of the Greek National Day. I had the very great fortune to represent the Prime Minister, Tony Abbott, at that event because, as we know, he flew out for important meetings with the Prime
Minister of Papua New Guinea on Thursday after parliament rose. The event, which was based at the Shrine of Remembrance in Melbourne, was attended by thousands of men and women and hundreds of children beautifully clad in their national costume.

It was terrific to be part of this event. A number of people were there representing the broader community. Denis Napthine, the Premier of Victoria—who is a strong supporter of the multicultural community and the many strengths it has brought to the state of Victoria—gave the main address. Matthew Guy, the Minister for Multicultural Affairs, was also there. He is well known for his tremendous support for the multicultural community. Many of my federal and state parliamentary colleagues also attended, along with many from the Greek community. Undersecretary Mr Gerontopoulos—or, as we would say, the deputy minister for foreign affairs—flew out from Greece to attend the event as a direct representation from the Greek government. The ambassador for Greece, Mr Dafaranos, along with the general secretary of the organising committee, Mr Kostas Nikolopoulos, were also in attendance. I commend Mr Nikolopoulos for putting together such a spectacular day.

Tomorrow, 25 March, is a day of special religious significance for the country of Greece but it is also the day that Greeks celebrate their independence, which they fought for with the loss of the lives of many men and women. It is a day that recognises the hard-fought-for independence achieved by Greek revolutionaries between 1821 and 1832—also known as the Greek revolution or Greek uprising. It is a day when those in the broader Greek community pay their respects to the men and women who lost their lives fighting in pursuit of freedom and democracy—values that we hold very close to our hearts here and ones that we share with them today.

There was a wonderful procession of different Greek groups who marched up to the steps of the shrine—and the procession itself was so long that it took nearly an hour for them all to make their way up to the shrine. What was so lovely about that was the number of young people who were involved in that procession. Why that was so special to me was this: it is so important that, whatever your heritage, your parents make sure that you understand where you come from and what your heritage is, why it is so important to you and the way in which it shapes your life and the way in which you choose to lead your life. There were so many of these young people, ranging in age from childcare age up to young adults. They were very much part of the whole day’s proceedings, and they demonstrated, through the very joyful way in which they partook in the activities, their love for and joy in all things Greek and their very important place within the Greek community.

It is really interesting to note that, in Victoria alone, in 1871 there were 19 Greek-born women and 127 Greek-born men. Today—and, as we were receiving the procession yesterday, I was standing back and thinking about this—more than 50,000 Victorians were born in Greece. That just goes to show you the magnitude and importance of the Greek community in Victoria and the enormous economic, social and cultural strength that they have brought to our state and, indeed, to Australia—not to mention, being a bit of a foodie myself, the marvellous food that they have brought to our country and the culinary expertise that they have shared with us and which we all continue to enjoy today. There are actually more than 100,000 Greek-born people living in Australia—of whom, as I mentioned, half live in Victoria—and more than 379,000 Australians who claim Greek ancestry. The Greek community in Australia is more than 600,000 in total, of whom just under half—43 per
cent—live in Victoria. Needless to say, Melbourne has the largest Greek-speaking population outside of Europe. It is the third most populous Greek city after Athens and Thessaloniki.

I was really privileged to be part of this extraordinary day. It was a very joyous day. It was also sombre, in acknowledging and respecting the reasons for which we were there—to acknowledge those who had fallen in the pursuit of independence in Greece. But it was a wonderful day, and I thank the organisers for putting together such a great event.

In particular, I would like to acknowledge the trustees of the shrine, who facilitated and enabled the opportunity to hold it there. The head of the trustees is Colonel John Wertheimer—and Minister Ronaldson is in front of me, so he will probably be able to correct me if I have pronounced the colonel's surname wrong. Colonel Wertheimer and the trustees provided a wonderful opportunity for what is, I think, the only group that holds their national day on the steps of the shrine, and I commend them for that.

Senate adjourned at 22:27

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:

[Legislative instruments are identified by a Federal Register of Legislative Instruments (FRLI) number. An explanatory statement is tabled with an instrument unless otherwise indicated by an asterisk.]


Broadcasting Services Act 1992—Broadcasting Services (Events) Notice (No. 1) 2010—

Amendment No. 3 of 2014 [F2014L00295].

Amendment No. 4 of 2014 [F2014L00325].


Federal Financial Relations Act 2009—


Jervis Bay Territory Acceptance Act 1915—Administration Ordinance 1990—

Electricity Supply Fees Determination 2014 (Jervis Bay Territory) [F2014L00329].

Water and Wastewater Services Fees Determination 2014 (Jervis Bay Territory) [F2014L00328].
Migration Act 1958—
Direction under section 499—Screening procedures in relation to immigration detainees—Direction No. 60.
   Instrument of Revocation—IMMI 13/160 [F2014L00326].
   Migration Regulations 1994—
   Alternative English Language Proficiency Tests to the International English Language Testing System for Student Visa Purposes—IMMI 14/002 [F2014L00318].
   Classes of Persons—IMMI 14/017 [F2014L00321].
   Evidence of Further Funds and Living Costs—IMMI 14/004 [F2014L00316].
   Student Visa Assessment Levels—IMMI 14/003 [F2014L00315].
   Tests, Scores, Period, Level of Salary and Exemptions to the English Language Requirement for Subclass 457 (Temporary Work (Skilled)) Visas—IMMI 14/009 [F2014L00327].
   Types of Courses for Student Visas—IMMI 14/015 [F2014L00320].

Private Health Insurance Act 2007—
   Private Health Insurance (Benefit Requirements) Amendment Rules 2014 (No. 1) [F2014L00309].
   Private Health Insurance (Complying Product) Amendment Rules 2014 (No. 2) [F2014L00311].


Veterans’ Entitlements Act 1986—
   Amendment Statement of Principles concerning chronic lymphoid leukaemia—No. 28 of 2014 [F2014L00303].
   Amendment Statements of Principles concerning ischaemic heart disease—
   No. 33 of 2014 [F2014L00302].
   No. 34 of 2014 [F2014L00305].
   Statements of Principles concerning allergic rhinitis—
   No. 22 of 2014 [F2014L00306].
   No. 23 of 2014 [F2014L00300].
   Statements of Principles concerning periodic limb movement disorder—
   No. 26 of 2014 [F2014L00313].
   No. 27 of 2014 [F2014L00314].
   Statements of Principles concerning restless legs syndrome—
   No. 20 of 2014 [F2014L00307].
   No. 21 of 2014 [F2014L00308].

CHAMBER
Statements of Principles concerning somatic symptom disorder—
No. 24 of 2014 [F2014L00304].
No. 25 of 2014 [F2014L00299].

Indexed Lists of Departmental and Agency Files
Tabling
The following documents were tabled pursuant to the order of the Senate of 30 May 1996, as amended:
Indexed lists of departmental and agency files for the period 1 July to 31 December 2013—Statements of compliance—
Department of Veterans’ Affairs.
Environment portfolio.
Fair Work Ombudsman.

Tabling
The Acting Deputy President (Senator Ruston) tabled the following document received on 21 March 2014:
Education—Heads of Agreement on National Education Reform—Letter to the President of the Senate from the Minister for Human Services (Senator Payne) responding to the order of the Senate of 17 March 2014 and raising a public interest immunity claim, dated 21 March 2014.

Tabling
The Parliamentary Secretary to the Minister for the Environment (Senator Birmingham) tabled the following document:
Industry—Economic Review of South Australia and Victoria—Letter from the Minister for Veterans’ Affairs (Senator Ronaldson) to the Clerk of the Senate (Dr Laing) responding to the order of the Senate of 20 March 2014, dated 24 March 2014.