COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES

Senate
Official Hansard

No. 10, 2015
Thursday, 10 September 2015

FORTY-FOURTH PARLIAMENT
FIRST SESSION—SEVENTH PERIOD

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SITTING DAYS—2015

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http://www.abc.net.au/newsradio/listen/frequencies.htm
Governor-General
His Excellency General the Hon. Sir Peter Cosgrove AK, MC (Retd)

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

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

Printed by authority of the Senate
<table>
<thead>
<tr>
<th>Senator</th>
<th>State or Territory</th>
<th>Term expires</th>
<th>Party</th>
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<tbody>
<tr>
<td>Abetz, Hon. Eric</td>
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<tr>
<td>Back, Christopher John</td>
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<td>Bernardi, Cory</td>
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<td>Brown, Carol Louise</td>
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</table>

(1) Gallagher, Katherine Ruth is also an Independent Senator.
(2) McAllister, Jennifer is a crossbench Senator.
(3) Gallacher, Alexander McEachian is also a crossbench Senator.
(4) Lindgren, Joanna Maria is also a crossbench Senator.
(5) McKim, Nicholas James is also a crossbench Senator.
<table>
<thead>
<tr>
<th>Senator</th>
<th>State or Territory</th>
<th>Term expires</th>
<th>Party</th>
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Pursuant to section 42 of the Commonwealth Electoral Act 1918, the terms of service of the following senators representing the Australian Capital Territory and the Northern Territory expire at the close of the day immediately before the polling day for the next general election of members of the House of Representatives:

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<th>Senator</th>
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<td>CLP</td>
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<td>ALP</td>
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</table>

(1) Chosen by the Parliament of New South Wales to fill a casual vacancy (vice R. Carr), pursuant to section 15 of the Constitution.
(2) Chosen by the Parliament of New South Wales to fill a casual vacancy (vice J Faulkner), pursuant to section 15 of the Constitution.
(3) Chosen by the Australian Capital Territory Legislative Assembly to fill a casual vacancy (vice K. Lundy), pursuant to section 15 of the Constitution.
(4) Chosen by the Parliament of Queensland to fill a casual vacancy (vice B. Mason), pursuant to section 15 of the Constitution.
(5) Chosen by the Parliament of Tasmania to fill a casual vacancy (vice C. Milne), pursuant to section 15 of the Constitution.

**PARTY ABBREVIATIONS**

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

Heads of Parliamentary Departments
Clerk of the Senate—R Laing
Clerk of the House of Representatives—D Elder
Acting Secretary, Department of Parliamentary Services—D Heriot
Parliamentary Budget Officer—P Bowen
<table>
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<th>Title</th>
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<tr>
<td><strong>Prime Minister</strong></td>
<td>Hon. Tony Abbott MP</td>
</tr>
<tr>
<td><strong>Minister for Indigenous Affairs</strong></td>
<td>Senator the Hon. Nigel Scullion</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for the Public Service</td>
<td>Senator the Hon. Eric Abetz</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister on Counter-Terrorism</td>
<td>Hon. Michael Keenan MP</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for Women</td>
<td>Senator the Hon. Michaelia Cash</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Prime Minister</td>
<td>Hon. Charles Porter MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Prime Minister</td>
<td>Hon. Alan Tudge MP</td>
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<tr>
<td><strong>Minister for Infrastructure and Regional Development</strong></td>
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<tr>
<td>(Deputy Prime Minister)</td>
<td>Hon. Warren Truss MP</td>
</tr>
<tr>
<td>Assistant Minister for Infrastructure and Regional Development</td>
<td>Hon. Jamie Briggs MP</td>
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<tr>
<td><strong>Minister for Foreign Affairs</strong></td>
<td>Hon. Julie Bishop MP</td>
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<tr>
<td><strong>Minister for Trade and Investment</strong></td>
<td>Hon. Andrew Robb AO MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Foreign Affairs</td>
<td>Hon. Steven Ciobo MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Trade and Investment</td>
<td>Hon. Steven Ciobo MP</td>
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<tr>
<td><strong>Minister for Employment</strong></td>
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<tr>
<td>(Leader of the Government in the Senate)</td>
<td>Hon. Luke Hartsuyker MP</td>
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<td>Assistant Minister for Employment (Deputy Leader of the House)</td>
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<tr>
<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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<td>Hon. Michael Keenan MP</td>
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<tr>
<td>Parliamentary Secretary to the Attorney-General</td>
<td>Senator the Hon Concetta Fierravanti-Wells</td>
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<tr>
<td><strong>Treasurer</strong></td>
<td>Hon. Joe Hockey MP</td>
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<tr>
<td><strong>Minister for Small Business</strong></td>
<td>Hon. Bruce Billson MP</td>
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<tr>
<td>Assistant Treasurer</td>
<td>Hon. Joshua Frydenberg MP</td>
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<tr>
<td>Parliamentary Secretary to the Treasurer</td>
<td>Hon. Kelly O'Dwyer</td>
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<tr>
<td><strong>Minister for Agriculture</strong></td>
<td>Hon. Barnaby Joyce MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Agriculture</td>
<td>Senator the Hon. Richard Colbeck</td>
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<tr>
<td><strong>Minister for Education and Training</strong></td>
<td>Hon. Christopher Pyne MP</td>
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<td>(Leader of the House)</td>
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<tr>
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<td><strong>Minister for Social Services</strong></td>
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<tr>
<td>Assistant Minister for Social Services</td>
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<tr>
<td>(Manager of Government Business in the Senate)</td>
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<tr>
<td>Minister for Human Services</td>
<td>Senator the Hon. Marise Payne</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Social Services</td>
<td>Senator the Hon Concetta Fierravanti-Wells</td>
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<tr>
<td><strong>Minister for Industry and Science</strong></td>
<td>Hon. Ian Macfarlane MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Industry and Science</td>
<td>Hon. Karen Andrews MP</td>
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<tr>
<td><strong>Minister for Defence</strong></td>
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<tr>
<td><em>Minister Assisting the Prime Minister for the Centenary of ANZAC</em></td>
<td><em>Senator the Hon. Michael Ronaldson</em></td>
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CHAMBER
Thursday, 10 September 2015

The PRESIDENT (Senator the Hon. Stephen Parry) took the chair at 9:30, read prayers and made an acknowledgement of country.

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

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

COMMITTEES
Foreign Affairs, Defence and Trade Legislation Committee
Parliamentary Joint Committee on Intelligence and Security
Meeting
The Clerk: Proposals have been lodged by the Foreign Affairs, Defence and Trade Legislation Committee for a private meeting today from 10 am and by the Parliamentary Joint Committee on Intelligence and Security for a private briefing today from 12.30 pm.

The PRESIDENT (09:31): I remind senators that the question may be put on any proposal at the request of any senator.

PARLIAMENTARY REPRESENTATION
South Australia
The PRESIDENT (09:32): I inform the Senate that I have received a letter from Senator Wright resigning her place as a senator for the state of South Australia. Pursuant to the provisions of section 21 of the Constitution, I have notified the Governor of South Australia of the vacancy in the representation of that state caused by the resignation. I table the letter and a copy of my letter to the Governor of South Australia.

PARTY OFFICE HOLDERS
The Nationals
Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (09:32): by leave—I wish to inform the Senate that Senator Canavan will be replacing Senator O'Sullivan as the Nationals Whip in the Senate. I would like to thank Senator O'Sullivan for the excellent job that he has done in representing the Nationals in his position of whip over the last 18 months. I am very much looking forward to working with Senator Canavan in his new role.

BILLS
Social Security (Administration) Amendment (Consumer Lease Exclusion) Bill 2015
Second Reading
Debate resumed on the motion:
That this bill be now read a second time.
Senator RUSTON (South Australia—Deputy Government Whip in the Senate) (09:32): It gives me great pleasure to rise today to continue my remarks in relation to the Social Security (Administration) Amendment (Consumer Lease Exclusion) Bill 2015. At the end of my previous contribution on this bill I was talking about changes the government have already made to Centrepay which we believe need to have the opportunity to take effect before we start launching into anything new. There is no doubt that Centrepay is an extremely valuable bill paying service that helps very many Centrelink customers manage their ongoing expenses. In May this year the government announced changes to Centrepay which we think are going to go a long way to protecting the most vulnerable Centrelink customers.

The changes that have been put forward mean that Centrepay no longer supports consumer leases that are not regulated by the National Consumer Credit Protection Act 2009. Senator Cameron wanted us to ban all consumer leases from being able to be paid through Centrepay. Instead the government took a more responsible approach and said, ‘Let’s ensure that any consumer leases that are available are regulated by what would otherwise be a normal regulation that every other consumer in the community would seek to have regulated.’ That was instead of a knee-jerk reaction that says anybody who is on Centrelink cannot access their lease payments through Centrepay.

The legislative changes are not required to make changes to Centrepay. The government are looking to change and improve outcomes for customers without taking away the important avenue of support for customers with limited options to obtain necessary credit. There is no doubt that many people on Centrelink would not otherwise have access to payment terms because of their lower income and their lack of a credit rating. It is really important that we as a government make responsible decisions to make sure that people who are on Centrelink still do have access to the kind of payment options that everybody else in the community is able to get and not discriminate against them just because they happen to be on Centrelink.

The government do not support Senator Cameron’s private bill because we believe it is fundamentally flawed. By prohibiting consumer leases from Centrepay for all consumer leases, the bill discriminates against people who are currently on Centrelink. The main objective of Centrepay was simply to assist customers in managing expenses, which is consistent with the purposes of their welfare payments, and reduce financial risk by providing a facility to have regular deductions made from welfare payments. This bill overreach by being overly prescriptive about not just the types of things that these people wish to purchase but also how they are able to access them.

Following a review and a subsequent stakeholder consultation, the Department of Human Services introduced a range of changes to Centrepay to improve its operation and provide greater information for customers. These changes were only introduced in May this year. They have not actually had the opportunity to even filter their way through so we can see whether they are working. I would suggest that Senator Cameron should have delayed the introduction of his more restrictive and prescriptive bill until after we had the opportunity to see whether the new changes had worked or not. As I said, the particular relevant change that occurred in May that relates to Senator Cameron’s bill is the change to the National Consumer Credit Protection Act. I think this certainly goes a long way to dealing with many of the issues that Senator Cameron raised about people scamming or taking advantage of those in our community who, possibly, are not in a position to absorb any fluctuations in their expenditure.
from week to week. The expansion of Centrepay is also to support alternative consumer leases such as low-interest loans, savings plans and lay-by.

The government are seeking to give as much flexibility and opportunity as possible to people on Centrelink to manage their own finances in the way that they would like to manage them and to make their own decisions about their day-to-day expenditure. I think it is incumbent on government not to interfere in people's lives to the extent where we tell them what they can buy or not buy. As I said in my last contribution, to say that somebody on Centrelink is not able to purchase a washing machine or a refrigerator by using the Centrepay opportunity, which may be the only way they are able to get access to these fundamental necessities of life, needs a serious rethink of legislation that would even seek to do that.

For that reason the government are not supporting this private member's bill of Senator Cameron. The house needs to be assured that the government are very mindful of making sure that we protect everybody in our society from organisations that would seek to take advantage, so we have strengthened our credit laws across the board. Those credit laws have been strengthened for the benefit, not just of people on Centrelink, but of all members of our community who would seek to purchase items through some form of credit or alternative consumer lease or activity.

The department is working to build strong assurance practices for consumer-leasing industry groups and to influence their behaviour. We believe that the best way for us to protect consumers is to ensure that the people who are in this particular space in terms of consumer credit and leasing through providing credit to consumers understand their responsibilities and obligations, and are monitored, checked and reviewed to make sure that they are operating within a set of laws and guidelines that the Australian public would deem responsible. To be very, very clear the government do not disagree with the need to have strong consumer credit laws that protect all Australians and obviously take into account those in our society that are more vulnerable because they do not have the extra cash or disposable income to protect them from fluctuations or unexpected expenses. But to go to the extent of the overreach of this bill and to start proscribing what people can spend their money on is not something that the government could support.

Senator O’SULLIVAN (Queensland) (09:41): I rise to make a contribution to the Social Security (Administration) Amendment (Consumer Lease Exclusion) Bill 2015 debate. The point has already been made that the government do not support this private member's bill. The intent of the bill, as we understand it, on the part of Senator Cameron, the author of the bill, is that he wants to prohibit all consumer leases from Centrepay, but this bill clearly does not do that. It does not have the capacity to achieve that. Indeed the government through the Department of Human Services have already introduced a range of changes that will address most of the concerns of Senator Cameron.

The changes have been made to improve the operation of the scheme by providing greater information to its customers. These changes include, but are not limited to, exclusion of consumer leases that are not regulated by the National Consumer Credit Protection Act 2009. So, in effect, the government through the agency had a close look at where some of the vulnerabilities might be and have risen to the occasion to make adjustments in the operation of the scheme to see that the consumers are protected. The legislation also takes on, in excluding the expansion of Centrepay, to support alternatives to consumer leases such as low-
interest loans in addition to no-interest loans, savings plans and lay-bys. This, in effect, is providing the people with choice. It allows them to function their household budgets and operate with the necessities of life within the scope of those things that might be of that available to the rest of us in the community when we are trying to manage the affairs of our budgets.

Apart from the strengthening protections we need to go back and have a look at who the people are that are affected by these arrangements, the Centrelink customers. These are people who often find themselves in difficult circumstances. We are talking about difficult economic or budgetary circumstances. The legislation is more inclined towards people who find themselves in lower socio-economic circumstances where this current assistance is valuable. From our life experiences we all know people who have grave difficulties in managing money. I have a number of relatives who fall into that category. When you do not have that ability—when you do not have an ability to budget, to save and to make contingency provision for the essential things in life where you are in more difficult or measured economic circumstances—these difficulties become writ very large in your life. We spoke yesterday about the fact that these programs are meant to help these people manage their circumstances, not to hinder them. We are not here to take away the fundamental and basic right of people to choose what they do with their money, but this process aids them to be much more alert to what they might next do and guides them in ensuring that they have covered the general necessities of life.

Regulated customer leases are not going to be excluded from Centrepay. Welfare recipients are generally unable to access most forms of credit such as credit cards in any event, and regulated consumer leasing is one of the few ways of obtaining essential household goods quickly. As we all know, without security being provided, when you make application for any form of financial assistance where you enter into an otherwise contractual arrangement with a consumer lease, a low-doc loan or a low-interest or no-interest loan, the credit agency or individual or corporation extending the credit has regard not just to your security position but to your capacity to service the loan commitment. This program allows security for those lenders where they know that, through the Centrelink payments, these loans or other financial arrangements will be serviced.

When we look at alternatives to general consumer leases, such as the no-interest loan scheme operated by the Good Shepherd microfinance scheme, this bill of Senator Cameron’s would exclude people from having access to these financial facilities, which are particularly designed to help these people who are in otherwise somewhat difficult circumstances. Let’s just think for a moment about where they might find themselves. Many people who are on Centrelink support are not receiving it simply because they are unable to get employment. That is one of the main reasons, but there are any number of reasons and we have to remember that we need to think beyond the individual themselves. In some cases, a person whom this bill would seek to exclude from accessing any sort of consumer lease or low-interest loan may well be a parent, and that parent may well be in difficult circumstances.

We heard yesterday in contributions made on a related matter that a lot of these households and homes find themselves with someone or, on occasions, multiple people within the household who have some form of addiction, whether it be a drug addiction or an alcohol addiction. Indeed, it may well be a gambling addiction or they are just people who are
completely incapable of managing their own personal finances—exacerbated, as I pointed out earlier, by the very difficult circumstances they might find themselves in through the perils of life. Just think about this for a moment. If this bill were to take effect, it might prevent a parent, even the addicted parent or, indeed, another partner in that household, from being able to, for example, purchase a fridge or a washing machine. Just imagine the circumstances where you have a parent who is financially struggling in any event due to any number of perils, some of which I have mentioned, and there are many others, and is unable to purchase a fridge.

Let's take a household where you are living in the suburbs. You may not even have a car; you might rely upon public transport or some other form of making your way around, and now you find yourself with a young family of four or five school-aged children. Your fridge is broken and beyond repair. You might not even have the capacity to meet the costs of repairs to a fridge, but let us assume for the purpose of this example that the fridge is no longer functioning and you need to get a new fridge. If this bill were to take effect, some of these people would not be able to enter into a consumer lease arrangement, firstly because it would be prohibited by this proposed legislation, but in reality it may be that they cannot enter into an arrangement if they do not have proof—if they cannot convince the consumer lender—that they are able to repay the loan. Entering into arrangements where a loan is serviced by a part of their Centrelink payments, of course, allows that household to replace that fridge. As burdensome as that purchase may be, it puts that family back on a fair footing, as we would all want to see, in relation to the necessities of that household.

In a similar fashion, if the washing machine in the house were to break and you have a family of six or seven who are already in difficult circumstances, in many cases exacerbated by some of the scourges in the household with these addictions, you could be left with a mother of young children who then has no capacity to wash the linen or the clothes of the family unless they are able to access some form of consumer lease, low-interest or no-interest loan or, as I said before, finances operated by schemes such as NILS, which is the Good Shepherd microfinance scheme.

Essentially, the impact of this bill is very clear: either we are prepared to support these people in these difficult circumstances by, in essence, guaranteeing the payment of the lease payments or the interest payments on these loans or we are not. There needs to be no confusion here and no crossover. I do understand the spirit of what Senator Cameron has tried to achieve. None of us want to see any unscrupulous lenders taking advantage of people who are in very difficult circumstances, who otherwise would not have a choice and who, in some cases, are in very desperate circumstances being exploited by lenders and financiers. Nobody wants to see that happen—me in particular.

In a former life, I had a lot to do with families who found themselves in quite tragic circumstances. I understand these stresses of day-to-day life. As a former police officer, I have been in their homes, I have seen their struggles and I have seen the pain of a mother who is a spouse to sometimes an abusive father, who was addicted to either drugs or alcohol. The circumstances in their homes are very pitiful. If this bill were to go ahead, on balance, it would prevent those mothers from being able to enter into any sort of consumer arrangements to bring to them some of the very basic necessities of life.
It may even extend beyond the basic necessities. I am not one of those who is of the school of thought that these people find themselves in these circumstances should be denied the opportunity to have some of those other things in life that we all experience and take the granted. You have got a young family coming through in that household, you want them to have the ability to be introduced to some of the technologies of life, either in an essential form, from an educational perspective or from a social development perspective. Might I say, to the cry of some others, it may be just to allow their children to be able to enjoy some of the functions in life that come with some computer games and the sorts of things that young people seem to be attracted to more and more these days. If this bill was take effect, for those mothers in those households—or a father, before I hear the cry of discrimination come my way from our side of the building—it would prevent them from being able to enter into leases or loan arrangements to bring those things into their family. I think that is completely wrong and, in effect, discriminatory in and of itself.

What this program does is assist them in doing this. Some people, believe it or not, are just not quite financially literate enough or have enough life experience to be able to wade their way through certain regulated lease agreements and the like. That is why the changes of policy—the Centrepay policy terms list and the categories and goods and services eligible for Centrepay deductions—that I indicated earlier have been done. This gives a guide to these households and, along with the consumer protection act, is meant—as best it can, in harness with each other and having a symbiotic impact—to in effect guide them.

Senator Jacinta Collins interjecting—

Senator O'SULLIVAN: I will not take the interjection. This guides these families who might not be as fortunate as some in terms of financial literacy to be able to make decisions and, as I have pointed out all the way through, guides them in what they do in making these purchases of things that you and I all fairly well take for granted.

We have also sometimes got the additional situation of the complexity of these agreements, which might involve—along with the lender—a finance institution such as a bank, where these people have to then start to engage in complicated arrangements as to how the periodic payments for these leases or loans may occur. I think we are all familiar with modern banking terms and that there is a cost involved in that, whereas this service provided for Centrelink customers has no cost.

When I talked about no interest loan schemes, we have got areas—like Good Shepherd Microfinance—which I am quite certain Senator Cameron did not mean to catch in this bill but would catch them. We have got areas where even these things are not available. I am instructed that in Normanton, for example, in the far northern part of my state, there is no NILS provider. As a result, an individual in that area who found themselves in these circumstances would have no alternative if it was not for the Centrelink program to be able to, as we have talked about, secure these essentials of life.

During the thin years of 2013-14, the NILS itself—which is, as I have referred to, operated by the Good Shepherd Microfinance—approved 24,378 loans with a total value of $22 million. I want to stay more with the number of loans. Whilst accepting that some people may have taken multiple advantage of the Centrelink program, there are in essence—even allowing for 20 per cent to be duplicate applications—some 20,000 households and 20,000 families who we know already probably in very ordinary or very difficult financial
circumstances who have used the scheme to get the necessities of life. Those necessities are quite regulated in terms of what they can do and where they can do it. With that Centrepay for household goods, in just six months from July to September 2014, there were 136,000 customers with a total deduction of some $148 million. Not all of those deductions are for consumer leases, but the comparative volume does tend to indicate a significant demand for household goods—those goods that I referred to as the basics of life.

In closing my contribution, I have recognised Senator Cameron's intent with this legislation. I think we all have great sympathy for any measure that might protect the vulnerable in our society, particularly those who are really disadvantaged—for example, a mother and children in circumstances not necessarily of their making. Every one of us wants to join Senator Cameron in protecting these people so that they are not exploited by unscrupulous lenders of money or those who extend lease and finance arrangements. But because there have been changes which perhaps Senator Cameron was not previously alive to we believe the bill is not necessary. Indeed, limiting people's capacity to do this will just impact on their ability to take on the most basic things in life which we have all become somewhat accustomed to. So I think we should not support the bill. (Time expired)

Senator IAN MACDONALD (Queensland) (10:01): I congratulate Senator Cameron on bringing to the parliament a bill that at least heads in the right direction and has a concern and a solution for a problem that abounds. Having said that, I think Senator Cameron, whilst meaning well, has got it wrong again. But let that not withdraw from my acknowledgement that the Social Security (Administration) Amendment (Consumer Lease Exclusion) Bill 2015 is one of the more sensible contributions that my friend and colleague Senator Cameron has brought to the chamber. It is good that we are having a debate on this.

In reading some of the material about this, it reminded me of when I was a 17-year-old. I had just left school and could not afford to go to university. I started work as an articled clerk on about half the pay an apprentice would get. I studied externally through the University of Queensland at night to get my legal qualifications. I was certainly a poor Australian. Senator Cameron's wish is that his bill be all about harm minimisation for poor Australians. I remember the days when I certainly fitted into that category.

I lived some distance away from my work in the town of Ayr in North Queensland and, somehow, I had to get to work. It was too far to walk. I would rely on friends to give me a lift if they were going in to town at the same time. But because I wanted to be independent I bought myself a Honda 55 motor scooter. I emphasise '55' because it was five cc better than the regular Honda 50 at the time. I bought it on what was then called hire purchase. A lot of the ills that Senator Cameron talks about were, in fact, there in those days of hire purchase. You do not see hire purchase around much these days. I am wondering if it is still relevant. The idea of hire purchase is that you pay a deposit and then pay your purchase off in instalments. In my case, I got the motor scooter. I had to pay some sort of a deposit and then I had to pay it off. As I recall, I used to pay about two pounds—or $4—a month. I had the use of the motor scooter for a couple of years, whilst each month I would go into the hire purchase agency and pay my two pounds to enable me to continue operating the motor scooter.

Whilst I was responsible for maintenance and upkeep, and obviously for fuel and repairs, the actual ownership of the unit, the motor scooter, stayed with the lender all the time. The
idea of hire purchase in those days—very similar to the situation that now applies under different bills—was that the lender retained ownership of the goods. At the end of the lease—I think my lease was for three years—the motor scooter effectively went back to the lender because they still had the ownership entitlement to it. But, as with all of those contracts provided at the time, in the goodness of their heart the lender could actually sell you the three-year-old motor scooter for a nominal price. It was very similar to the arrangements that apply in the situation Senator Cameron has highlighted.

As with a lot of the propositions that have been raised in this debate, I remember that the amount I actually ended up paying for the motor scooter was much greater than the purchase price. Adding up all the payments I made over the term of the hire purchase agreement, I paid something like three times the original cost of the motor scooter. But, of course, in those days there was no alternative. I did have the use of the motor scooter from day one and it allowed me to get around. Again, this is very similar to a lot of the situations that are highlighted in Senator Cameron’s speech and in other contributions to this debate. Senator Cameron in his introductory speech on this bill said that the government should expedite the broader review of consumer leases that it announced and look at the national credit code and the implications of consumer leases on a broader basis.

On 7 August this year the Hon. Josh Frydenberg MP, the Assistant Treasurer, indicated that the government was establishing a review of the small-amount credit contracts, which I and probably everyone else in this debate have referred to as SACCs, and related provisions of the national Consumer Credit Protection Act 2009. The establishment of that review fulfilled a statutory requirement under the credit act to examine and report on the effectiveness of the law relating to SACCs that was provided in the credit act. In doing this the government recognised that the small-amount lenders can play an important role in the economy by providing credit to consumers who are excluded from mainstream forms of finance. The government wanted to ensure that the regulatory framework strikes the right balance by protecting vulnerable consumers without imposing any undue regulatory burden on the industry. These small-amount credit contracts are loans of less than $2,000 to the consumer, with a maximum term of 12 months. Since 2013 the credit act has placed specific obligations on small-amount credit contract arrangements and on the providers, including a cap on costs and a rebuttal presumption that a loan is unsuitable when the customer is in default under another small-amount loan.

The government’s review also provides an appropriate opportunity to consider the laws that apply to regulated consumer leases. A consumer lease allows a customer to lease an item, such as a fridge—perhaps even a motor scooter!—until the term of the lease finishes, when the item is returned to the lease provider. It is similar to what happened in the case I was relating, about buying a motor scooter all those years ago. Consumer leases regulated under the credit act include those that are for a set period of four months or longer. While the customer base for small-amount loans and regulated consumer leases is similar, many of the regulatory requirements for small-amount credit contracts do not apply to consumer leases. The review announced by Mr Frydenberg will consider whether the provisions that apply to small-amount credit contracts should apply to consumer leases as well. While the customer base for small-amount loans and regulated consumer leases are similar, many of the regulatory requirements of these SACCs do not apply to consumer leases. The review, as I
indicated, will consider whether the provisions that apply to small-amount credit contracts should also be extended to consumer leases.

I am pleased that, as Mr Frydenberg announced, the review will be chaired by Ms Danielle Press, the CEO of Equipsuper, who will be joined by panel members Ms Catherine Walter, the deputy chair of Funds Management Victoria, and Mr Stephen Cavanagh, a partner in HWL Ebsworth. The minister announced that the consultation process would involve the panel calling for submissions from interested parties. It will consult widely with stakeholders. The terms of review are quite extensive. I will not go through them all, but they include the review to make recommendations about effectiveness and where necessary to recommend any changes to the requirement to obtain and consider a consumer's bank account statements in certain sections of the credit act. The terms of reference also require the inquiry to look into the rebuttable presumption that a loan is unsuitable if the consumer is in default under another small-amount credit contract or has held two other small-amount credit contracts in the past 90 days in accordance with several provisions of the credit act. The inquiry will also look at the prohibitions on entering into and increasing the credit limit of a loan contract that has a term of 15 days or less with a consumer and on suggesting to consumers or assisting them to do all that is required by certain relevant provisions of the credit act.

The review panel is also required to look into the requirement to display a warning statement about alternatives available on small-amount credit contracts in several relevant provisions of the credit act. Also, the inquiry has to look at the cap on fees on charges, including the maximum of a 20 per cent establishment fee and of a monthly four per cent fee that, again, is referred to in several sections of the act. The inquiry will look at the requirement that consumers who do default under a small amount credit contract must not be charged an amount that exceeds twice the amount of the relevant loan in section 39B of the National Credit Code.

I cannot equate these things precisely with what happened 50 or more years ago when I bought my first 'vehicle' under a hire-purchase contract, but clearly these sorts of issues have been around for a long time. One often wonders about all this regulatory work that governments do from time to time. I note this National Consumer Credit Protection Act came into play in 2009 in the term of the previous Labor government. At times I think we should pause and think about whether we should be encouraging individual responsibility rather than having governments—big brother—trying to regulate every aspect of our lives to protect us from ourselves. I am not sure that my instance, where I paid, if I remember correctly, three times the amount of my motor scooter back in those days, was something that really needed regulation by government. I was aware of that as a 17-year-old when I went into it, but to me the convenience and use I got from that motor scooter was worth the extra amount that I paid in total, and it allowed me to pay it off by almost affordable payments every month until I completed the contract.

Whilst there was some legislation and regulation around hire-purchase agreements in those days, one wonders if at times we try, as a parliament, as various governments, just a little bit too hard to save people from themselves. There used to be the old legal principle of caveat emptor—be careful of what of you buy, think about what you buy—but unfortunately in this day and age there has grown up this view that bureaucrats and politicians in Canberra are
better able to regulate the lives and responsibilities and obligations of individual Australians than those individual Australians are themselves.

What we have to strive to do in Australia, and what we do obviously do and have done for many years, is to make sure that every Australian has an education that equips them to be able to properly assess whether they should be taking out a small amount credit contract. Back in my days, you took out a hire-purchase agreement. Ensuring Australians are better informed and the better educated is a better way of addressing these things than having governments and bureaucrats in faraway Canberra trying to regulate what they think is in the best interests of the people of Australia.

I often make the same point in relation to Indigenous people. I find it offensive that people in this parliament in Canberra and bureaucrats are always trying to pass laws, to do things, to make special rules for Indigenous people. To me that always seems to suggest that we think Indigenous people are simply incapable of making the decisions that other Australians make. I find that very offensive. I have some caution with some of the things even my government does in relation to Indigenous people. I think that the best thing we can do for Indigenous people is to treat them exactly the same as every other Australian, with the same rights and responsibilities and opportunities and benefits that every other Australian gets. But some of the things we do from this building and from Canberra seem to me to be almost designed to ensure that that paternalistic situation continues to apply for Indigenous people, and I for one totally oppose that. I know a lot of Indigenous people, and they are equally as good as, if not better in most cases, than every other Australian. I think they are as well able to control their own lives and look after themselves as every other Australian. Again, I emphasise that education, training, the ability to participate fully in Australian society applies there, as it applies to every other Australians.

Senator Cameron said in his opening speech this was an attempt to help minimise harm to poor Australians. Of course, if we did not have any poor Australians in the country then perhaps Senator Cameron might not have thought it necessary to bring this bill forward. We, as a government, try our very best to make sure all Australians benefit from living in this lucky country. Having said that, and whilst I again acknowledge the good ideas and good principles behind Senator Cameron's introduction of this bill, I think he has got it wrong. The government is already addressing many of the issues that Senator Cameron indicated concerned him. When the reviews that the government has set up and other actions the government has taken come into play, this bill will be unnecessary. For that reason I intend to oppose it and I urge the Senate similarly to oppose the bill.

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (10:21): I also rise to address the Social Security (Administration) Amendment (Consumer Lease Exclusion) Bill 2015. I would like to address this in three key ways. Firstly, I want to talk about what Centrepay actually is, which is the mechanism that is being discussed. Secondly, I want to talk about the problem that the bill seeks to address. Thirdly, I want to talk about what the most effective approach is to actually mitigating the risk and the poor consequences and outcomes that Senator Cameron raises. I do this because my background, as you know, Mr Acting Deputy President Sterle, is that of an experimental test pilot, so I have seen many cases where people identify a problem and launch into what they think is a fix. But, if you do not identify what the crux of the problem is, what system needs rectification and what the
possible unintended consequences are, you can spend a lot of time and effort but not address
the problem you are seeking to fix. So I think it is important that we look at these factors.

What is Centrepay? It is a deduction service that is offered to customers of Centrelink by
the Department of Human Services. It is free for recipients of Centrelink payments. It means
that people can have payments for things like bills, utilities and other costs deducted from
their Centrelink payments to meet those ongoing expenses, and then the residual Centrelink
payments are deposited into their accounts. So it helps people to manage their funds,
particularly people who, because of their own life circumstances and their ability to manage,
or because in some communities there is an expectation that 'what you have is mine and you
should share it', find it very hard to maintain control of their own income. Because of those
social or familial pressures, Centrepay can be an invaluable tool to them.

Centrepay was used to transfer more than $2.1 billion deductions last financial year, so it is
of substantial size in terms of its transactions. It is widely acknowledged as a very valuable
service by the sorts of community organisations that get alongside people who are struggling
in this area. It is used by around 600,000 people who are in receipt of Centrelink payments,
and they represent about nine per cent of the total Centrelink customer base.

One of the things it does is link businesses who have met the policy and terms of Centrepay
with these consumers. It does not operate carte blanche; it has a process whereby businesses
have to agree to abide by certain policies and terms, and conditions in some cases, to be
linked up and be able to receive those payments. So it is a fairly well
developed system.

The system has been developed over time, particularly in the area of consumer leases. The
Department of Human Services has conducted a review of the system to change the way it
works and to provide more information to more consumers—and I will get onto that a little bit
later—but it has also excluded consumer leases that are not regulated by the National
Consumer Protection Act 2009, and that is important. One of the roles of the Parliamentary
Joint Committee on Corporations and Financial Services, which I chair, is to oversee ASIC,
the corporate regulator, and one of the benefits that a regulated scheme brings is that people
have to comply with the requirements of, and get approval from, ASIC in terms of how they
run their business. For schemes that are not regulated, there is not that same oversight or that
same framework to comply with, so this review has already excluded those kinds of
businesses from the Centrepay model.

Importantly, this bill also expands the alternatives to consumer leases, and these are things
like low-interest loans or no-interest loans, savings plans and lay-bys. That means that, when
people are attracted by one of those lease-to-buy options because they need whitegoods or
some service in their house, they know, 'I can buy those goods more cheaply with a low-
interest loan or a lay-by plan than through that rental scheme.' There has been a lot of effort
put into making those alternatives available and appropriately regulated, and making sure
people are aware of them. The changes in the bill to the Consumer Protection Act and to
Centrepay are to make more of those alternatives available to people, which then help them to
make informed choices about their options when procuring household items they need for
day-to-day living in a way that is ethical and fair in terms of the impact on them.

You need to bear in mind, Mr Acting Deputy President Sterle, that many of the people we
are speaking about are excluded from normal avenues of credit, whether credit cards or store
accounts, because they may be unemployed—and, in some cases, the unemployment is
intergenerational. I certainly know from my time as the member for Wakefield in the other place, when I represented some communities in the Peachey Belt area, that there were a lot of long-term unemployed people. The work there of groups such as Anglicare and others who sought to get alongside people and help them with their financial literacy and understanding was critical in helping them to bridge these gaps between what the rest of us take for granted and what is available to them.

The new Centrepay policy and terms categorise goods and services that are eligible deductions and list a number of things that are specifically excluded so that people are only using the system for things that are important. The Centrepay terms do not rely on social security law to exclude particular goods, and I encourage those who have a deep interest in this to go and have a look at the Centrepay policy and terms.

This is where I think we move from looking at what Centrepay is to looking at mechanisms to bring about change. We have described Centrepay, and it is good. The problem with consumer leases, which is fairly well known—and I applaud Senator Cameron for his concern for people—is that somebody can make rental payments over a number of years for an item that might cost $600, but the amount they end up paying can be around the $1,100, $1,200 or $1,300 mark. Clearly, they pay far more for the item because they do not have the option of getting that up-front capital. It is a well-defined problem. But the mechanism to bring about change is not the act, because, if we exclude even regulated consumer lease options from this system, there are a few things that can happen. One is that the leases that are then made available to people will often not be regulated. So people who are under pressure to have a fridge or a washing machine in the house will still go to companies who have no obligations either through ASIC or, indeed, under the policy and terms of Centrepay to provide additional information to these people about alternative credit sources such as the low-interest loans et cetera or to operate in a fair and ethical manner. People will then be using the residual money they have from their Centrelink entitlement to pay for these items. So we are actually reducing the protections for them if we exclude the regulated consumer leases from Centrepay in this legislation.

If we were to try and do things in a different way through Centrepay, as opposed to ASIC—and I will come back to ASIC in a minute—then we would look at Centrepay's policy and terms. Under 7.3 in the policy and terms, any company that has an agreement to use the Centrepay system has to comply with the policy and terms and any additional conditions which are placed on it. So, we are talking about a regulated scheme which already has the calming effect of ASIC requirements and then the additional requirements that can be placed on the policies and terms. If we look at section 8.1.b, it says that Centrepay can approve an application to be part of this scheme either in its standard policy and terms or it can approve it with additional conditions. This is one of the options that would be far more precise in achieving the outcome that Senator Cameron is looking for, if we find that the other mechanisms are not having the desired effect—and, as I say, I will come back to those in a minute. The policy and terms and additional conditions could be a mechanism to say, 'If you want to be part of the Centrepay scheme'—and, for companies, that is obviously an attraction, because there is a lower risk profile for them if they are receiving these payments under agreement where Centrepay is an intermediary—then Centrepay could use additional conditions to set caps on interest or other options.' So there are ways that those sorts of
conditions could be used to deliver more protection to the consumer than just by eliminating these kinds of things from the legislation altogether.

It seems a self-defeating object, to my mind, to say that we are concerned that people are being exploited, therefore, remove these products altogether, as opposed to saying, 'Let's use the system to provide additional protections for people so that what they are asked to sign up to is equitable, fair and ethical for them.' The policy of the Centrepay system itself, under a regulated product, provides the sort of protection that we should be aiming for, as opposed to just excluding it and putting it out in the free market.

Part of the reason I say that is that the people who are responsible for regulating these products are ASIC. ASIC are responsible for the regulation of consumer leases under the National Consumer Credit Protection Act 2009. They undertake a range of research and activities to promote business compliance with the act, and they also provide a number of educational materials for the consumer. When it comes to education, I am very aware, having been the member for Wakefield where I have gone into schools and seen that in the foyer there are no written hand-outs. The schools have given up providing them to parents because they have realised that in some cases some parents cannot actually read. They will not admit it, and they do not get the information. So, for that cohort, no amount of brochures that highlight information is going to protect them. What these schools have done is put information onto an audio—so, it is a video or a power-point presentation with audio. They find that the parents will stand around and have a cup of tea that is provided. The whole object is to provide an environment where you convey information. So there are ways that we can convey information to people.

Part of ASIC’s remit is educating consumers. They have their MoneySmart website and system, where they try to provide financial guidance. What we are seeing is that people like Centrepay are linking through to that information. So, in the increasingly online environment, people are being pointed to the fact sheets that are produced by ASIC around MoneySmart. ASIC have a whole section just on consumer leases, which explains how the leases work and the terms. It highlights the fact that, at the end of a lease, you might actually not own the item, despite the sometimes misleading advertising; you can be responsible if the item is damaged or stolen; and the terms and conditions can be complicated and they may need to seek additional support. They highlight the fact that leasing may not be the best way to buy something, the fact that there is often no cooling-off period and the fact that you may be better off with lay-by or low-interest type schemes. They also help people to working whether they can actually afford these repayments—so there is budget planning. They also point people to things like the no-interest loan scheme, which offers specific purpose loans for things like fridges or washing machines. There is the Good Shepherd Youth and Family Service, who can link people up with providers of these low-interest schemes. So there is a range of information available there.

By keeping these schemes within the Centrepay system, we can do things under its terms and conditions. For instance, if you as a business want to attract customers and want to have the security of using the Centrepay system then you need to provide them with this information. ASIC provides links to additional explanation, and advocacy and support groups in the community can use that information to help inform consumers. With the regulated schemes, ASIC takes action to make sure that schemes do comply. I am the first to admit—
and it is the whole reason we have ASIC—that there are people who do the wrong thing. I look at ASIC's website and see that in February this year ASIC took action against five different companies—Goldhype, the Smart Link Rentals group, Keep Easy rentals, Rent To Keep, the RentEzi appliance rentals and the Wanted Rented group. They are obviously all aimed at getting people into this scheme as an easy and quick way for them to get something. As a result of ASIC's actions, over $230,000 has been refunded to 115 consumers, the majority of whom were in this cohort. They were people on Centrelink benefits who had entered into contracts with these lease providers.

Under the outcome that ASIC has imposed on these businesses, the businesses have agreed to collect only the cost price of the rented goods and to refund any amount that has already been received from the consumer over that amount. They have also agreed to transfer ownership of the goods to the consumer once the cost price has been paid and to stop offering regulated consumer leases. In other words, ASIC has said, 'Your conduct has been so poor that not only are we going to make you fix up the problem with your existing customers but you are no longer going to be offering leases in this space.' So ASIC is fixing the problem with companies like that but, by then saying, 'You cannot offer regulated products,' it means that Centrepay will no longer be offering the product.

So the whole intent of Senator Cameron's bill in this case does not achieve anything, because the system has already worked to exclude those people. People would get more protection by still coming through Centrepay with Centrepay's terms and conditions and regulated schemes than they would by going into a marketplace where people who have been prevented from providing regulated lease options are operating.

In June this year we saw another action by ASIC against a firm called Amazing Rentals. ASIC required that that company stop operating. The area where they had most noncompliance was in Darwin. ASIC said, 'You have to cease operating in Darwin for a minimum of 12 months.' That company had to terminate all the consumer leases that had been entered into at the Darwin store between October 2011 and May 2015. They had to cancel the payment arrangements in relation to those leases and transfer ownership of the goods to the consumers. They had to refund to consumers all credit charges and the difference between the retail and lease costs and they had to pay a total of $10,000 to some of the advocacy agencies that supported people—the North Australian Aboriginal Justice Agency and the Top End Women's Legal Service, who provided support to consumers in this case. They also had to engage an independent and external compliance expert to conduct an assessment and report to ASIC on Amazing Rentals' policies and procedures to ensure compliance with credit compensation in relation to responsible lending documentation obligations and make any recommendations about required changes.

To come back to my starting point, Centrepay is a useful system. It supports 600,000-odd people, about nine per cent of Centrelink recipients in the country. It has been recognised by ASIC as a useful system. There is a problem with leases that charge people far more than a product is worth, but the answer is not to exclude regulated leases from the Centrepay system, for the simple reason that we want people to be using regulated leases because that allows ASIC to take the kinds of actions I have just outlined that they have taken against six companies this year alone. But also importantly it brings it under the Centrepay system, where
there is the policy, the terms and the additional conditions that they can apply, which will provide more protection, not less, to the consumer.

For those reasons, whilst I commend Senator Cameron for his concern for the people involved, I believe that the Centrepay system is worthwhile and that excluding regulated consumer leases is not the best way to provide protection to consumers, and so I will not be supporting the bill.

Senator BERNARDI (South Australia) (10:41): It gives me great pleasure to rise today and address some of the measures proposed by Senator Cameron's bill, which is known as the Social Security (Administration) Amendment (Consumer Lease Exclusion) Bill 2015. I am particularly interested in this bill because it relates to a longstanding concern of mine about financial literacy not just amongst those who are on income management or income support but amongst our community generally.

One of the greatest things we as a nation can do is to ensure that young people develop an understanding of finance and money. That is not because they need to pursue money as their life's goal but because the astute management of money can prevent a great deal of misery and hardship in their lives. If they understand what the impacts of consumer credit and the long-term implications of not paying off your debts can be, it can prevent a lifetime of hardship.

I have been interested in this space for a very long time, particularly the benefits of teaching children about financial literacy. I wrote a little children's book, which I entitled The Money Tree, which was designed for parents to help their children understand money management through a fictional tale. I regret to say that it did not meet with widespread acclaim, but it has been distributed to schools and various other bodies for free at my own expense because I passionately believe that this is something that can change the lives of people forever.

I respect Senator Cameron trying to enact a bill which is designed to prevent people from getting in over their heads and facing financial hardship. The intention of Senator Cameron, I have no doubt, is quite sound and solid. But there are some flaws in this bill. We have to consider what the potential implications could be for those most impacted by this. What might sound intuitively like a really good idea can often have some impacts which need to be given consideration.

If this bill were enacted, it would mean that welfare recipients who are benefiting—from income management would not be able to pay for any consumer lease obligations, whether they are regulated or unregulated, using their income managed money. Let's think about that for a moment. Those on income management would still be able to get involved in regulated or unregulated leases with their non-income managed money. They could still do it with cash or various other things. But we have to ask ourselves: when people are going into what are generally longer-term obligations to buy whitegoods or merchandise, which is often very important to their lives and wellbeing, isn't it better for them to be in circumstances where their repayment schedules are managed and are not going to be subject to what I would call the weaknesses of indulgence that we all have? Marketers spend enormous amounts of money trying to part us from our cash, and if we have cash we can be vulnerable to those sorts of marketing overtures. That is fair enough, but not if it is going to leave you short for an ongoing repayment. It is not fair enough then.
We are talking about people who are welfare recipients, many of whom are doing it tough, many of whom need to purchase things which they cannot initially afford, so they need to go into a finance arrangement. Rather than risk those people losing their asset because they are vulnerable or their cash management skills are probably on par with most of Australia, we are better off providing them with some certainty and surety. That is what I sense.

This bill does not allow that to happen. As I mentioned, you can go to unregulated or regulated leases, and they can pay for that through their non-income-managed money. The risk here—and I seriously think it is a risk that Senator Cameron has not considered—is that this can cause further financial hardship for people that are already in very difficult circumstances. As I mentioned, for many welfare recipients this sort of surety is the only way that they are going to have a prospect of getting reasonable lease terms or rental arrangements, because there is a certainty that the financier is going to receive the regular payments. It does not mean it is going to be fair; it does not mean it is going to be good. It does not mean any of that, but it does mean that there is access to opportunity for people where otherwise there might not be or there is access to opportunity under terms that are probably much more appropriate and attractive than some of the payday lending terms or other less attractive options that are out there.

It is very clear to me from listening to the previous speaker that the government does want more lower cost options available for people. There are good Samaritans out there, including the Good Shepherd's No Interest Loan Scheme. I have had meetings over the years with members of the National Australia Bank and their social finance organisation, in which they provide no-interest or very-low-interest loans and support other organisations that are doing the same thing. These are very small programs in the scheme of things, but they make a huge difference. I think making a difference in this space is what we are all trying to do to get better outcomes for people and to make sure that government and taxpayers' money is used wisely and to the best effect. I think there is a general consensus that we want to stop predatory lending processes or make them as unattractive as possible, because of the difficulties that they cause.

I have seen it firsthand. I have been involved in the finance industry for a very long time. I understand how money worries can plague people. It does not matter whether you are rich or poor; if you cannot manage money effectively, you end up in a very dark place. If you start borrowing from some of the less-regulated lenders at some of the extortionate interest rates which are payable, or in some of the unregulated areas, it can cause enormous grief for you and your family because a lot of the less salubrious lenders are linked to very unsavoury characters. I know that firsthand because unfortunately I have had friends and clients who have gone down that path.

I think the Department of Human Services has to continue to ensure that people have access to goods using the most reasonable means that are available to them. That means giving some certainty to the vendor—the lender or financier in this case. The best possible way to do that is to allow access to income management. It takes it out of the discretionary hands of the recipient and provides that certainty to the vendor. There are a number of other things that we can do that would be positive in this sense, which I would like Senator Cameron to consider, if he wants to put forward another bill.
In the end, as I have said before, we need to make sure that the government and the taxpayer are getting appropriate value for money. We have to ensure that taxpayers' money is being used as wisely as possible. We also have to acknowledge that the interests of the welfare recipient have to play a significant part in this. It is not enough for us to wash our hands and say, 'You can have this bundle of cash every week'—it is hardly a bundle, I should say—'you can have this taxpayers' funding every week or fortnight and you can spend it on whatever you want.' We know that some people cannot or will not spend it appropriately, and that leads on to greater societal difficulties. It leads on to individual difficulties in health and wellbeing as well. We know that in some instances children are impacted by the choices that their parents make. We need to acknowledge that and we need to put in place measures that will protect the wellbeing of all participants in this process.

We have seen the success of income management in many areas. I know that in the previous government there were calls from the member for Wakefield for income management to be rolled out in his area—against the will of his government at the time. I remember there were calls from other members of parliament saying: 'No, this is a good idea. This will help alleviate suffering. It will help alleviate hardship. It will make things easier for people to make the necessary decisions for themselves because some decision making is actually being taken out of their hands.' It sounds a bit perverse, but limiting choices, even for a section of expenditure, makes for better choices. If people are compelled to provide for their rent and to provide, for their children, food and those sorts of things before some of the other discretionary items, they can be better off. And that was the intention. It has been hailed, I think, by most sides of the chamber—with some exceptions, I would say.

That is what the Centrepay policy and terms effectively do: they list the categories of goods and services that are eligible for these Centrepay deductions. They also list the categories that are explicitly excluded. But I need to be very clear here: the new Centrepay policy and terms do not rely on social security law to exclude particular goods. And that is why I would suggest that, no matter how well-meaning this bill may be, it is actually not needed, because this bill does not actually exclude consumer leases from Centrepay. As part of the transition to the new Centrepay policy and terms, businesses that are actually approved for the household goods categories have been required to specify whether they provide regulated consumer leases or unregulated consumer leases, and unregulated consumer leases are being excluded from Centrepay. The businesses are also required to provide positive agreement to comply with the new policy and terms. I will just state that again: businesses approved for the household goods categories have been required to specify whether they provide regulated consumer leases or unregulated consumer leases, which are being excluded from Centrepay. They are also required to provide positive agreement to comply with the new policy and terms.

We are also obtaining more detailed data on the usage of Centrepay for consumer leases, which was probably an omission because it was not the case previously. That is not in any sense a criticism; it is just one of these things that sometimes slips through the net. That will enable us to monitor much more closely the usage of Centrepay for unregulated consumer leases during the grandfathering period.

I will make a point here on regulation. The Department of Human Services is not a regulatory authority—and I do not think it should be. We have regulatory authorities. We
have the Australian Securities and Investments Commission, which is the body responsible for the regulation of consumer leases. That is done under the National Consumer Credit Protection Act 2009, as I am sure you will recall. It undertakes research and activities to promote compliance with the national credit act.

Of course, ASIC has taken a great deal of action over the years. There are some in this chamber who are quite critical of ASIC for not taking action where it needs to take action and for prioritising the wrong agendas, but it has taken action against a number of consumer lease providers for failure to comply with the requirements of the national credit act, and particularly in regard to the responsible lending obligations.

ASIC is our regulator. It is meant to inquire into these sorts of things. The Department of Human Services should not be the regulatory authority in this space. However, the Department of Human Services should have a very close and ongoing relationship with the regulatory agencies, including the Australian Securities and Investments Commission. And I understand that it does. I understand that it has a very strong and close working relationship with the Australian Securities and Investments Commission and that cooperation has led to some businesses actually being removed from Centrepay. That is government as it should be working: the regulator and the department talk, and they come to determinations that are in the best interests of the taxpayer, the welfare recipient and the consumer credit supplier.

In that respect, I understand that the department recently provided information to assist ASIC with its current research to better understand consumer leasing practices and the impact on welfare customers. This is very important work, to establish the impact of consumer leases.

I want to come back to where I started. Understanding how money works and understanding personal finance—budgeting; your obligations; the implications of accepting credit at particular rates and not paying it off, and what that can do to your financial future, and the long-term effects it can have on your health and wellbeing—is one of the most important things we can ever instil in people in this country. If we could get people to think about the consequences of managing their money and the consequences of managing their health, this country would be immeasurably better off.

For many, I have to say, it is a bit too late. It is very difficult to get people to change their habits much later in life. But our responsibility is to instil in the next generation—in the boys and girls who are at school, some of whom I have seen touring this parliament today—the need to learn about and understand the implications of credit. In advance of that generation finally going into adulthood with that information, we now have to implement measures such as income management to assist people in making the right choices.

Once again, I say to Senator Cameron: this is a well-meaning bill; I understand perfectly what you are trying to do here, and I sense that you understand what I am trying to do as well, Senator Cameron. But there are consequences that the government has considered. I have to say that I stand with the government on this because the consequences of, and the omissions from, this bill mean I cannot support it. That may come as a surprise to you, Senator Cameron, but I am unable to support your bill today in its current form because I think the government has a persuasive case as to some of the implications of it—which I do not think are of benefit to those people who deserve our full support.
I will use the brief time I have left to encourage the government to continue its diligence in examining the implications of changes to consumer credit codes and financial management. I would encourage them even more warmly to invest in the next generation. The two best things they can do for the future of this country are, first, to instil in young people an understanding of how money works and how they can live a lifetime of financial independence by adopting some very simple practices and, second, to encourage them to take better care of their health.

Senator SINODINOS (New South Wales) (11:01): Senator Cameron says he wants to exclude all consumer leases from Centrepay. We in the government believe that his private senator’s bill, the Social Security (Administration) Amendment (Consumer Lease Exclusion) Bill 2015, will not do that and is flawed. The objective of Centrepay is to assist customers in managing expenses which are consistent with the purposes of their welfare payments and reducing financial risk by providing a facility to have regular deductions made from their welfare payments. The government has already taken action in this area. Following a review and subsequent stakeholder consultation, the Department of Human Services introduced a range of changes to Centrepay to improve its operation and provide greater information to customers. These changes include the exclusion of consumer leases not regulated by the National Consumer Credit Protection Act 2009—referred to as the National Credit Act—and the expansion of Centrepay to support alternatives to consumer leases such as low-interest loans, no-interest loans, savings plans and lay-by. We argue that it is important to ensure that people who have very limited access to most forms of credit—or to alternatives to consumer leases—are still able to access necessity goods, as we call them, such as refrigerators and washing machines.

The department works to build strong assurance practices for the consumer leasing industry and to influence its behaviours. Centrepay is currently transitioning to a new contract and assurance framework that will provide more options in responding to poor business behaviour and will provide additional dedicated assurance resources. The new Centrepay policy and terms list the categories of goods and services eligible for Centrepay deductions. The policy and terms also list the categories that are explicitly excluded. Let me be clear: the new Centrepay policy and terms do not rely on social security law to exclude particular goods. This bill is not needed and this bill will not exclude consumer leases from Centrepay.

As part of the continuing transition to the new Centrepay policy and terms, businesses approved for the household goods categories have been required to specify whether they provide regulated consumer leases or unregulated consumer leases which are being excluded from Centrepay. They are also required to provide positive agreement to compliance with the new policy and terms. We are also obtaining more detailed data on usage of Centrepay for consumer leases, which was not the case previously. Usage of Centrepay for unregulated consumer leases during that grandparenting period—we do not call it ‘grandfathering’ or even ‘grandmothering’ anymore; it is now ‘grandparenting’—will be monitored closely.

I turn to the issue of the Australian Securities and Investments Commission, or ASIC. The Department of Human Services is not a regulatory authority, nor should it be. It is a payment authority of the federal government. ASIC are responsible for the regulation of consumer leases under the National Consumer Credit Protection Act 2009. They undertake research and activities to promote compliance with the National Credit Act. ASIC has undertaken
enforcement action against a number of consumer lease providers for failing to comply with the requirements of the National Credit Act, particularly for failure to comply with the responsible lending obligations in the act.

The Department of Human Services has a close relationship with the regulatory agencies, including ASIC. This has led to some businesses being removed from Centrepay. So action has been taken. ASIC has been doing its job and the Department of Human Services has been doing its job; they have been working closely together in dealing with businesses that deserve to be removed from Centrepay. I understand the department recently provided information to assist ASIC with its current research aimed at better understanding consumer leasing practices and the impact on welfare customers. That is important work.

We all know there are concerns about the behaviour of some consumer leasing businesses and we are working with ASIC to address that. Some consumers, often welfare recipients, pay far too much for leased goods. It is those providers we need to address. This is something that has recently been acknowledged by Assistant Treasurer Josh Frydenberg. The department is going about addressing this issue in an informed and planned way, the way any good government would. There is no point rushing in with half-baked measures. That is why, at the minister's request, the Department of Human Services is chairing a working group which is consulting with business and non-government organisations about a requirement for Centrepay-approved businesses to disclose to their customers the effective interest that would apply for any consumer lease product. This will help ensure people make informed choices.

It is very easy to say those words, but think about what it means in practice. This is about transparency. This is about saying to someone, before they enter into a contract: 'This is the effective interest rate. This is what you will have to pay over that period. You think you are buying this refrigerator for X. However, because you are paying over time'—depending on the terms they may be able to buy the piece of equipment at the end of the term—'the effective cost to you is X times two.' This is the point. This is transparency at work. This is how you get people to make responsible decisions. They can then say: 'Okay, I cannot afford to do this. The interest rate is too high.' That is transparency, which is very important.

At the same time, the Assistant Treasurer, my friend the Hon. Josh Frydenberg MP, has announced an independent review of the small amount credit contract provisions of the National Consumer Credit Protection Act 2009. The review has been given terms of reference which include consideration of whether the small amount credit contract provisions should also be applied to consumer leases. The government is closely considering consumer leases and will take further steps as appropriate. When the Assistant Treasurer announced the review on 7 August 2015 he indicated that it fulfils a statutory requirement under the credit act to examine and report on the effectiveness of the law relating to small account credit contracts. He acknowledged there:

The Government recognises that small amount lenders can play an important role in the economy by providing credit to consumers who are excluded from mainstream forms of finance.

That is what we are talking about here. We are talking about people who do not qualify for most normal forms of finance. This is an issue for the banking system and for the financial service providers as much as it is for society—finding a way in which we can help those people who do not have access to other more mainstream forms of finance. Mr Frydenberg announced:
The Government wants to ensure that the regulatory framework strikes the right balance by protecting vulnerable consumers without imposing an undue regulatory burden on industry.

This review will have a consultation process. The panel will call for submissions from interested parties and consult widely with stakeholders and will report by the end of this year. We do not have to wait until the middle of next year for the report of this group—we will have it by the end of the year. That will provide us with the opportunity to consider all of these measures that Senator Cameron has rightly raised in the context of full information including a proper structured review by experienced people of the small amount credit contracts. The review will be chaired by Ms Danielle Press, the CEO of Equipsuper, and will include Ms Catherine Walter, Deputy Chair of Funds Management Victoria, and Mr Stephen Cavanagh, partner at HWL Ebsworth. So this is a blue-ribbon panel that I think will do an excellent job in looking at this matter.

The government has made it clear that it concedes the point that Senator Cameron has made. Mr Frydenberg conceded that there were issues, and while Senator Cameron was out of the chamber I made the point that we support greater transparency around disclosure of effective interest rates. We need to put consumers in a position to be informed. The other element of this, and it is not covered here, is that we also need to make sure that we are rolling out financial literacy programs to those most vulnerable people. Not everybody may have access to the ASIC website or to some of the programs that the banks and others have rolled out, so it is important for us to supplement what we are doing by having appropriate financial literacy programs.

I want to consider the impact of this bill on income management. If the bill were enacted there would be welfare recipients on income management who would not be able to pay for any consumer lease obligations, regulated or unregulated, using their income managed money. Those on income management would be able to continue to pay for regulated leases using their non-income managed money via Centrepay or unregulated leases via other private payment arrangements. This could place these vulnerable people in financial distress, which is what income management was designed to avoid. Excluding consumer leases from income management has the potential to cause further hardship to already vulnerable people. Some people have existing arrangements to pay consumer leases from income managed funds, and the Department of Human Services would be obliged to end these arrangements. For some people on income management this type of arrangement may be the only option available to them to obtain basic household goods. The government does want more lower cost options available to people, which is why it continues to support the Good Shepherd no-interest loan scheme and why Centrepay is expanding to include low interest loans, savings and layby.

I commend the financial system because over the last few years a number of the banks and others have sought to address issues in this area through mechanisms like no-interest loan schemes. Ironically, these are in part based on the experience in developing countries. In places like Pakistan and Bangladesh, the Grameen Bank provided low- or no-interest loans—very small loans—to people and they found, remarkably, that people were not frittering these loans away. They were either getting basic goods they needed or they were starting small businesses. The repayment rate was very high. If you backed these people, they more than repaid your faith in them by not just repaying the money but often by starting new businesses and getting their lives and their families in order.
I fully support the rollout of these sorts of alternative loan and payment options for lower income people, but that must go hand in hand with continuing to expand financial literacy and putting the Assistant Treasurer in a position by the end of the year, when we have the fruits of that review, to institute small loans. That will give us the chance to have a comprehensive package around this whole area. It will give us just a bit more time. Senator Cameron just has to wait until the end of the year and we can do things in a more comprehensive package, and this private member's bill and the debate on it will help inform the government's further consideration of options. That is very important, and it is a very useful thing that we have been able to do. It is particularly important that we look at how the government can encourage these alternative loan options that I talked about before. We should do whatever we can to link these options to broader strategies within government; to encourage people who are on the fringes of society—Indigenous groups are a particularly large part of that—into the mainstream by linking what we do in this area with workforce participation and other measures. This is not about being punitive; that is not what we are talking about here. We are talking about how we, in a whole-of-government way, can address the sources of disadvantage that people have so that they are in a position where they do not see themselves as passive welfare recipients condemned to a life on the dole or condemned to two or three generations of poverty. The intergenerational transmission of poverty is one of the biggest challenges we face with these groups on the margins of society. It is very important to take a whole-of-government approach to all of this.

In relation to the matters which are being considered in the context of this private member's bill, I think it would be good to have a whole-of-government approach which would take account of what the Assistant Treasurer will be providing to us in the form of a report by the end of this year. That report in part will be informed by work that is being done by ASIC, which released its report into small-amount credit contracts in March. That was focused on compliance. It did not look at policy questions such as whether the existing rules are effective or appropriate. ASIC found that compliance with some regulations was working well, including a requirement to provide a warning about alternative credit options. However, ASIC did find some issues present in the sector, including adequate documentation and record keeping, as I alluded to before. ASIC has put the industry on notice that it needs to improve. Since 2010 its enforcement action has resulted in close to $2 million in refunds to more than 10,000 customers who have been overcharged. The government fully supports ASIC's actions to date in ensuring that all lenders are complying with the law. I look forward to further debate on measures which can strengthen appropriate regulation and compliance in this area.

Senator XENOPHON (South Australia) (11:16): This bill introduced by Senator Cameron reminds me of a saying I quite like: 'Just as an oyster needs a grain of sand to grow a pearl, precious ideas might grow from vigorous argument. So we should probably value irritants in public debate, and welcome challenges to accepted norms.' In what Senator Cameron has done here—clearly he has irritated some in this chamber with this idea, saying that there is another way forward—he has actually dealt with an important issue that is affecting many thousands of Australians every day of every week and that has a profound impact on their financial welfare. In the absence of a better alternative, I have no choice but to support the Social Security (Administration) Amendment (Consumer Lease Exclusion) Bill 2015, because what this bill is saying, effectively, is that we need to stop aiding and abetting practices where consumer leases are effectively ripping off some of the most marginal in our
community. Senator Cameron's favourite economist, Joseph Stiglitz, in The Price of Inequality talks about these issues: about that entrenched inequality and those traps that people who are vulnerable, who are poor, simply cannot get out of. Senator Sinodinos made a point about the Grameen Bank. Muhammad Yunus won a Nobel Peace Prize for his microloans. What have microloans got to do with peace? If you give people economic security, if you give them economic stability, if you give them jobs and hope, that is one of the best ways to drive away the evil influences of terrorism, extremism and fundamentalism. Poverty is a factor in making people vulnerable to the evil of terrorist influences.

The reason why I support this bill is, I think, contained in a table that Senator Cameron has referred to and that has been provided in very useful briefing material—it comes not from him but from the Consumer Action Law Centre—on the hidden costs of rent-to-own in September 2013. I will give two examples. For a high-definition television with a retail price of $749 to $1,049, the rent-to-own price can be between $3,112 and $3,893. That is between 371 per cent and 415 per cent. For a mid-range stroller—this is what a young family puts their baby in—the retail price is between $100 and $300; the rent-to-own price is between $772 and $1,392—a 464 per cent to 772 per cent mark-up. We need to do something about this. I think that Senator Cameron's bill, being an irritant perhaps to those who think we should just have business as usual, will prompt change. I am not sure whether this bill in its current form will get through both houses of parliament but I can practically guarantee that, as a result of Senator Cameron's very fine work on this, we will see changes in the law that will achieve, if not all of what he wants, a significant amount of what he wants. I still think this bill is the best vehicle forward.

The system of automatic deductions from government payments via Centrepay has been around since 1998. It has been an effective budgeting mechanism whereby the costs of utilities and rent were deducted each fortnight before the balance was paid to the Centrelink client. But since the recent clampdown on unscrupulous payday lending providers there has been a massive expansion in the advertising and take-up of consumer lease agreements. Disturbingly consumer lease providers such as chain stores providing televisions, computers or stereos are approved for deductions from Centrepay. While utility bills account for about one-third of Centrepay deductions for 600,000 Centrelink clients, consumer leases have risen to account for 14 per cent of deductions. But the statistics mask the damage to people's lives brought about by these consumer lease payments, as their meagre government payments get eaten up by high interest payments which can make the price of goods being used more than double their retail price—or in fact seven, almost eight, times the retail price.

I acknowledge the concerns that have been expressed by government senators—including Senator Ruston, who is in the chamber—saying that we should not be treating Centrelink clients any differently to other Australians. I agree with Senator Ruston that Centrepay should not be used as a form of mandatory income management. Centrepay is voluntary and will continue to be so—but with a clear purpose. Centrepay was always designed to be an effective way to ensure that essential items like electricity and rent could be paid for by some of the poorest people in our community. This bill should be seen as a prudent measure to safeguard people's social security benefits—funds that should not be flowing in increasing amounts via exorbitant interest payments to consumer lease providers. I note that Centrepay cannot be used for the repayment of credit card debt or any other kind of consumer credit. But
these rent-to-pay agreements are a loophole. They are a rort that is occurring. In the same way, I believe, consumer leases should also be excluded. This bill will ensure that it continues to be used for that purpose. That is why I will be supporting it. I commend Senator Cameron for bringing this bill. We need reform sooner rather than later, and this bill is a very good vehicle for that.

Senator BACK (Western Australia) (11:22): I want to comment on the Social Security (Administration) Amendment (Consumer Lease Exclusion) Bill 2015 as proposed by Senator Cameron. And I want to record that I am in absolute lock step with Senator Cameron in his motivation behind presenting this bill before this chamber. I sense that the dialogue in the discussion by others is in accord with that. I say that because in this society people who would try to use their influence, their retail capacity, their expertise or their marketing to prey on those who simply cannot afford the type of product or service that these people are trying to peddle are parasites. If legislation needs to be put into place to exclude these people, to expose them, to out them, then I am absolutely in agreement with that. I am, as many in this chamber have been and maybe still are, associated with organisations such as St Vincent de Paul, Anglicare, the Salvation Army and other non-government organisations associated with people who are in need, often financial need. I say very strongly that the motivation behind Senator Cameron's bill is to be applauded.

However, as has been pointed out by my colleagues, and as I will in the brief time available to me point out, if by passing Senator Cameron's bill we actually place vulnerable people at greater risk rather than less risk, then Senator Cameron's noble objectives will not have been met. That is the concern I have. We know the objective of Centrepay. It is to assist customers in managing their expenses—expenses that are consistent with the purposes of their welfare payments—to reduce the financial risk to them, to provide them with a facility that will allow regular deductions to be made from their welfare payments that will still leave them with adequate resources to lead a fulfilling life, to look after their families and to look after their own wellbeing.

Whether Senator Cameron's bill has been the catalyst or not I do not know. As Senator Xenophon has just said, if the dialogue that we have in this place today leads to further improvements to make the administration of this process better, then I certainly concur that Senator Cameron's time will have been well spent. But, as has been pointed out, some of the elements within the bill will actually put these worthy people at greater risk rather than less risk. For example, if we exclude under the Centrepay arrangements the consumer lease for goods that are regulated now, what will probably happen is that people will go outside the system, where they will be vulnerable to these people whom I refer to as parasites—people who would prey on those whom they very well know are, for whatever reason, unable to afford what it is they are trying to sell them, often at inflated prices. Those who are on income management may use a cash component, for example, to purchase when they could have used, under a properly structured process, the Centrepay mechanism. If it encourages them to go and purchase unregulated goods, then nobody is better for this process.

Why do people often find themselves in these circumstances? I refer back to the comments of my colleague Senator Fawcett, and that is that we know there are instances in which adults are illiterate. Therefore, giving them written information about the risks or the opportunities associated with either lease or purchase or other means of acquiring products is meaningless,
because they simply do not understand them. There are other people who, for whatever reason, may at some time in their past have had the necessary skills to manage their money but for various reasons may not now be in that position. I guess that is where the Centrepay system comes into its own.

What are some of the services that are included under the regulated category? Very briefly, they are accommodation services; education and employment; health; finance, particularly that associated with community group loans; legal and professional services, if they are required, such as court fines; travel and transport; motor vehicle registration, associated with the good conduct of their family and often used to obtain and then arrive for work; utilities; and the council services, such as electricity et cetera. And then there are of course these household goods that are more the subject of the consumer lease exclusion about which Senator Cameron spoke. I also want to talk about household goods lease and rental, which is the subject of our discussion, and provision of food, home care and trade services. What is excluded? Rental or lease payments for goods where the consumer lease is not regulated under the national Consumer Credit Protection Act. And then there are payments made to a broker, an arranger—a person who acts as a middleman, who, I say again, parasitises that process—rather than the provider of the Centrepay-approved good or service. Also excluded are short-term loan repayments to cash lenders, payday lenders and pawn brokers. These are excluded and of course unable to be used.

I want to refer for a moment to the relationship between the department that has oversight and ASIC. As we know, ASIC is the party responsible for the regulation of consumer leases. It falls then to ASIC to ensure the good and proper activity of retailers and others under the regulated process. As has been pointed out, it is ASIC’s role to enforce compliance, for example. I am pleased to learn that even this year there have been retail organisations that have been named, shamed and, more importantly, excluded from offering the regulated products which in ASIC’s view they have abused. They are excluded for periods of time, which are clearly punitive, and put on notice that if they were to continue that activity they would not be able to offer the regulated goods through this process.

It is my view that Senator Cameron’s motivations are quite correct. But if his bill is enacted, it will be welfare recipients on income management who would not be able to pay for any consumer lease obligations, whether regulated or unregulated, using their income-managed funds. There is also the associated risk of them using the cash component to engage in the sorts of activities that Senator Cameron is alerting us to, placing vulnerable people in financial distress—which is exactly what income management was designed to avoid.

We know that there are mechanisms other than leasing. There may be no- or low-interest loans through philanthropic and other organisations. There may be lay-by. There may be the opportunity to obtain a necessary product by alternative means. It was interesting to listen to the comments made by Senator Sinodinos and Senator Xenophon in relation to the excellent work of Muhammad Yunus and others who have followed him in relation to microfinancing. It is worth recording that the bad-debt rate from microfinance loans to deserving people, particularly deserving women, in countries like Pakistan, India and Malaysia, is, as I understand it and in my experience, infinitely lower than in the wider banking system. These loans give these people the opportunity to improve their lot, to start a small business and to work their way out of that cycle of poverty.
I applaud Senator Cameron for his motivation in introducing this bill. I concur with him about the concern he raises about the most vulnerable people, who need to be protected from the activities of those who would undo them. But the measures that have been undertaken by the government and the department, with the involvement of ASIC and ACCC, are the way to go. We do not want to throw the baby out with the bathwater.

Senator CAMERON (New South Wales) (11:32): I must say that I am still trying to recover from some of the speeches this morning, where those opposite actually praised my motivation. It is a highly unusual approach from those opposite. But when you get the chance, you should take it the way it was meant.

I want to deal with some of the technical issues that have been raised in relation to my private senator's bill, the Social Security (Administration) Amendment (Consumer Lease Exclusion) Bill 2015. One of the issues that this debate has clearly demonstrated is that there is no legislative base for Centrepay. Centrepay is regulated by the policy and terms determined by the Department of Human Services, and those policy and terms can be changed by the secretary—obviously in consultation with the minister. Given that a number of coalition senators who participated in the debate raised this issue, I want to place on record now that the opposition would be amenable and supportive of sitting down with the minister and the government to develop a proper legislative base for what is one of the most successful programs for many years. It is a successful program that does good things. What I am concerned about is the misuse of Centrepay by some of the most unscrupulous business people in the country.

I do not think the policy and terms of such a wide-ranging, important program, that is worth $3 billion—that is the amount of money going through this program—and which is accessed by 600,000 citizens, should simply be left to the secretary of the department to determine in consultation with the minister. There has always been a bipartisan approach to Centrepay, and I think that bipartisan approach should continue by sitting down and looking at the legislative base to see how we can protect all citizens who access Centrepay and make sure that the rip-off merchants do not get their claws into people who are doing it tough.

I might be one of the few sitting in the Senate who have used a consumer lease. Many years ago when I was involved in a pretty tough industrial scene in the Hunter Valley and at the electricity commission I had a single income. For one year I earned $8,000. That was my total income for the year. We were in all sorts of strife trying to pay our mortgage and put food on the table for our kids. We were desperate at the time for a fridge, I think it was. A leaflet came through that made it look so easy. I made a mistake: I got the fridge and I paid through the nose for it.

Again, I am one of the few here who has, from time to time, battled to put food on their family's table, because of having a single income, being a blue-collar worker and doing it really tough, so I know from personal experience what this means. At the end of a three-year or four-year lease, you think, 'Why did I do that? Why didn't someone advise me that this was the wrong thing to do? Why did I, in a moment of weakness, get caught up in this web of business process that leaves me much worse off at the end?' I do come to this from some experience. It would probably have been over 30 years ago when I was in that position. I understand that many people would be in that position.
A company, rent4keeps, sets up their pop-up business in the middle of a shopping centre in Penrith, where I still shop, targeting single mums and low-socioeconomic families. Surely the lessons that individuals like myself learnt all those years ago and the lessons that society should have learnt should be put in place and people should not be hunted down by these jackals in their smart suits who tell people on welfare that everything is okay if you pay four or five times the price for a consumer good. We have an obligation to expose that and we have an obligation to deal with it. I looked at this some time ago. Rent4keeps did not target me because I was not in the age demographic that they were looking for. I asked for the leaflet, got the leaflet and looked up their website. On the website I did the calculation for a couple of the goods that they had. One was, I think, a Hisense flat screen, fairly big television. You could pick it up for about 900 bucks. I did the calculation of what it would cost from rent4keeps over four years and it came to $5,700. This is a TV you could get for 900 bucks at Harvey Norman. You could probably get it cheaper if you went online.

There are a number of options for the young people who are getting caught up in this. Even credit cards, which are regulated, would be cheaper than rent4keeps, and we all know about the problems with getting into the credit card cycle of poverty, so that is even worse. We have regulated payday loans and payday lenders, and yet what we are finding now is that a lot of the payday lenders are moving from payday lending to consumer leasing, because consumer leasing is the next way that is unregulated to rip citizens of this country off, and I think the Senate has an obligation to deal with that.

I looked at the rent4keeps website, as I have indicated, and there were plenty of examples of why nobody should ever go near them. They are also letterboxing the Housing Commission areas in Penrith. Their stuff looks pretty flash. They have a happy, smiling family getting all the consumer goods that wealth brings, yet these people are not wealthy. It is not just in areas like Penrith; they are targeting Indigenous communities. We must say, 'Enough is enough.' We must do that. Why are some people doing this? On their website, rent4keeps say, 'Set a franchise up with us. We've got 100 operating franchises around the country'—and, remember, this is one of the minor players. They say: 'The business model is very profitable' No wonder it is very profitable when they are getting four and sometimes five times the price of the consumer good, paid through some poor citizen who is being screwed by the company. They say:

- Is easy to run from home
- Affordable initial outlay given the returns

So they are saying, 'Hey, there's a great business opportunity here. Let's do it.' And they say:
Again, there is the argument: 'If you've got to invest in your business, you've got to get a return.' They are saying it is really affordable and that you could do it easily. Here are the kickers:

- Huge customer demand
- Very low overheads
- Significant franchisor support

So it is all upside for the people who are getting their claws into the poorest people in this country and it is all downside once citizens have rent4keeps and Radio Rentals claws in them. This is a huge issue in my view that has to be dealt with.

Another argument that we have heard is that the government are moving on this issue. The government made an announcement back in May 2015 after this issue was becoming public and Labor had made some comments on it. The government said they would 'restrict the type of consumer leases that consumers can pay for using Centrepay payments.' They went on to say:

... leases that run for an indefinite period, or have a duration of four months or less, will be excluded from Centrepay ...

That did not deal with the fundamental issue that these consumer leases are still readily available under Centrepay. They said that the Department of Human Services would work with Treasury and key stakeholders to review the policy and whether you would disclose the effect of interest rate by Centrepay registered providers. If people in trouble think that Centrepay is available to do this, they will think that there is some government support for this.

I do not think that we should be giving any impression that we support Radio Rentals, rent4keeps or Rent the Roo. Some of these companies have been before ASIC and have been fined in the Federal Court and are still part of Centrepay. Why should we be allowing that to happen? If there is one thing that this Senate should be doing it is protecting those that cannot protect themselves. That is what we should be doing.

Minister Payne said that there will be 'links to ASIC's MoneySmart website'. I can imagine the poor person down in the housing commission house will be thinking, 'I'd better go and have a look at the ASIC website to see what they say about this mob that are telling me I should pay four times the amount for the consumer goods.' Funeral insurance would be excluded, which has been a rip-off. Minister Payne also said that there would be:

...increased cooperation between the department and consumer protection regulators.

In my view—and I will not be unkind to Senator Payne—that was the smokescreen the government put up to try to avoid dealing with the fundamental issue that citizens in this country were mercilessly being ripped off, and the government at that stage was not prepared to do anything about it. That is why my bill was put forward, and I am glad to say that it was supported within the caucus of the Labor Party. It is an important way forward.

Then the kicker really comes in Senator Payne's press release. She says:

While customers may still use Centrepay for regulated consumer leases—

'regulated consumer leases'—there is no regulation on whether they charge you 400 or 500 or 600 per cent, so I do not know where this regulation comes in—
I would encourage people to carefully read the fine print and consider all of their options.

Senator Payne does recognise that there is a big problem here that should be fixed. That problem could easily have been fixed if the minister and the secretary of the department had sat down and changed the policy and terms to exclude the rip-off merchants using Centrepay—Radio Rentals, Rent the Roos, rent4keeps, and I could go on and on. All these people are making masses of profit at the expense of the poorest citizens in our country.

I say it is important that this bill passes in the Senate. It is important to send the message to the rip-off merchants in our community that this Senate does not support the rip-off of the poorest people in this country, and this bill is the first step. I would call on the government to look at the bill in the House of Representatives and pass the bill in the House of Representatives as well because that will send a clear and unequivocal message to the rip-off merchants in our community that we will not allow them to use a government department to facilitate their rip-offs, because that is what is happening. I have heard the arguments that people should have a choice. This bill does not stop anyone going into rent4keeps or Radio Rentals or Rent the Roo and getting a bank deduction and being ripped off. I say that should be looked at by Mr Frydenberg in the other place to make sure that we put a limit on those rip-offs and we stop these rip-offs, but my view is that we should pass this bill to send a clear message to the rip-off merchants that the game is up.

Radio Rentals run almost half of their consumer lease business through Centrepay. A recent analysis said that Radio Rental's business model was unsustainable because of its rip-off nature. It is a subprime approach to people in this country. When an analysis was done and when Radio Rentals made some comment to the stock exchange about what these Centrepay changes that the government had put in place would mean for them, they said that it would mean nothing to their profits, it would mean nothing for the business model. So the rip-offs continue. With all the arguments that we have heard from those opposite—that the government moved on this, that the government made these changes to stop poor people ripped off—Radio Rentals say that it did not have one effect on them at all. The rip-offs continue.

We need to be clear about what this bill is about: stopping the rip-offs and making sure that people are treated fairly. This is supported. I convened a round table of welfare groups back in March. At that round table there was overwhelming support to do something about this because the welfare groups—the St Vincent de Paul, the Smith Family and the various faith-based support groups—are the ones who are picking up the pieces on this. I did an interview this morning on FIVEaa with Leon Byner. He asked people to ring in after I had said we should stop this. Seven people rang in. Six of them gave practical examples of how their families had been left in a terrible position as a result of using consumer leases. Only one came in and said it was okay, and my view was that they were someone from the industry.

I commend this bill. I ask the Senate to support this bill. It is about protecting the most vulnerable in the community.

The DEPUTY PRESIDENT: The question is that this bill be read a second time.
The Senate divided. [11:56]

(The Deputy President—Senator Marshall)

<table>
<thead>
<tr>
<th>Ayes</th>
<th>Noes</th>
<th>Majority</th>
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<td>36</td>
<td>26</td>
<td>10</td>
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AYES

- Bilyk, CL
- Bullock, JW
- Conroy, SM
- Day, RJ
- Gallagher, AM
- Hanson-Young, SC
- Lambie, J
- Leyonhjelm, DE
- Ludlam, S
- Madigan, JJ
- McEwen, A (teller)
- McLucas, J
- Muir, R
- Rhiannon, L
- Siewert, R
- Sterle, G
- Wang, Z
- Whish-Wilson, PS

NOES

- Back, CJ
- Birmingham, SJ
- Bushby, DC (teller)
- Cash, MC
- Fawcett, DJ
- Fifield, MP
- Johnston, D
- MacDonald, ID
- McKenzie, B
- Reynolds, L
- Ryan, SM
- Seselja, Z
- Smith, D

PAIRS

- Carr, KJ
- Collins, JMA
- Peris, N
- Polley, H
- Wong, P
- Edwards, S
- Payne, MA
- Cormann, M
- Abetz, E
- Ronaldson, M
Senator Nash did not vote, to compensate for the vacancy caused by the resignation of Senator Wright.
Question agreed to.
Bill read a second time.

Third Reading

The DEPUTY PRESIDENT (11:58): Given that no amendments to the bill have been circulated, I shall call the minister to move the third reading unless any senator requires that the bill be considered in Committee of the Whole.

Senator CAMERON (New South Wales) (11:58): I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

NOTICES

Presentation

Senator Siewert to move:
That the Senate—
(a) notes that:
   (i) 2 September 2015 marks a year since the Community Affairs References Committee tabled its report, Prevalence of different types of speech, language and communication disorders and speech pathology services in Australia, and
   (ii) the Government is yet to respond to the report; and
(b) calls on the Government to respond to the report and its recommendations.

COMMITTEES

Selection of Bills Committee

Report


Ordered that the report be adopted.

Senator BUSHBY: I seek leave to have the report incorporated in Hansard.

Leave granted.

The report read as follows—

SELECTION OF BILLS COMMITTEE

REPORT NO. 11 OF 2015

1. The committee met in private session on Wednesday, 9 September 2015 at 7.12 pm.
2. The committee resolved to recommend—that—
   (a) contingent upon its introduction in the House of Representatives, the provisions of the Social Services Legislation Amendment (More Generous Means Testing for Youth Payments) Bill 2015 be referred immediately to the Community Affairs Legislation Committee for inquiry and report by 9 November 2015 (see appendix 1 for a statement of reasons for referral); and
(b) the provisions of the Tax and Superannuation Laws Amendment (Better Targeting the Income Tax Transparency Laws) Bill 2015 be referred immediately to the Economics Legislation Committee for inquiry and report by 12 October 2015 (see appendix 2 for a statement of reasons for referral).

3. The committee resolved to recommend—that the following bills not be referred to committees:

- Aged Care Amendment (Independent Complaints Arrangements) Bill 2015
- Australian Centre for Social Cohesion Bill 2015
- Banking Laws Amendment (Unclaimed Money) Bill 2015
- Fair Work Amendment (Penalty Rates Exemption for Small Businesses) Bill 2015
- Maritime Transport and Offshore Facilities Security Amendment (Inter-State Voyages) Bill 2015
- Tax and Superannuation Laws Amendment (2015 Measures No. 4) Bill 2015.

The committee recommends accordingly.

4. The committee deferred consideration of the following bills to its next meeting:

- Australian Immunisation Register Bill 2015
- Australian Immunisation Register (Consequential and Transitional Provisions) Bill 2015
- Competition and Consumer Amendment (Australian Country of Origin Food Labelling) Bill 2015
- Corporations Amendment (Publish What You Pay) Bill 2014
- Maritime Legislation Amendment Bill 2015
- Marriage Equality Plebiscite Bill 2015
- Social Security and Other Legislation Amendment (Caring for Single Parents) Bill 2014

SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee:
Name of bill:
Social Services Legislation Amendment (More Generous Means Testing for Youth Payments)
Reasons for referral/principal issues for consideration:
To better understand the implications and impacts of the proposed measure
Possible submissions or evidence from:
ACOSS
National Welfare Rights Network
Committee to which bill is to be referred:
Senate Community Affairs Legislation Committee
Possible hearing date(s):
To be determined by the committee
Possible reporting date:
9 November 2015
(signed)
Senator Anne McEwen
APPENDIX 2
SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee:
Name of bill:
Reasons for referral/principal issues for consideration:
To determine whether the government's premise for introducing this legislation is based on evidence.
Possible submissions or evidence from:
Australian Federal Police
Australian Tax Office
Treasury
Tax Justice Network
Committee to which bill is to be referred:
Economics Legislation Committee
Possible hearing date(s):
22 September
Sitting days
Possible reporting date:
12 October 2015
(signed)
Senator Rachel Siewert

BUSINESS
Rearrangement
Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (12:00): I move:
That—
(a) government business order of the day no. 2 (Aged Care Amendment (Independent Complaints Arrangements) Bill 2015) be considered from 12.45 pm today; and
(b) government business be called on after consideration of the bill listed in paragraph (a) and considered till not later than 2 pm today.
Question agreed to.

Rearrangement
Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (12:00): I move:
That the order of general business for consideration today be as follows:
(a) general business notice of motion no. 850 standing in the name of Senator Siewert relating to parliamentary approval for Australian forces to be deployed to Syria; and
(b) orders of the day relating to documents.
  Question agreed to.

Rearrangement

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (12:00): I move:

That the following general business orders of the day be considered on Thursday, 17 September 2015 under the order relating to the consideration of private senators' bills:

No. 65 Higher Education Support Amendment (New Zealand Citizens) Bill 2015.
No. 69 Fair Work Amendment (Penalty Rates Exemption for Small Businesses) Bill 2015.

Question agreed to.

NOTICES

Postponement

The following items of business were postponed:

General business notice of motion no. 854 standing in the name of Senator Muir for today, relating to the theft and export of Australian motor vehicles, postponed till 16 September 2015.

COMMITTEES

Reporting Date

The Clerk: Notification of extension of time for a committee to report has been lodged in respect of the following:

Education and Employment References Committee—Students with disability and the schools system—extended from 3 November to 3 December 2015.

The DEPUTY PRESIDENT (12:01): Does any senator require the question to be put on any of those proposals? There being no such requirements, we will move on.

MOTIONS

Steel Industry

Senator RHIANNON (New South Wales) (12:01): I, and also on behalf of Senator Madigan, Senator Carr and Senator Xenophon, seek leave to amend the general business notice of motion No. 845.

Leave granted.

Senator RHIANNON: I move the motion as amended:

(a) notes that:
  (i) urgent action is needed to ensure that Australia does not lose its steelmaking capacity, in the wake of the global steel industry crisis, and
  (ii) steel-producing nations are responding to the oversupply and dumping of sub-cost steel with a range of strategies that include increasing public procurement, restructuring and emergency safeguards in the form of temporary targeted tariffs; and

(b) calls on the Abbott Government to:
(i) immediately refer matters related to dumped sub-cost steel into Australia to the Anti-Dumping Commission for a preliminary report within three weeks to include an assessment of the possible harm to local industry, and options for action including duties and World Trade Organization emergency safeguards,

(ii) ensure that the Anti-Dumping Commission is suitably resourced to pursue ongoing improvements to Australia's anti-dumping system and reduce harm to local industry resulting from dumped imports,

(iii) work with the steel industry, unions, businesses and communities to minimise the impact on local jobs and living standards, particularly at the Port Kembla site in the Illawarra, from the worldwide over-supply of steel by developing:

(A) a constructive Steel Industry Plan, including comprehensive policies for improvements in Australian Industry Participation, and

(B) public procurement frameworks that include whole of life cost methods for assessing and determining procurement contracts,

(iv) prioritise structural adjustment and jobactive assistance to the Illawarra to minimise the impact on local jobs and living standards,

(v) reinstate the Local Employment Coordinator to assist steelworkers losing their jobs to retrain and gain alternative employment, and

(vi) continue the work of the International Trade Remedies Forum to address the need for ongoing improvements to Australia's anti-dumping system, and any outstanding matters from the previous Government's suite of reforms to streamline Australia's anti-dumping system.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (12:02): I seek leave to make a short statement.

Leave granted.

Senator FIFIELD: The minister for industry convened a meeting in Wollongong on 7 September 2015, which focused on strengthening the economic future of the Illawarra region. Discussions involved all layers of government, along with representatives from the steel industry, unions, tertiary institutions, the wider business community and local members of parliament, including Senator Fierravanti-Wells and Ann Sudmalis.

Safeguards provisions and the anti-dumping regime are two separate systems and should not be confused. The industry has access to both the anti-dumping regime if there are concerns about dumped imports. And it has the ability to initiate a safeguards investigation, which it has not done, if it believes that a very sudden and major influx of product has occurred and not in response to an ongoing market trend, which in this case reflects a changing steel market and global commodity prices.

The industry needs a clear plan developed with all affected stakeholders and not knee-jerk reactions. The government will not be supporting this motion. I do also note that a substantial amendment was circulated to this motion about 10 minutes before housekeeping, which I do not think is particularly good practice.

The DEPUTY PRESIDENT: The question is that general business notice of motion No. 845, as amended, be agreed to.
The Senate divided. [12:08]
(Deputy President—Senator Marshall)

Ayes ......................34
Noes ......................28
Majority ...............6

**AYES**

Bilyk, CL  
Brown, CL  
Bullock, JW  
Cameron, DN  
Conroy, SM  
Dastyari, S  
Di Natale, R  
Gallagher, AM  
Gallagher, KR  
Hanson-Young, SC  
Ketter, CR  
Lambie, J  
Lazarus, GP  
Lines, S  
Ludlam, S  
Ludwig, JW  
Madigan, JJ  
McAllister, J  
McEwen, A (teller)  
McKim, NJ  
McLucas, J  
Moore, CM  
Muir, R  
O'Neil, DM  
Rhiannon, L  
Rice, J  
Siewert, R  
Singh, LM  
Sterle, G  
Waugh, AE  
Wang, Z  
Waters, LJ  
Whish-Wilson, PS  

**NOES**

Bernardi, C  
Birmingham, SJ  
Brandis, GH  
Cash, MC  
Canavan, MJ  
Colbeck, R  
Day, RJ  
Colbeck, R  
Fawcett, DJ  
Fifield, MP  
Heffernan, W  
Johnston, D  
Leyonhjelm, DE  
Lindgren, JM  
Macdonald, ID  
McGrath, J  
McKenzie, B  
Nash, F  
O'Sullivan, B  
Reynolds, L  
Ronaldson, M  
Ruston, A  
Ryan, SM  
Scullion, NG  
Seselja, Z  
Sinodinos, A  
Smith, D  
Williams, JR  

**PAIRS**

Carr, KJ  
Back, CJ  
Collins, JMA  
Edwards, S  
Peris, N  
Cormann, M  
Polley, H  
Abetz, E  
Wong, P  
Fierravanti-Wells, C  

*Senator Payne did not vote, to compensate for the vacancy caused by the resignation of Senator Wright.*
Question agreed to.

Climate Change Authority

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (12:10): I move:

That the Senate—

(a) notes, with regret, the resignation of Mr Bernie Fraser as Chair of the independent Climate Change Authority 2 years before the expiry of his 5 year term;

(b) congratulates Mr Fraser on his outstanding service as chair of the board and his contribution to the work of the Authority;

(c) notes that the Authority now no longer has a quorum; and

(d) calls on the Federal Government to:

(i) immediately appoint a replacement chair to ensure that the board is able to function and allow the work of the Authority to proceed,

(ii) abandon its plan to abolish the Authority, and

(iii) stop ignoring the Authority's advice on the need for ambitious pollution reduction targets to safeguard Australians' way of life from dangerous global warming.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (12:11): Mr President, I seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator FIFIELD: The government is opposing this motion but does thank Mr Bernie Fraser for his work as Chair of the Climate Change Authority. He has had a significant career in public service. The CCA will continue to function effectively, with necessary decision-making delegations in place along with highly capable staff. Professor David Karoly, a member of the CCA, has been delegated with responsibility for its official duties. The government is already moving to make appointments to fill vacancies on the board of the CCA.

Question agreed to.

Climate Change

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (12:13): I ask that that general business notice of motion No. 847 standing in my name for today relating to our Pacific Island neighbours be taken as a formal motion.

The DEPUTY PRESIDENT: Is there any objection to this motion being taken as formal?

Senator Fifield: Yes.

The DEPUTY PRESIDENT: There is an objection.

World Suicide Prevention Day

R U OK? Day

Senator McLUCAS (Queensland) (12:13): I move:

That the Senate—
(a) notes that Thursday 10 September, is World Suicide Prevention Day and RU OK Day in Australia, and acknowledges that:

(i) the theme for World Suicide Prevention Day is ‘Preventing Suicide: Reaching Out and Saving Lives’, which is aimed at encouraging people to speak up and reduce the stigma of talking about suicide prevention safely, and

(ii) World Suicide Prevention Day and RU OK Day is an opportunity to build awareness of the support and services available to everyone who has been touched by suicide;

(b) recognises the great work of the National Coalition for Suicide Prevention to draw attention to this issue, to make a positive impact on the mental health and wellbeing of all Australians and to help build resilient communities that work together to prevent suicide;

(c) notes that:

(i) suicide rates remain unacceptably high, especially among vulnerable groups, including Aboriginal and Torres Strait Islander peoples, young people and people from lesbian, gay, bisexual, transgender and intersex [LGBTI] communities—nearly 2,500 people tragically die by suicide each year, with nearly twice as many Aboriginal and Torres Strait Islander people dying by suicide than non-Indigenous people—and each day, seven people die by suicide in Australia,

(ii) the National Mental Health Commission's final report on the review of mental health programs and services recommends the development of an evidence-based National Suicide Prevention Framework as a priority,

(iii) the Commission's report was handed to Government on 1 December 2014, but was not formally released by the Government until 16 April 2015 after it was embarrassingly leaked, resulting in a 4 month delay in any action in response,

(iv) the sector is becoming increasingly frustrated because of the Government's lack of action on implementing any of the recommendations contained within the National Mental Health Commission’s report, and

(v) the mental health sector is facing difficulties because of the lack of funding certainty beyond June 2016, making it increasingly challenging for the sector to employ skilled workers and offer ongoing services to the people who need it most; and

(d) urges the Government to announce its plans for a transformed mental health system which will give certainty and confidence to people living with mental illness, their families and carers, and the organisations that support them in the very near future.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (12:14): Mr President, I seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator FIFIELD: The government agrees with much of this motion. Suicide is an incredibly serious issue and one that both sides of politics should take seriously, particularly on a day like today when we acknowledge the devastating impact that suicide has on families and communities. But this motion does not seem to be entirely about acknowledging the seven people who commit suicide in Australia every day. It does not seem to be entirely about reflecting on the fact that suicide is the leading cause of death for people between 15 and 44 years of age. There is an element that is about seeking to score points. We on this side of the chamber do not think that that is appropriate. Obviously we will be supporting Senator Lazarus's motion later.
Senator McLUCAS (Queensland) (12:15): Mr Deputy President, I seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator McLUCAS: You are right, Senator Fifield. This motion is not only about acknowledging that seven people die by suicide every day in Australia. It is not only about the fact that 2,500 people die by suicide every year in Australia. It is asking the government to do something about that. This government took one year to do a review of mental health services in Australia, then sat on a report from 1 December last year until 26 April this year and only released that report because it was leaked. The opposition, the community and people living with mental illness are calling on this government to act to ensure that mental health services in Australia will limit the number of people who commit suicide every year in our country. Yes, you are right, Minister—we are asking the government to do something.

The DEPUTY PRESIDENT: Thank you, Senator McLucas. I again remind senators that statements by leave to motions during discovery of formal business should not amount to a de facto debate on the question before the chair. I am just reminding all senators from both sides to that effect, not anyone in particular.

Question agreed to.

Migration

Senator O' Sullivan (Queensland) (12:16): As this is my last motion for the year, I would like the indulgence of the chamber to perhaps have it supported unanimously. I move: That the Senate—

(a) notes that:

(i) the Temporary Work (Skilled) (subclass 457) visa is designed to enable employers to address labour shortages by bringing in genuinely skilled workers where they cannot find an appropriately skilled Australian, and

(ii) many employers, including those in the trade union movement, have utilised this program to address skill shortages in their workforces; and

(b) condemns the short-sighted view of those who label this program as a 'form of slavery' and not a vital tool in improving the productivity of Australian businesses.

Senator Moore (Queensland) (12:17): Mr Deputy President, I seek leave to make a short statement which will disappoint Senator O'Sullivan. The leave sought was to embarrass Senator O'Sullivan or deny his request. I object to that. If she wants to seek leave to make a statement, I am totally in favour of that.

The DEPUTY PRESIDENT: Leave has been denied. Senator Macdonald?

Senator Ian Macdonald: The leave sought was to embarrass Senator O'Sullivan or deny his request. I object to that. If she wants to seek leave to make a statement, I am totally in favour of that.

The DEPUTY PRESIDENT: Senator Moore, we might just revisit your initial request.

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

The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator Moore: I graciously accept that leave. Labor opposes this motion and will call it out for what it is: a thinly disguised stunt designed to result in a cheap line rather than address the matter of policy substance. Australia must have a skilled migration program that gets the balance right. Labor wants industry and business to have access to skilled workers
when they need them through an acceptable and highly responsive program to support economic growth that benefits all Australians. However, we must also ensure that appropriate safeguards are in place so that the 457 visa program is not abused as an industrial tool. We note that the best way to improve the productivity of Australian businesses is to improve the skills of Australian workers and to employ them. I look forward to Senator O’Sullivan bringing forward a motion that condemns the fact that since the election of Prime Minister Abbott in September 2013, Australia has lost almost 100,000 apprentices and cut $1 billion from apprenticeship programs.

The DEPUTY PRESIDENT: The question is that general business notice of motion No. 849 be agreed to.

The Senate divided. [12:23]

(The Deputy President—Senator Marshall)

Ayes ......................31
Noes ......................32
Majority.................1

AYES

Back, CJ
Bernardi, C
Birmingham, SJ
Bushby, DC (teller)
Canavan, MJ
Cash, MC
Colbeck, R
Day, RJ
Fawcett, DJ
Fierravanti-Wells, C
Fifield, MP
Heffernan, W
Johnston, D
Leyonhjelm, DE
Lindgren, JM
Macdonald, ID
McGrath, J
McKenzie, B
Muir, R
Nash, F
O’Sullivan, B
Reynolds, L
Ronaldson, M
Ruston, A
Ryan, SM
Scullion, NG
Seselja, Z
Sinodinos, A
Smith, D
Wang, Z
Williams, JR

NOES

Bilyk, CL
Brown, CL
Bullock, JW
Cameron, DN
Carr, KJ
Conroy, SM
Dastyari, S
Di Natale, R
Gallacher, AM
Gallagher, KR
Hanson-Young, SC
Ketter, CR
Lambie, J
Lazarus, GP
Lines, S
Ludlam, S
Ludwig, JW
Madigan, JJ
McAllister, J
McEwen, A (teller)
McKim, NJ
McLucas, J
Moore, CM
ONeil, DM
Rhiannon, L
Rice, J
Siewert, R
Singh, LM
Sterle, G
Urquhart, AE
Senator Brandis did not vote, to compensate for the vacancy caused by the resignation of Senator Wright.
Question negatived.

Indigenous Affairs: Arts Funding

Senator SIEWERT (Western Australia—Australian Greens Whip) (12:25): I move:
That the Senate—
(a) notes that:
   (i) the Nindji Nindji Aboriginal arts and music festival, the only one of its kind in the Pilbara, has been running in South Headland since 1996, and
   (ii) due to funding cuts by the Federal Government the Nindji Nindji festival did not occur in 2015;
(b) acknowledges that:
   (i) remaining connected to culture is essential in ensuring wellbeing and positive outcomes for Aboriginal and Torres Strait Islander communities, and
   (ii) important cultural events like the Nindji Nindji festival are integral in helping Australia move towards reconciliation; and
(c) calls on the Government to reinstate funding to ensure that this important cultural event occurs in 2016.


The DEPUTY PRESIDENT: Leave has been granted for one minute.

Senator FIFIELD: The only funding history the government can confirm for the Nindji Nindji Festival is for the 2010 event, which was funded, under a former FaHCSIA program, to a host organisation, that being the Bloodwood Tree Association. Records held by the Ministry for the Arts show no evidence of prior funding through the Indigenous arts program.

The Australian government notes the festival and its significance to the Pilbara region and acknowledges the important role that connection to culture has in ensuring the wellbeing of and positive outcomes for Aboriginal and Torres Strait Islander communities and the role that cultural events play in reconciliation. To that end, the Australian government provides targeted funding of around $40 million annually through the Indigenous Visual Arts Industry Support and Indigenous Languages and Arts programs to promote the sharing of language and culture and the ongoing viability of Indigenous-owned enterprises.
Qantas

Senator BACK (Western Australia) (12:27): I move:

That the Senate—

(a) recognises the excellent performance and financial turnaround of the Qantas group;

(b) notes that:

(i) all sectors in the group returned a profit,
(ii) Qantas posted an annual profit before tax for 2014-15 of $975 million,
(iii) Qantas is placing orders for eight new 787-9 long range aircraft,
(iv) shareholders will receive a return of $505 million,
(v) Qantas negotiated new industrial agreements with pilots, and
(vi) the Australian Government's abolition of the carbon tax saved Qantas $116 million; and

(c) calls on all members and senators in the Australian Parliament to celebrate the achievements of our national carrier and support it into the future.

Senator MOORE (Queensland) (12:27): Mr Deputy President, I seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave has been granted for one minute.

Senator MOORE: Labor was not consulted on the words of this resolution. Labor requested that point (vi) in the motion be put aside for the sake of bipartisanship; however, the government chose to retain it. Labor believes that Qantas should not be the subject of political point scoring, and we also believe that Qantas is a great airline.

Senator RICE (Victoria) (12:27): Mr Deputy President, I seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave has been granted for one minute.

Senator RICE: The Australian Greens support the turnaround in the fortunes of Qantas but cannot support this motion with its emphasis that this was dependent upon the removal of the price on carbon. Qantas, unlike the government, supports carbon pricing and is now working for a global, market based pricing system for aviation and was part of an agreement reached in 2013 on an international marketplace measure to deliver aviation emissions reductions.

The critical thing to understand about carbon pricing is that the price imposed on this pollution reflects real costs that polluters should pay for. The costs of pollution, whether they come from plane flights or electricity from coal fired power stations, are: more intense droughts and floods, bushfires and cyclones, and sea level rise, as outlined in the Suva Declaration on Climate Change, as referred to in Senator Larissa Waters's motion that was declared informal. These are real economic costs in the world today.

Senator BACK (Western Australia) (12:28): Mr Deputy President, I seek leave to make a brief statement.

The DEPUTY PRESIDENT: Leave has been granted for one minute.

Senator BACK: I do thank Senator Moore and Senator Rice for their contributions. I make the observation that it was Qantas itself that explained where the turnaround took place...
in its fortunes. I also make the observation that Qantas, almost alone in the world at the moment, is an international airline that has actually been able to return itself to profit, and I do make the observation—I come back to this point—that, as I have pointed out in (b)(i), all sectors in the group returned to profit. I think this is commendable. It is excellent for the future of employees in the organisation and for the security of our aviation, and I commend the motion to the Senate.

The DEPUTY PRESIDENT: The question is that general business notice of motion No. 852 be agreed to.

The Senate divided. [12:34]
(The Deputy President—Senator Marshall)

Ayes ......................31
Noes ......................30
Majority ...............1

AYES

Back, CJ
Bernardi, C
Birmingham, SJ
Bushby, DC (teller)
Canavan, MJ
Cash, MC
Colbeck, R
Day, RJ
Fawcett, DJ
Fifield, MP
Heffernan, W
Johnston, D
Leyonhjelm, DE
Lindgren, JM
Macdonald, ID
Madigan, JJ
McGrath, J
McKenzie, B
Muir, R
Mack, P
O'Sullivan, B
Nash, P
Ronaldson, M
Reynolds, L
Ryan, SM
Ruston, A
Seselja, Z
Scullion, NG
Smith, D
Sinodinos, A
Williams, JR
Wang, Z

NOES

Bilyk, CL
Brown, CL
Bullock, JW
Cameron, DN
Carr, KJ
Conroy, SM
Di Natale, R
Gallacher, AM
Gallagher, KR
Hanson-Young, SC
Ketter, CR
Lambie, J
Lazarus, GP
Lines, S
Ludlam, S
Ludwig, JW
McAllister, J
McEwen, A
McKim, NJ
McLucas, J
Moore, CM
O'Neil, DM
Rhiannon, L
Rice, J
Siewert, R
Singh, LM
Sterle, G
Urquhart, AE (teller)
Waters, LJ
Whish-Wilson, PS

CHAMBER
Senator Brandis did not vote, to compensate for the vacancy caused by the resignation of Senator Wright.

Question agreed to.

World Suicide Prevention Day

Senator LAZARUS (Queensland) (12:36): I move:
That the Senate—
(a) notes that:
(i) Thursday, 10 September 2015, is World Suicide Prevention Day, and
(ii) this day is an awareness day to provide worldwide commitment and action to prevent suicide;
(b) recognises and commends the organisers of World Suicide Prevention Day, both in Australia and internationally, who are working to bring communities together to:
(i) reduce the stigma associated with mental health issues,
(ii) increase the awareness of mental health issues, and
(iii) constructively work towards eliminating the incidence of suicide;
(c) acknowledges that:
(i) on average seven Australians commit suicide every day, of which 75 per cent are male, and
(ii) Queensland has the second highest suicide rate in the country; and
(d) calls on the Government to increase its efforts to assist mental health organisations, government agencies and other service providers to increase public awareness of mental health issues and enhance the scope, delivery and availability of support services to the Australian community to reduce suicide rates across the country.

I seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator LAZARUS: Suicide is an issue close to my heart. Many sportspeople retire from sport and find themselves silently suffering from post-sport depression, including me. Sadly, too often they are too proud and too ashamed to share their suffering with anyone. As a result, many retired sportspeople suffer in silence. We are also losing sportspeople in the early stages of and in the prime of their careers due to issues around coping with performance expectations. I hope today that everyone across sport and in the broader community ensures they ask the question 'Are you okay?' Such a simple question can have a profound impact on helping to save lives.

Question agreed to.
COMMITTEES

Membership

The ACTING DEPUTY PRESIDENT (Senator Smith) (12:38): The President has received letters requesting changes in the membership of committees.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (12:38): by leave—I move:

That senators be discharged from and appointed to committees as follows:

Australian Commission for Law Enforcement Integrity—Joint Statutory Committee—
  Discharged—Senator O’Sullivan
  Appointed—Senator Johnston

Environment and Communications References Committee—
  Appointed—
  Substitute member: Senator Whish-Wilson to replace Senator Waters for the committee's inquiry into large capacity fishing vessels
  Participating member: Senator Waters

Human Rights—Joint Statutory Committee—
  Appointed—Senator McKim

Law Enforcement—Joint Statutory Committee—
  Discharged—Senator O’Sullivan
  Appointed—Senator Johnston

Legal and Constitutional Affairs Legislation Committee—
  Discharged—Senator O’Sullivan
  Appointed—
  Senators Lindgren and McKim
  Participating member: Senator O’Sullivan

Publications—Standing Committee—
  Discharged—Senator O’Sullivan
  Appointed—Senator Reynolds.

Question agreed to.

Foreign Affairs, Defence and Trade Joint Committee

Membership

Message from the House of Representatives notifying the Senate of the appointment of Mr Varvaris to the Joint Standing Committee on Foreign Affairs, Defence and Trade.

BILLS

Water Amendment Bill 2015

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.
to which the following amendment was moved:

At the end of the motion, add "but the Senate is of the opinion that water purchases managed under the Act should be driven by an evidence-based approach premised on the latest climate and hydrological science".

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (12:39):
The Water Amendment Bill 2015 is an important piece of legislation that will have a great impact on my home state of South Australia as well as the whole of the Murray-Darling Basin. A couple of weeks ago I had the pleasure of joining my colleague the Hon. Bob Baldwin, Parliamentary Secretary to the Minister for the Environment, when he was in Adelaide announcing the results of the independent stocktake of levels in the Murray-Darling Basin, which confirmed that we were on track to meet our environmental targets. The sustainable diversion limits stocktake showed the projects were on track to deliver the environmental targets that were outlined under the Basin Plan. The report showed that over 500 gigalitres less water is needed to meet the environmental targets in the plan, and that means that the Basin Plan continues to be on track to deliver a triple bottom line outcome. That means that we are not just looking after the environment but, importantly, we are looking after the communities that live and work in the Riverland and looking after the economic impact and benefit that those communities and the agricultural sectors they represent deliver.

It is important to canvass how did we get to this point. For more than a century Australia has struggled with its management of water. We all know the history. Despite the fact that we have had centenary droughts and we have had floods—everyone knows Dorothea Mackellar's poem—we have not managed water well. Various state governments have over allocated water to push development without due regard either to the environment or, importantly—and I speak as a South Australian—to the states who are downstream and suffer the consequences of inadequate flows. In 2007, when I was in the other place as the member for Wakefield—again representing communities in South Australia—it was fantastic to be part of a government that under the leadership of then Prime Minister Howard and environment minister Malcolm Turnbull put forward the National Plan for Water Security. This was not just a short-term, 'let's get to the next election' type plan. Abraham Lincoln said that a politician has an eye on the next election but a statesman has an eye on the next generation, and this was one of those times when finally Australian politicians, the parliament, came to the point of having a statesman-like plan that said, 'How do we try to fix a system that has been broken for over 100 years and make it work to the benefit of our communities, to the benefit of our environment and to the benefit of our economy in years to come'?

Under that plan some $10 billion was put forward—they put their money where their mouth was—to revolutionise the way water was managed. There were a couple of key elements. Traditionally, despite the hydrology of how waters run in catchment areas and usage, we had managed water according to lines that people had drawn on maps. Clearly that was foolish. The concept was to have a national authority and an independent expert body behind that. That was, of course, the Murray-Darling Basin Authority. I pause to note that my good friend the Hon. Neil Andrew, my predecessor in the seat of Wakefield, is currently the chair of the Murray-Darling Basin Authority, having himself, before his long career in Australia's parliament, been an irrigator from the Riverland. That group was given the task of setting sustainable limits on the extraction of surface and ground water based on what has
become the CSIRO's analysis of environmentally sustainable diversions in each valley. That leads us to that stocktake that I just talked about.

The act expressly requires the authority and the minister to act on the basis of the best available scientific knowledge and socioeconomic analysis and consider the consumptive and other economic uses of basin water resources. We probably all remember the consultations that went on from there. There was a fairly turbulent period when government swapped sides, and Minister Burke had a pretty rough time—I will not say it was his fault; it was just this process of bringing a new system to a century's worth of management. A lot of people objected to what was being put forward and particularly to the simple solution from a bureaucratic perspective, which was to just go and buy water and throw it back at the environment. (Time expired)

Debate interrupted.

Aged Care Amendment (Independent Complaints Arrangements) Bill 2015

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator POLLEY (Tasmania) (12:45): The Aged Care Amendment (Independent Complaints Arrangements) Bill 2015 amends the Aged Care Act 1997 to reflect the 2015 budget measure to transfer the responsibility of aged care complaints from the Department of Social Services to an independent Aged Care Commissioner. From 1 January 2016 the Aged Care Commissioner will have full responsibility for the Aged Care Complaints Scheme. The measure has received sector-wide support, including from the Council on the Ageing, Leading Age Services Australia and Aged Care Services Australia. Labor certainly supports the idea of an independent complaints scheme and is pleased to take a bipartisan position on and approach to this. I like to give credit where credit is due, and in this case it is to the government.

Labor will always be a friend of the aged care services sector. We are committed to an aged care system built on the principles of respect, dignity and choice. That is why, when in government, we delivered the biggest reforms in aged care and ageing in a generation. Labor's Living Longer Living Better package provided a 10-year plan to build a better, fairer, sustainable and nationally consistent aged care system to meet the challenges of an ageing population. The measure before us today paves the way for an important change. Its importance is heightened due to a lack of leadership in rolling out Labor's Living Longer Living Better reforms. There has just been so much to complain about. There has been a long-running concern at both provider and consumer level that the complaints investigation process needed to be independent of the department. Strengthening the independence of the Aged Care Complaints Scheme is a natural progression. In 2009 a review of the then complaints investigation scheme by Professor Merrilyn Walton recommended an independent statutory authority. The review found that a body separate from the department was necessary to remove concerns about the impartiality of decisions.

As I have said, this is a progressive measure and should provide consumers with greater confidence and protection when making complaints. It should also limit unnecessary delays and duplication. But while we give it credit we also have some concerns. The concerns are in
relation to how the measure will provide savings of $2.8 million over four years by simplifying the aged care complaints-handling process. Labor is concerned about where the savings are coming from. While we accept this $2.8 million in saving from efficiencies, we have concerns about whether the commissioner will have sufficient resources to handle 4,000-plus complaints each year. With so much to complain about and the massive increase in demand for aged care services over the next 30 years, complaints will no doubt keep increasing. It is vital that the Aged Care Commissioner is resourced appropriately. We certainly do not want to see the good work that they do undermined in the name of savings. While Labor supports a bipartisan approach, this needs to be more than a simple cost-saving exercise. The government has had a poor record of taking its eye off the ball since it took over in relation to aged care in Australia. I will continue to draw the eyes of the minister and the assistant minister back to aged care and I will continue, as Labor will, to keep them accountable.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (12:49): I thank colleagues across the chamber for what I expect will be unanimous support for the Aged Care Amendment (Independent Complaints Arrangements) Bill 2015, which, as my colleague opposite outlined, seeks to increase the independence of aged care complaints-handling arrangements by transferring the complaints powers to the Aged Care Commissioner from the Department of Social Services. From next year the Aged Care Commissioner will have complete responsibility for the Aged Care Complaints Scheme, which currently rests with the Department of Social Services. That will ensure the independence of this important protection.

This measure clearly separates complaints handling from the funding and regulatory functions undertaken by the Department of Social Services. I can assure colleagues that there will be continuity of service in the transition between the department and the commissioner, including maintenance of current staffing arrangements for a smooth transition from a client's perspective. The changes remove any perception of, or potential for, bias in the management of aged care complaints by the department, which also funds and regulates aged care services. Responsibility for the decisions made by the Aged Care Complaints Scheme will rest with the commissioner, whose decisions cannot be influenced by the funding body. The Aged Care Commissioner is a statutory office holder who has independent decision-making powers. All older Australians, we would agree, I am sure, have the right to feel safe and to receive care appropriate to their needs, and establishing an independent complaints mechanism will help ensure that people can have confidence that any complaints that they have will be appropriately managed and addressed.

In making these changes, the government recognises the recommendations of the 2009 review of the former Aged Care Complaints Investigation Scheme by Associate Professor Merrilyn Walton, and the Productivity Commission’s 2011 report, Caring for older Australians. I will just cite for you, Mr Acting Deputy President Smith, the responses of the sector to the budget announcement. Alzheimer's Australia said:

This is a strong measure that will improve consumer protection and independent scrutiny …
Catholic Health Australia said it had been 'long recognised that good governance in public administration requires the separation of the regulatory arms of government from the policy and funding arms'. The press release from the Council of the Ageing said:

Mr Yates also welcomed moving the aged care complaints scheme out of the department to the Aged Care Commissioner. COTA has long called for a more independent complaints scheme.

'Having complaints managed by an independent umpire will give older people greater confidence in how complaints are handled,' he said.

Professor Walton herself is quoted as saying:

… the separation of complaints handling from the funder and regulator of aged care services—a key recommendation of the 2009 review—reflected best practice and would help restore public and industry confidence in the scheme.

So it has been universally welcomed.

When the commissioner does take responsibility for the complaints arrangements, the review of decisions will be integrated into those arrangements. Concerns regarding the processes of the commissioner and the Australian Aged Care Quality Agency can be raised with the Commonwealth Ombudsman. Existing legislative complaints management functions will be maintained and will continue to cover Australian government, residential and home based aged care. Aged-care regulatory policy, compliance and enforcement will remain the responsibility of the department of social services. The Aged Care Quality Agency will remain responsible for the accreditation and quality review of aged-care services.

Complaints handling is a vital cog in an effective, modern market quality assurance system. I should, just in passing, reference that in the budget we also touched on issues of quality more generally. I will not go further into those here, but I think we are all keen to have a more sophisticated definition of 'quality'. Safety should be taken as a bedrock, as a given. Quality is really what providers do above and beyond the basic safety standards. Quality is what providers do to exceed consumer expectations.

In conclusion, I think these improvements to the complaints arrangements and the quality arrangements, which I touched on briefly, do support the government's moves to put more choice and control in the hands of older Australians. We have made an important paradigm shift, I think, across the parliament and in the community as well in terms of recognising the consumer-centric view that will be dominant in the future of this sector. I thank my colleagues across the chamber, who are broadly supportive of that approach. With that, I commend the bill to my colleagues.

Question agreed to.

Bill read a second time.

Third Reading

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

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (12:55): I move:

That this bill be now read a third time.
Question agreed to.
Bill read a third time.

**Water Amendment Bill 2015**

*Second Reading*

Debate resumed on the motion:
That this bill be now read a second time.
to which the following amendment was moved:
At the end of the motion, add:

But the Senate is of the opinion that water purchases managed under the Act should be driven by an evidence based approach premised on the latest climate and hydrological science.

**Senator FAWCETT** (South Australia—Deputy Government Whip in the Senate) (12:56):
I am pleased to resume my speech on the Water Amendment Bill 2015. I was talking about the fact that the recent stock take of sustainable diversion limits has shown that we are on track to meet our environmental targets. This has been made possible by the long-term vision and the approach taken by the Howard government in 2007. One of the key elements of that was that, rather than buy back water to give to the environment, we were far better off in terms of achieving an outcome for communities, for the environment and for our economy to look at how we could use water more efficiently.

Speaking as a South Australian senator, I can say to the Senate that South Australia has led the way in Australia for many years in terms of efficient water use. We have had to. We are the driest state on the driest continent in the world. We are down the end of the river system. We have consistently made very good use of the water that has been available to us. I am pleased to see that, of the $10 billion that was put towards that 2007 plan, $6 billion was allocated to achieving efficiencies in water infrastructure so that the water that was available would be more effectively used. Whilst the approaches of different political parties have ebbed and flowed—pardon the pun—I particularly note the approach of the Greens, which is just to buy it all up. We cannot afford to do that. If there is a smart way that we can support our community, support our economy and support the environment, we should be doing that.

Some $2.1 billion of South Australia's $15 billion annual production comes from the Riverland and Murraylands region, from irrigation. Just to give you an idea—and these figures come from the Bureau of Stats agricultural commodities report of a couple of years ago—some 37 per cent of the state's vegetables come from that area, as well as 58 per cent of the state's fruit production, 52 per cent of the total value of grapes, 18 per cent of the total value of cereals and grains, 99.9 per cent of the total value of oranges, 58 per cent of the total value of potatoes, 28 per cent of milk, 89 per cent of almonds, and the list goes on.

In South Australia, we see the impact on our economy and our communities. From people like the Mitolo Group with the Comit Farm—large potato and onion producers—right through to the small family owned blocks, whether they are in traditional stone fruits, citrus or moving into things like almonds, it has a huge impact.

That brings us to this current legislation. Clearly the thing that our communities and particularly business people need is certainty. One of the ways we can give them certainty is to say that, if we can be smart about how we spend money and improve the efficiency of the
system, we can achieve the target so we can cap what we will buy back for the environment. So the focus of this legislation is to impose the 1,500 gigalitre cap on water purchases in the basin.

There will still be the natural variability. There will still be droughts and floods. There will be times when we have more water than we need and times when we do not have enough water. But if we can mitigate the impact of those extremes, in terms of water catchment and efficient water use, then we increase certainty. If we want to remove the political uncertainty of having governments step in and buy water, which prevents irrigators from using it efficiently and puts it purely into the environmental system, then we are well-served to take the approach that supports all three elements: our environment, the communities that rely on the businesses and the environment there, and those businesses themselves. It is important to realise that the 1,500 gigalitre cap is not a target; it is a ceiling. It will be set in legislation, and we will stand by that.

Our approach is to be very transparent in that, so there will be reports on how much water is actually purchased. But what we have seen is that by applying the principles of the 2007 legislation—that long-term plan that Mr Howard and Mr Turnbull brought in at the time—we have been able to achieve significant savings for the environment and make water available for irrigators.

Recently, last month, Round 5 of the On-Farm Irrigation Efficiency Program looked at investing farm infrastructure in one of the basins. It returned 20 gigalitres of water to farmers, but 77 gigalitres of water to the environment. This approach is environmentally responsible and it is responsible in terms of supporting our economy. Most importantly, unlike the Greens, the coalition believes that our communities who live in the river basin are equally as deserving of our support and priority as the environment and every other aspect. We are part of this nation. I know the Greens tend to see us sometimes as some kind of an incursion that should be stamped out and removed from sections of our land, but we are part of this country. Our communities and our industries, well-managed, are a sustainable part. I am pleased to support this legislation which provides certainty for those communities and the people who want to invest in those businesses. Importantly, we have demonstrated as a result of the stocktake of the SDLs that reported just last month, that we are also providing a good outcome for the environment.

I see no reason to support the amendment from the Greens, when we have proven that we are on track to get that sustainable triple-bottom-line outcome for the environment, community and business. I support the bill. I will not be supporting the Greens amendment.

Senator O'NEILL (New South Wales) (13:02): I rise to make a contribution to the debate on the Water Amendment Bill 2015. This debate is one that has engaged the minds of many over many decades, in fact leading all the way back to 1863, which was when I understand the very first conference on the Murray was held. Thirty years later, the South Australian Premier, Charles Kingston, at the federation convention that was held in 1897 expressed the hope that a solution might be found and:

… that the Federal Parliament will be trusted with Federal questions of the gravity involved in the use of the waters of the Murray.
Following that hopeful commencement and plea for the federal parliament to be involved in making sure that the states share this amazing resource as an asset in their communities we saw more than 100 years of fractious debate.

I endorse many of the remarks of colleagues who spoke before me in this debate. It is quite a remarkable thing that in November 2012 the Basin Plan became law and had the effect of creating a coordinated approach to water use across the basin's four states and the ACT. Achieving an outcome like that involved an awful lot of give from many active participants in the debate. I am very well aware that the matter is still not settled in the community and that people look at this plan as it is exists at this time with ongoing interest. Hopes that a genuine triple-bottom-line benefit to the entire community, the environment and to business can be reached remain high.

But at tricky times, such as now with this legislation coming through this parliament, we are always going to be tested about how strong the bipartisan commitment to this can be. I am pleased on this occasion that Labor does recognise the importance of the Murray-Darling Basin in particular, not only as our nation's food bowl but as a vital piece of natural infrastructure that blesses this continent. We support the passage of this bill which seeks, in particular, to put on a cap of 1,500 gigalitres to make sure we return some of that water to the river.

I can remember doing a project about the Murray-Darling when I was in year 4. We are not all good spellers all of the time, and it is with some embarrassment that I put on the record that I spelt 'Murray' without an 'A'. In my year 4 spelling I missed the 'A'! It made me pay a lot more attention to the title of works that I put in after that day! I never made that mistake ever again, and it was a great learning experience for me. But for the people of the Murray-Darling Basin there has been a lot more than a missing 'A', in the sense of how much they have been consulted about what has been going on. There is a yearning in that community to continue to be at the heart of further consultation around this piece of legislation.

The Murray-Darling is a mighty river system that supports around 40 per cent of our agricultural production. I was in the chair yesterday when Senator Canavan made his remarks about the complexity of a river system. I think he might have said it was not simply a hose connected at one end, where water goes in one end and comes out the other end, in a way that some people from the city might expect water to flow. The complexity of the river is a vital consideration for anything that is to occur moving into the future. It is certainly the focus of life for communities that lie far from its banks and, of course, it is of deep cultural importance to the Aboriginal nations and the communities of the basin. The health of the river channels themselves, and the flora and fauna they support, are vital not only in their own right but for the economic and social wellbeing of basin communities that have been established in these regions over many years.

The so-called triple bottom line—the environmental, economic and cultural objectives—is sought by the Basin Plan, and Labor recognises the government's wish to provide the certainty that these basin communities require by placing a cap of 1,500 gigalitres on water purchases, and we will support the passage of this legislation. I am pleased to say that, in developing our response to the government's proposal around this legislation, Labor has consulted with various stakeholders. We note a continuing divergence of points of view about this issue and about other issues going forward in terms of the management of the river.
considered their advice and opinions, and at this point in time we do support the government's position. We have also given careful consideration to the position of the basin states—New South Wales, South Australia and Victoria—and it is important to note that, with their support, things could continue to move in the right direction.

The report into the Water Amendment Bill 2015 handed down by the Senate Environment and Communications Legislation Committee this week says:

... the 1500 GL per year limit ... will be of significant benefit to farming and irrigator communities in the ... Basin.

There are two key imperatives for the success of the Basin Plan and these imperatives are the same for our approach to the cap on water purchases. There is bipartisan support at the federal level and it has the support of all basin states. Given the support of those states for this reform, as was the progress that has been made to date in recovering water for the environment, Labor will not oppose the bill.

In short, Labor supports the people of the basin, the towns of the Riverina and the farmers and the growers of the Murrumbidgee. Labor supports the people on the land and recognises the issues at the heart of their community. For many Australians who live on the edge of this great continent, water is simply too often something that just comes out of a tap, but, in the Riverina, for which I am the duty senator, water is the lifeblood of the community. It is certainly the subject of pub talk and rumour. Comments such as, 'Did you know that so-and-so sold his water and he's taken a couple of years off?' is not an uncommon conversation; it has been happening over the years.

It was on a visit to Griffith early last month that I was able to learn firsthand of the myriad issues that affect our rural communities. I say once again that members of the community who came forward and spoke to me at a range of places over the course of that weekend continue to pay intensely close attention to the action of water flows in the river. They are certainly watching what we are doing here in the parliament today. I hope that, when I return to Griffith to speak with people, they will continue to provide me with the feedback that I need to understand better and better what they see happening as a result of the government's actions.

I do have to say, though, that, apart from the conversations which were frequently around water and the Murray-Darling scheme, I have also learnt that many people in the community of Griffith in particular feel that they do not have a voice and that what concerns them is falling on deaf ears. Many articulated very clearly that, after more than four decades of representation by the National Party, their ballot has been taken for granted. It is as if they say, 'Thanks for the vote. We'll see you again in three years.'

The Murray-Darling Basin Plan was a topic of discussion with just about everyone that I met, including the Mayor of Griffith, John Dal Broi. He spoke very passionately about the issue of water at the heart of his community. He is on the front line of debate that continues about the best way to manage the challenges of bringing this plan to fruition with that triple bottom line outcome being delivered. His conversations were a mixture of enthusiasm and frustration about the future of the town and the region. Like dedicated dwellers of Griffith, he envisions a thriving in community that is built on the confidence that what they do actually matters to the nation. He was incredibly proud, as were so many of the members of the community, of the produce that they give to the Australian nation and overseas through rice, cotton, wine and fruit. Indeed, they talked about the Orange Festival with glowing acclaim.
will have to put it on my bucket list of things to get back to, because it was such a place of pride for the community.

Mayor Dal Broi envisions a possibility for Griffith that, sadly, is clouded by the attitude of the federal government, not just with regard to water, where concerns continue to be expressed, but also with the fact that people in Griffith need access to a range of services and provision and certainty from this government. It is not just the water that is an issue in Griffith. Sadly, we have seen a very mean-spirited federal government that seems to think that the bush can afford incredible cuts. This is an insult to the community as they are undertaking a transition in their economy with this significant change to water that feeds the irrigation and wetland farming of that area. They are being asked to take more than their fair share of burden from government cutbacks.

Mayor Dal Broi presides over a council that will have $1,752,083 less in its coffers over the next four years, thanks to Prime Minister Abbotts ill-advised four-year freeze of the indexation of federal assistance grants. That is a significant amount of money into the community. Down the road, at Wagga Wagga, the council will be $3.66 million worse off and at West Wyalong, the Bland Shire Council will be short-changed $2.4 million by the freeze. For a community that is struggling with the transition that the water scheme is impacting on them, this is an insult added to considerable injury for many. In fact, the grants that have been cut will rip more than $18.9 million away from the Riverina electorate. In a committee of that size, where they are already concerned about the changing nature of the economy as the population moves to adjust to the changes that the water scheme has impacted, they are very concerned about seeing shops closing on the main street of Griffith and they are very concerned about the flow-on in terms of youth unemployment.

This is a community that is also seeking opportunities for education and employment, raising young people with a quality of life that is certainly guaranteed for many in the cities. So when you factor in other policies that have been advanced by Mr Abbott and Mr Pyne, you can pretty well drop the idea of a degree or any further education from plans for the future for many young people in this community. Many young people are devastated because they are fearful that they are going to end up with $100,000 worth of debt before they get out with their degrees—$100,000 millstones around their necks. If students had aspirations to go to one of the sandstone universities, it could be even more than that. This is a layering of impediment and disadvantage on the community of the Riverina and the bush. These sorts of opportunities need to be given more generously to people in the regions who are away and facing the challenge of trying to get to cities to go to university.

I had the pleasure of having a coffee with a number of high school students from the Griffith region and I felt with them the same enthusiasm and mix of hope that I felt with many of the students that I taught in my years as a teacher on the Central Coast. I met with Marian Catholic College's captain, Alanah Jeffrey, and vice captain, Francine Barbaro, Griffith High School captain, Vanessa Myers, and Rotaract director, Jenna Rogato. These are truly remarkable young women—very intelligence. They had pride in themselves and their schools, and they did their schools and the communities that they represent in their senior leadership roles great justice by raising a number of issues. Certainly, they talked about water and they will be very interested in this piece of legislation that is going through the House.
But this piece of legislation does not exist in isolation from other government policies. Students in the Riverina are very concerned about the impact of these cuts on their local community and the limitations on what their futures might hold, with the $100,000 debt sentences hanging over their heads. Alana Jeffrey has even taken it upon herself to establish—

**Senator Canavan:** Mr Acting Deputy President, on a point of order on relevance. I share with the senator the concern for the impact on basin communities, but if the senator really had their interests at heart, I think they would want to see this bill passed, so could I ask you to bring her to the question—

**The ACTING DEPUTY PRESIDENT (Senator Smith):** There is no point of order, Senator Canavan.

**Senator O'NEILL:** If that was not an effort to shut down, it looked an awful lot like it. In a way that exactly shows the contempt for the community that was expressed to me. They think: the Riverina, it is always on our side; we can count on those folks; it does not matter how much money we cut out of that community; we can take it away, and we could take it away from every council on the ground, and they are too dumb to even figure out that they have been cut. I have seen some of press releases that go out into the area, out in the seat of Farrer and out in the seat of Riverina. They try to pull the wool over people's eyes, but under this government they know that they are getting a dud deal that is ripping money right out of their community—

Opposition senators interjecting—

Government senators interjecting—

**The DEPUTY PRESIDENT:** Order on my right. Order on my left.

**Senator O'NEILL:** They know that they have been taken for granted. With the amounts of money that I have just articulated disappearing from the councils—I will state again, $1.7 million from the federal assistance grants gone from the seat of Griffith at this time of vital transformation in their local community—they will not forget that this government is trying to ignore them, take them granted and take money out of their communities. They will not forget that this is the government that is trying to put $100,000 worth of debt around the necks of young people in the community who have hopes and aspirations for a great education. They will also not forget, because students like Alanah Jeffrey, who has established a social justice league, have gathered together young people to discuss what matters in a way that is quite different from what was exposed in Senator Canavan's false point of order. It was about what they could to help others, not to shut down conversation but to liberate conversation, to generate ideas, to create a vision for the future for the people of that town.

One of the things that those students expressed to me as a very significant concern—it was not just the students, it was a number of employees in the town—was the impact of drug and alcohol abuse in the community, particularly at the moment ice, which is a discussion that is current in our communities. One of the things that they were very concerned about was people who are trying to get access, particularly in regional areas such as Wagga Wagga and the Riverina, to the sort of treatment that is necessary when somebody finds that they have an addiction. This community could actually be persuaded, if they were not paying very close attention, that the Abbott government intends to do something about that practical problem
that they face. But, no, what they are actually getting is a lot of sound and fury, a lot of sound bites and media grabs that are talking about the 'ice crisis', and all while they are taking money away from the services that are provided. There are 16 services in the flexible funding pool, and all of them have been impacted by miserly decision making from this government.

While the Labor Party welcomed the National Ice Taskforce and the $20 million campaign for the National Drugs Campaign, we believe that people actually need to get the health services that they need. Fighting the ice epidemic while pulling money out of the very programs that aim to prevent drug use is not a response that is satisfactory for the people of the Riverina. This is the height of hypocrisy, and the Abbott government talk about so many of these matters but continue to pull money out of regional communities.

In the time that remains to me this afternoon, I want to reiterate that we, the Labor Party, recognise the government's wish to provide certainty to the basin communities by placing a cap of 1,500 gigalitres on water purchases. I sincerely hope for the people of Griffith that this does ameliorate some of the concerns that they raised with me. I also want to acknowledge that in further visits to the region I hope to meet more extensively with the local Indigenous owners of the land. I know that Aboriginal people everywhere across this country feel a deep connection to the land and the waters that flow through it and across it, and this needs to be considered and provided for. Not by imperial patronage, in the way that the Liberal Party and the National Party does so often, but by actually ensuring that Aboriginal people are empowered through water rights and that they continue to be consulted as this program of change for the entire Murray-Darling system continues to be implemented. The voice of the Indigenous people across all of the lands that that covers is a vital part of the way we need to move forward together.

I will leave my remarks there and I thank you for the opportunity to be a voice for the people of the Riverina who have for too long been taken for granted by the National Party.

Senator MADIGAN (Victoria) (13:22): I rise today to speak in support of the Water Amendment Bill 2015. The Murray-Darling Basin is home to 2.1 million people, and a further 1.3 million people are dependent on its water supply. While nearly half the basin population live in urban centres, the vast majority of land use in the basin is for agriculture.

What we do as federal legislators has a disproportionate impact on the economic health and wellbeing of this country and on the social and economic wellbeing of basin communities. Part and parcel of this is giving people certainty.

Over the last 12 months, I have travelled more than 6,000 kilometres across the basin, from Yea and Molesworth in the upper Goulburn in Victoria to Goolwa and the Murray Mouth in South Australia—to Cohuna, Cobram, Seymour, Boort, Numurkah, Tongala, Yarrawonga, Kyabram, Lake Charm, Swan Hill, Mildura, Benjeroop, Stanhope, Murrabit, Deniliquin, Barham, Koondrook, Kyalite, Rochester, Tatura, Colbinabbin, Bridgewater, Serpentine, Kerang, Lake Meran, Shepparton, Collingullie, Wagga Wagga, Griffith, Leeton and Finley, just to name a few! I also went to many places that do not even show up on the view from a satellite passing overhead. But there are communities there, there are people, who are affected by our decisions—in this instance, notably, by the Murray-Darling Basin Plan.

I have heard stories of people walking off farms because they have become unsustainable. I have seen the subsequent collapse of small businesses and the effects on towns and
communities. I have met with community leaders and school principals, and heard their concerns about the dwindling number of families and, most importantly, the effects on children in their schools, families and communities. But, over recent months, one message to me has been constant: please support the 1,500-gigalitre cap.

This cap was an election promise by the Abbott government, which is now more than two years through its term. This legislation has been a long time coming. Farmers need certainty. Our rural and regional communities need certainty.

There is of course much I disagree with about the so-called Murray-Darling Basin Plan. I was pleased to initiate a Senate inquiry into the plan earlier this year. I was even more pleased that Senator Leyonhjelm offered to be its chair. That committee is now underway. This legislation is a small, positive note in a sea of otherwise troubling developments related to the plan. It has my support. Thank you.

Senator XENOPHON (South Australia) (13:25): I indicate that I will be supporting the Water Amendment Bill 2015, with some reservations. In my first speech in this place, on 27 August 2008, in the middle of the ‘drought of the century’, I spoke about the crisis that the Murray-Darling Basin was facing, the crisis facing the Lower Lakes at that time, where some commentators declared the environmental disaster in the Coorong and Lower Lakes as reminiscent of the devastation of the Aral Sea in the former Soviet Union. I also talked about a 1999 report that Phillip Coorey, now Chief Political Correspondent for The Australian Financial Review, wrote about in The Advertiser—a leaked CSIRO report that said Adelaide's water would be too salty to drink on two days out of five by 2020 unless there was a major shift in water management along the Murray-Darling river system. I think it is fair to say that there has been a major shift in water management. It is not perfect, but I do not want the perfect to be the enemy of the good, and that is why I am supporting this bill.

I do indicate that I think that Senator Rhiannon's second reading amendment is not unreasonable—that you need to take into account the science and the evidence in terms of the impact of measures on sustainability of the river system, as well as climate change issues such as climate variability. All these matters need to be taken into account.

Back in 2009, I unambiguously supported reforms to the river system that, as a result of negotiations with the then Rudd government, led to a fast-tracking of $500 million in water buybacks, $200 million for river communities and $200 million for stormwater harvesting for urban areas, which I think was a very sensible and good move. And, in the end, I think both sides of the political fence as well as my crossbench colleagues thought that they were positive measures.

The Water Amendment Bill 2015 is yet another marker in the long, arduous and winding journey of water reform in Australia. It imposes a statutory cap of 1,500 gigalitres on Commonwealth purchases of surface water across the Murray-Darling Basin. The government's rationale for this measure is certainty—certainty for communities, certainty for farmers and irrigators, and certainty for the environment. By legislating a cap, any purchasing activity from the 1,500 gigalitres must be carefully planned and must be for strategic purposes. The government states that this cap on Commonwealth water purchases will bridge the gap under the Basin Plan to 1,500 gigalitres across the Murray-Darling Basin. The balance of water recovery measures will be focused on infrastructure upgrades, efficiency projects and environmental works and measures.
The issue of efficiency measures is a subject close to my heart. We know that, for over 100 years, before the earlier plan started by the Rudd government and continued by the Gillard and Abbott governments, there was not an adequate approach in terms of water reform and that there were some in upstream states who treated the basin as a bottomless well. With little or no thought for those upstream or downstream, some states appeared to simply take what they needed—

Senator Canavan interjecting—

Senator XENOPHON: Some states—let's not talk about Cubbie Station, Senator Canavan!—took what they needed and exploited this natural resource in an unsustainable manner. South Australia, being at the end of the system, was the first state to become aware of the problem. Reduced water flows because of overuse upstream, particularly in a time of drought, meant that South Australian farmers had to invest in efficiency measures long before anyone else—as long as sixty years ago.

But this incredible foresight turned out to be many irrigators' Achilles heel. When the previous government announced measures to improve on-farm efficiency, many South Australian irrigators found they were ineligible because they were already too efficient. In effect, they were discriminated against because they took action long before anyone else to address unsustainable levels of water use. That is why it is important that the management of water use in the Murray-Darling Basin includes a number of measures.

The cap on Commonwealth purchases is one measure. But where the cap is concerned, and before any Commonwealth money is spent, this question must be asked: is this the most efficient use of government money in the context of the environment and river communities? In order to ensure spending efficiency is achieved, the cap must be monitored. We must ensure we are getting the most bang for our buck and that this 1,500 gigalitre limit on purchases is achieving its intended results, including environmental results. I therefore welcome the fact that the government will be providing regular updates about purchases made through the cap in the Water Recovery Strategy for the Murray-Darling Basin.

Another provision of this bill must also be subject to continued scrutiny: the proposed amendment to the Murray-Darling Basin Plan which aims to increase flexibility in the recovery of 450 gigalitres of water through efficiency measures. These efficiency measures will be funded through the Water for the Environment Special Account. Under the government's proposal, these efficiency measures must result in neutral or improved social and economic outcomes in order to receive funding. Describing the beneficial effect of investment in infrastructure projects, the Victorian Farmers Federation in its submission to the Senate inquiry into this bill stated:

Recovering water through infrastructure investment instead of buybacks also has positive impacts on the supply chain. Where farmers are able to maintain their productivity this helps to protect on-farm employment and jobs in milk factories, wineries, fruit and nut processing plants as well as sustaining jobs in transport and marketing. Keeping jobs in small and medium sized towns is critical to the economic and social survival of regional communities. These long term benefits are also supported by a short term boost to local economies as contractors are employed to construct the infrastructure projects. Those sentiments from Victoria are very much mirrored by South Australian communities, particularly in the Riverland, who understand the benefits of certainty for their river communities.
The Australia Dairy Industry Council has quantified, in dollar terms, the benefits of water buyback versus investment in infrastructure. According to research it conducted in 2012, water buybacks can actually result in reduced economic activity in the area. Investment in infrastructure, on the other hand, increases economic activity. The one caveat I have in relation to what the dairy industry says is that you need to have a viable river system in the first place, which is why I will be supporting Senator Rhiannon's second reading amendment. You need to take into account the science, because unless you have a viable river system there will not be anything to build on in terms of viable economic communities. We know from the evidence given to this inquiry that economic activity with efficiency measures can make a real difference in sustaining populations and economic activities in communities.

The government must acknowledge and address concerns raised by the Murray Lower Darling Rivers Indigenous Nations that infrastructure upgrades impact on Aboriginal cultural heritage and important cultural landscapes. Many indigenous communities have a long history with the land around the Murray-Darling Basin—in fact, one that extends tens of thousands of years. They are particularly vulnerable to the encroachment of new infrastructure projects on culturally significant land. That is something that of course must be taken into account in the context of how this money is spent.

The Australian Dairy Industry Council has done an analysis of the multiplier effect of investment in infrastructure which shows that such measures can be more expensive per megalitre than buybacks. Furthermore, there are warnings that the aim of 450 gigalitres in water savings may not be met by infrastructure upgrades. The SDL—sustainable diversion limit—Adjustment Stocktake Report published in August this year warned that: Better engagement is required between the Commonwealth and the states to resolve a number of issues where different views about the performance of various on-farm efficiency driven programs exist … I therefore urge the government to carefully examine the uptake of infrastructure projects and to monitor not only the water savings but the cost effectiveness of those savings.

What tipped the balance in favour of my supporting this bill was the attitude of the South Australian government. I do not think they could ever be accused of being a natural friend or ally of the federal government, but Minister Ian Hunter and his office have been very helpful to my office in indicating that they do support these changes, that there are sufficient safeguards in these changes for South Australia, that they do strike an appropriate balance and that there are monitoring mechanisms in respect of this. The fact that the South Australian government, given the history of negotiating in respect of this, is satisfied that this bill has appropriate measures to safeguard the health of the river system, the environmental health of the river system and the economic welfare of river communities tipped the balance in favour of my supporting this legislation.

The Murray-Darling Basin is one of our most precious natural resources. It is also the food bowl of our nation and the lifeblood of hundreds of rural communities. It is incumbent upon us to ensure that we manage this precious resource in a responsible and sustainable way.

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (13:35): I thank all of the contributors to the Water Amendment Bill 2015, which is focused on putting in place a statutory limit of 1,500 gigalitres on the Commonwealth purchase of surface water across the Murray-Darling Basin. The bill further amends the Murray-Darling Basin Plan 2012 to provide an increased level of flexibility in the means to
recover the 450 gigalitres of water through efficiency measures that can be funded under the Water for the Environment Special Account.

If I were to leave this Senate tomorrow—which is not my intention, for the benefit of anybody listening; I am sorry to disappoint you, Mr Acting Deputy President Gallacher—I would say that one of my, if not proudest, achievements would be the role that I played, along with many, many others, in relation to water reform in Australia. This was particularly so in 2007, when I joined this place as a member of the then Howard government, when I saw the passage of the Water Act. This was a groundbreaking piece of legislation and a major reform initiative of the Howard government in its final year in office. Then, in 2012, as one of the then opposition spokespeople on water matters with particular responsibility for the Murray-Darling Basin, I saw the bipartisan support for the adoption of the Murray-Darling Basin Plan that the Water Act provided for. Similarly, we saw bipartisan support for the establishment of the Water for the Environment Special Account. Today we see yet another step in the progress around water reform in Australia with, once again, bipartisan support for this piece of legislation.

I thank the Labor Party for the constructive way in which they worked with the Howard government and have worked with the Abbott government in this important area, just as we were willing to work constructively with them on this important reform when they were in office. I also acknowledge the constructive approach that many on the crossbench take to this matter as well.

It stands as a permanent record of disappointment that when the Basin Plan was adopted, a plan for the first time ever for a national approach in law to the management of the Murray-Darling Basin with the setting of sustainable extraction limits, the only party that opposed that plan was the Australian Greens. That remains a blight on the record of the Greens, who were the enemy—and appear to remain so—of good policy. It may not have delivered all they wanted, but this was very good policy and it is making a marked difference to the environment.

It is important to remember that just what that Basin Plan provides for. The Basin Plan sets in place a long-term average sustainable diversion limit for extractions from the basin of 10,873 gigalitres per annum. That represents a reduction of some 2,750 gigalitres per year from the 2009 baseline diversion level. To convert that into English for anyone who is listening, it means that there will be a substantial reduction in magnitude of around 20 to 25 per cent of the water to be extracted from the Murray-Darling Basin in the future. That water will go back to preserve the environment and to ensure the overall health of the basin.

Our side of politics has always been particularly concerned about not just the delivery of a healthy river system but also ensuring the health of river communities and the economies that those communities rely upon. That is why the Water Act has as its object the optimisation of the social and economic impact on communities as well as the environmental impacts. That is why, in opposition, we devised a policy that would see a cap on the level of water recovery undertaken by buyback.

It is very important to recognise that you can recover water by different means. You can recover it by simply going into the market and buying it back. You can recover it by undertaking major infrastructure projects that upgrade river systems and make them more efficient. You can recover it by making environmental watering activities more efficient. You
can recover it by investing with farmers on their farms to make their use of water more efficient. All of those ways will get you licensed water holdings or water offsets to go against the Basin Plan targets.

As a coalition of parties, it has firmly been a view of the Liberal Party and the National Party that the most economically and socially responsible way for those river communities to recover water against the Basin Plan targets is to invest in infrastructure wherever we can. That is why in opposition we came up with the policy for a cap on buybacks of water licences of 1,500 gigalitres. I am delighted that today the government will hopefully see that cap put into legislation. By putting it into legislation, river communities can have the confidence that governments will have to invest in infrastructure to meet the Basin Plan targets that have been set.

As a government, we are already doing that. We are pumping some $3.9 billion into the infrastructure of Murray-Darling Basin communities, investing around $2.5 million per day between now and 2019 to make farms, irrigation systems and environmental watering activities as water efficient as possible. Through all of that, we will be getting contributions that will get us towards the Basin Plan targets. I am very, very pleased that we are on track to see those Basin Plan targets met in full and on time by 2019, as was our election commitment.

There have been a number of contributions to the debate which I will touch on quickly. Firstly, there was the contribution by Senator Rhiannon, who seemed to suggest that somehow this legislation will undermine meeting the sustainable diversion limits. I want to be very clear that this legislation in no way changes the statutory responsibility the Commonwealth has under the Basin Plan to see those sustainable diversion limits achieved and enforced. This legislation is only about how we bridge the gap to those new sustainable diversion limits, not whether or not they exist or what they are. They exist in law. They are not being changed in law. We are simply looking at how they will be achieved.

Already around two-thirds of those targets have been secured. The government is committed to seeing the remainder secured in full and on time. The recent SDL adjustment mechanism stocktake report, which was released on 27 August, provides confidence that the gap to the Basin Plan targets can be bridged in full and on time without breaching this 1,500-gigalitre limit on buybacks. It found that a supply contribution of 508 gigalitres is plausible, and basin ministers remain committed to working towards a supply contribution of up to 650 gigalitres.

Senator Rhiannon also asked questions about some of the definitional aspects around long-term annual average quantities of water used and what that means. This issue has come up in Senate estimates a number of times. For the benefit of Senator Rhiannon and the Senate, the Department of the Environment calculates the amount of water taken or accessed under purchased entitlements or recovered entitlements as a long-term average annual yield at the time of purchase. This is used to translate entitlement volumes—the actual volume of water on a water licence or entitlement—into long-term diversion limit equivalents to allow for meeting the basin plan. Essentially, it is a calculation about the reliability of having water against that water licence. That is a sensible way of doing it because, as I am sure Senator Rhiannon understands, different water licences have different levels of reliability. Therefore, you cannot take a water licence at its face value. It is actually about assessing how much water you get back from that licence that matters most.
Senator Rhiannon also claimed that this legislation was contrary to the notion of open markets. I am very pleased and proud of the functioning water market that Australia has in the Murray-Darling Basin. Farmers are free to buy and sell entitlements within the limits of the cap at any time on an open market and trade them as such. The Commonwealth has entered that market at various times, but by having the cap in place and prioritising infrastructure investment we are ensuring that the Commonwealth is involved less in that market, distorting the market less and leaving it to function more fully for irrigators and that trading of licences.

Senator O'Neill, in her contribution, touched on many issues, many of which were not at all relevant to the topic before the chamber. She started by quoting Charles Cameron Kingston, a former premier of South Australia, on water management in the federation debates, as I also have done so many times in this place. The one thing I would say to Senator O'Neill is to be careful in talking about this topic. When I held responsibility for it I quickly learned that it was very important to make sure that you say the same thing to people downstream as you say to people upstream. It is very important to make sure that you have a consistent message on this topic because, as Mark Twain used to say, 'Whiskey is for drinking; water is for fighting over.' In this space we have seen that all too often. To take communities with you, you need to be consistent in your messages to them.

In closing, I want to pay tribute to the many members of the National Party and the Liberal Party representing Murray-Darling Basin seats who have lobbied to get this policy implemented. They have worked hard in that regard. They ensured that in opposition we committed to the 1,500 gigalitre cap and they have worked hard to ensure that legislation was brought forward. I acknowledge the support of many of the communities and irrigation stakeholders who have supported this, as well as the support of the state ministers, South Australia included, all of whom have worked together to ensure that they support this legislative package, just as they have done on other reforms previously.

In closing, I want to pay tribute to my successor in the water portfolio, Mr Baldwin, for securing that agreement of state ministers. It is to his credit that he brought them together and ensured that all were agreed and aligned around this important reform. I commend the bill to the Senate.

The ACTING DEPUTY PRESIDENT (Senator Gallacher): The question is that the second reading amendment moved by Senator Rhiannon be agreed.

Question agreed to.

Original question, as amended, agreed to.

Bill read a second time.

In Committee

Bill—by leave—taken as a whole.

Senator LEYONHJELM (New South Wales) (13:49): by leave—I move Liberal Democratic Party amendments (1) and (2) on sheet 7752 together:

(1) Schedule 1, Part 1, page 5 (after line 12), at the end of the Part, add:

2A Subsection 86AE(2)

Omit "Paragraphs 105(3)(b) and (4)(b)", substitute "Paragraphs 105(4)(b)".
**2B Subsection 105(3)**

Repeal the subsection, substitute:

(1) The functions of the Commonwealth Environmental Water Holder are to be performed for the purpose of achieving the objects of this Act.

**2C At the end of subsection 105(4)**

Add:

Note: This subsection is modified in relation to water access rights acquired by the Commonwealth with amounts debited from the Water for the Environment Special Account (see subsection 86AE(2)).

**2D Subsection 106(1)**

Repeal the subsection, substitute:

(1) The Commonwealth Environmental Water Holder must not dispose of water and Commonwealth environmental water holdings during a water accounting period unless the water or the water holdings are not required in the water accounting period to meet the objectives of:

(a) if the water is in, or the water holdings relate to water in, the Murray-Darling Basin—the environmental watering plan; or

(b) if the water is in, or the water holdings relate to water in, an area outside the Murray-Darling Basin—any plans specified in the regulations in relation to that area; or

(c) any applicable environmental watering schedules.

(2) Schedule 1, Part 2, page 6 (before line 3), before item 3, insert:

**3A Subsection 6.04(2) (note)**

Repeal the note.

**3B Paragraph 6.05(3)(a)**

Omit "143 GL", substitute "128.7 GL".

**3C Paragraph 6.05(3)(b)**

Omit "425.3 GL", substitute "382.8 GL".

**3D Paragraph 6.05(3)(c)**

Omit "458 GL", substitute "412.2 GL".

**3E Paragraph 6.05(3)(d)**

Omit "82.8 GL", substitute "74.5 GL".

**3F Paragraph 6.05(3)(e)**

Omit "4.9 GL", substitute "4.4 GL".

In this bill the government is proposing some sensible amendments to the Water Act to cap buybacks from farmers to 1,500 gigalitres, which I support. The implementation of the Murray-Darling Basin Plan and its consequences are naturally of great concern to basin communities which produce so much of our agricultural output. As these issues also concern me, I agreed to chair the Select Committee on the Murray-Darling Basin Plan, which will hold its first hearing next week. I and several other senators attended a public meeting of a thousand people in Barham a few weeks ago and toured part of the local area looking at environmental works, irrigation farms and farms that had been dried off. We saw how projects funded by the Commonwealth, such as the Koondrook-Perricoota Forest watering scheme, enhance environmental watering with less water. We saw the improved infrastructure
for delivering water to farms more efficiently and the newly lined channels to reduce water loss through seepage. We saw abundant bird life on irrigated farms, and it was pleasing to see. And we saw many farms in a sad state after the withdrawal of water entitlements. We saw too many vacant shops in a couple of towns we visited. These communities have encountered significant change in the last few years and are looking for certainty.

The reduction in available water is a big factor in the productivity of a region, and to a large extent the effects of this are already being felt. What is becoming more apparent is that the demand for the smaller pool of productive water available to producers is driving up prices as farmers compete with one another for water in the temporary market. Temporary market water has tripled in price in the last several years, with the result that it is not viable for some producers to enter the market and purchase water to finish their crops. This reluctant decision starts a downward spiral which ends with less output and less income.

I am proposing two amendments to the government's bill to address these problems in a modest way. The first amendment will counter water-hoarding by the Commonwealth Environmental Water Holder. As the law currently stands, the Commonwealth Environmental Water Holder is required to hold and store water, even when environmental watering plans have been fully satisfied. The amendment removes a ban on selling water that is excess to environmental needs by removing a requirement to retain water if it can be stored for a future accounting period.

The amendment will also improve the willingness of the Commonwealth to sell off excess water holdings by broadening the Commonwealth Environmental Water Holder's purpose beyond environment protection to include optimising economic and social outcomes. It is incredible that the current provision does not require optimisation of economic and social outcomes, as these are primary objects of the Water Act. The effect of this amendment will be to allow the Commonwealth Environmental Water Holder to sell excess water on the temporary market, thereby increasing the water available and driving prices down. This will mean that more water will be available for farmers to finish crops while not hindering the work of the Commonwealth Environmental Water Holder.

This solution was in fact supported in the media yesterday by Victorian Nationals leader and former water minister Peter Walsh, who was quoted as saying:

"The CEWH should have the option to sell water on the temporary market," …

The article said:

Mr Walsh suggested the money—
gained from such sales could—
be spent on projects such as pumping environmental water into the Hattah Lakes and Gunbower Forest.

Mr Walsh said that the use of such profits from water sales on environmental outcomes would be a win-win situation.

The second amendment that I am proposing increases the total water that can be used by farmers in the basin by around one per cent. This is a modest change that will benefit farmers and will not threaten the environment. The increased water for farmers is achieved by reducing water use reduction targets that are listed in the Basin Plan.

The government may argue that these sorts of amendments will fall out of their current review process and that we should not push ahead with these amendments now. But we have
a responsibility in this parliament to promptly amend Commonwealth law when a clearly beneficial change is before us. We should not delay in the hope that bureaucratic committee processes will come up with something sensible in the future.

My amendments do not threaten environmental outcomes, and additional water will also be available to farmers who wish to purchase it at a reasonable price. These improvements to the Basin Plan will deliver practical benefits to basin communities and the environment. Adoption of the amendments will also signal to basin communities that we in this place feel their pain and are not indifferent to their trials.

The inquiry I am chairing may well recommend more substantial reform but, in the interim, these measured and modest amendments signal a resolve to improve outcomes and reduce the uncertainty of necessary water reforms.

Senator SINGH (Tasmania) (13:56): The Murray-Darling Basin Plan needs strong bipartisan support, which I outlined in the opposition's second reading contribution, and serious and robust consultation, of course, with those key basin states. As such, Labor will not support changes to the framework that have not been through a process with those key basin states.

These amendments, to be honest, are laughable because they effectively accuse the Commonwealth Environmental Water Holder of hoarding water, against the broad triple-bottom-line consensus achieved by the Murray-Darling Basin Plan, and change the rules of the Commonwealth Environmental Water Holder at the last moment to enable it to sell off excess water in the face of necessary and confidence-building accounting practices.

So the opposition does feel that these amendments have been sprung on the Senate at the final moment, without anything like the necessary consideration and consultation required. Consultation has already occurred to bring this bill to this place, with various stakeholders—including Indigenous stakeholders, as I referred to in my second reading contribution. They are key to ensuring that we have a robust outcome when we are talking about water in these key regions in these key states. So, because this is an amendment that has not gone through any of that process, the Labor Party will not support this amendment.

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (13:58): The government will not be supporting the amendment. I do understand where Senator Leyonhjelm is coming from, though. These are issues that were canvassed by the Water Act review. The government is preparing its response to the review of the Water Act. We are cognisant of the concerns in communities that he is reflecting through this amendment, but it is appropriate, as Senator Singh alluded to, that any such amendments do need to be worked through with basin states before this chamber can seek to agree to them.

Senator LEYONHJELM (New South Wales) (13:58): Mr Temporary Chairman, I am assuming this debate is now going to be terminated for questions without notice?

The TEMPORARY CHAIRMAN (Senator Gallacher): I am going to put the amendments—

Senator LEYONHJELM: In that case, I have more to say.

The TEMPORARY CHAIRMAN: You have the floor.
Senator LEYONHJELM: I cannot allow Senator Singh's comments to pass unchallenged. The accusation that the Commonwealth Environmental Water Holder is hoarding water is indeed written into its charter. That is precisely what it is there for. That is precisely what it is doing. It is hoarding water that could be used productively for agriculture, and that water is not benefiting the environment. The objectives of the Commonwealth Environmental Water Holder do not include the triple bottom line—economic, social and environmental. It does not include all three of those. It has only one objective. That needs to change. This seeks to implement those changes. As for the final introduction—

The TEMPORARY CHAIRMAN: Order! I shall report progress.
Progress reported.

QUESTIONS WITHOUT NOTICE

Shipping

Senator URQUHART (Tasmania—Deputy Opposition Whip in the Senate) (13:59): My question is to the Minister for Employment, Senator Abetz. I refer to the job losses in our home state of Tasmania of 36 seafarers of the Alexander Spirit, a ship which has since returned to Australia staffed with a foreign crew paid at rates as low as $2 an hour. What is the government doing to prevent the further loss of Australian seafaring jobs to cheaper foreign crews—or does he share the view of the Deputy Prime Minister that Australian shipping job losses are trivial issues?

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): The Deputy Prime Minister never said that about any job loss in this country. The Deputy Prime Minister is a man who is dedicated, along with the rest of the government team, to doing everything possible to grow job opportunities for our fellow Australians. In relation to the Alexander Spirit of which the honourable senator speaks, what she does not tell the Australian people or the Senate is that this ship has come from a foreign port and is delivering into Australia. It is not engaged in coastal trading. That is where Senator Urquhart, along with her friends from the Maritime Union of Australia, seeks to mislead the Australian people.

If any ship has replaced its crew with a foreign crew, and if what Senator Urquhart says is correct, do you know under what law it was done? It was done under the laws that the Labor Party and Greens forced through this place without proper debate and discussion. It is being done under Labor-Green laws. Indeed two of the ships, including the Alexander Spirit, even when it was engaged in coastal trading—

Senator Moore: On a point of order, Mr President, the question asked was: 'What is the government doing to prevent the future loss of Australian seafaring jobs?' That was the core question.

The PRESIDENT: The question had a second part about the Deputy Prime Minister, Senator Moore, which the minister has answered. He has 28 seconds to complete his answer.

Senator ABETZ: What we are very concerned about is that, within the coastal shipping laws foisted upon this country by the previous Labor-Green government, there are elements that are prejudicing jobs in the cement industry, in the sugar industry and in all sorts of industries.
Senator Cameron: Rubbish! Absolute rubbish!

Senator ABETZ: Senator Cameron foolishly interjects, as he always does. To get sugar from Bundaberg to Melbourne you face shipping costs that are higher than if you were shipping from Thailand. *(Time expired)*

Senator URQUHART (Tasmania—Deputy Opposition Whip in the Senate) (14:03): Mr President, I ask a supplementary question. Does the minister stand by his statement that the suggestion that Australian seafarers are being made redundant in favour of overseas workers is mischievous and disingenuous?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:04): Absolutely.

Senator URQUHART (Tasmania—Deputy Opposition Whip in the Senate) (14:04): Mr President, I ask a further supplementary question. Does the minister understand why Australian workers sacked from the *Alexander Spirit* have described the return of the ship as a kick in the guts, particularly when almost none of the 36 workers have been able to find work?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:04): How they feel is not for me to comment on, other than to say that I can understand that somebody who loses their job would be disappointed. That stands to reason. But what I would invite them to do is ask a simple question. Why is it that they lost their job? Why was it that, regrettably, the Caltex refining company found it could no longer produce or refine petroleum product in Australia? That is why the *Alexander Spirit* is no longer engaged in coastal shipping in Australia. It used to cart the refined petroleum product from Brisbane to domestic ports around Australia. The refinery closed—no more production. It is now imported from overseas, from Singapore. As a result, it is no longer coastal shipping; it is foreign shipping bringing imports into Australia—a completely different category. *(Time expired)*

**Syria**

Senator JOHNSTON (Western Australia) (14:05): My question is to the Attorney-General, Senator Brandis. Can the Attorney advise the Senate of the legal basis for Australia's decision to extend military action against Daesh into eastern Syria?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:05): Yes, I can, Senator Johnston. I can assure you and the chamber that the decision to do so is firmly grounded in international law. As you know, Senator Johnston, article 51 of the Charter of the United Nations recognises that all member states have an inherent right of individual and collective self-defence against armed attack. When Australia decided to respond to the request by the government of Iraq to join the US-led international coalition to defend Iraq from the Daesh insurgency, it relied, as did other participating members of the international community, upon the principle of collective self-defence in article 51. That principle applies to non-state actors and can extend, in an appropriate case, beyond the borders of the requesting state.

The Daesh insurgency has been utterly unambiguous about its ambition to displace the government of Iraq. In doing so, and in engaging in military activity to that end, it does not
recognise the border between Iraq and Syria. As we know, many of the Daesh military bases and supply lines are located in eastern Syria. Many attacks are launched from beyond the Syria-Iraq border. I can advise the Senate that earlier this morning the Australian permanent representatives to the United Nations wrote to the President of the Security Council giving notice under article 51 reporting that Australia would be taking measures against Daesh in eastern Syria in support of the collective self-defence of Iraq.

Senator JOHNSTON (Western Australia) (14:07): Mr President, I ask a supplementary question. What are the conditions necessary to invoke the doctrine of collective self-defence in this case?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:07): In this particular case, where we are concerned with cross-border activity, there are four conditions. First, the requesting state must have been subjected to or imminently at risk of armed attacks from elements beyond its borders; second, there must be no effective means reasonably available to address those attacks or imminent threats other than the use of force; third, the host state, in this case Syria, must have demonstrated that it is either unwilling or unable to restrain the attacks originating from within its borders; and, finally, the state under attack, in this case Iraq, must have requested the assistance of other states to defend itself. In this particular case, all four of the requirements of public international law are plainly satisfied.

Senator JOHNSTON (Western Australia) (14:08): Mr President, I ask a further supplementary question. Can the Attorney-General advise the Senate of the international effort against Daesh and in particular the legal basis of the international coalition?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:09): As you well know, Senator Johnston, having been the defence minister who was responsible at the time of the initial deployment—you showed great leadership, if I may say so—this is a very broad international coalition led by the United States of America in which Australia is one of the principal contributors. Many of the members of that coalition, including the United States, the United Kingdom and Canada, have also relied on the doctrine of the collective self-defence of Iraq as the legal basis for their response to the Iraqi government's request for assistance. Those governments have also given article 51 notices to the President of the UN Security Council. I should say that some of those governments have relied on other bases as well, but they have all relied on the principle of collective self-defence, as has Australia, as we do now for the extended mission in eastern Syria.

Economy

Senator BULLOCK (Western Australia) (14:10): My question is to the Minister representing the Prime Minister, Senator Abetz. Has the Prime Minister's short-lived progress report Sticking to our plan disappeared from government talking points because the plan includes slowing economic growth, falling living standards and the lowest wages growth in Australia for decades?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:10): If Senator Bullock from the great state of Western Australia is concerned that what is implicit in his
question is actually true, I would invite him to get his colleagues on the Australian Labor Party side of this parliament to support the Chinese free trade agreement and see the boost it will generate to the Australian economy so that we see even further jobs growth than we were able to announce today—a reduction in unemployment to 6.2 per cent, meaning that there were more Australians gainfully employed; a good move ahead and something which is indicative of the fact that we are sticking to our plan, that we are implementing our plan and that indeed we are achieving our plan.

Do we want to achieve more? Of course we do, because we have great ambitions for this country. But time and again, as we seek to implement our ambitions for this country, we are blocked by those opposite who are blocking the free trade agreement. They want to reintroduce a carbon tax, they want to reintroduce the mining tax, they stop us from getting rid of red and green tape by putting in silly amendments about Defence Materiel Organisation matters. This is an opposition that has irresponsibility written all over it in capital letters. We will continue to be dedicated to the task of serving the Australian people by keeping jobs growth and economic growth going in a way that sees as many Australians as possible in employment, in circumstances where jobs growth is four times the rate it was in the last year of the Labor government—and that is without the Chinese free trade agreement. Just imagine what we could get with it. (Time expired)

Senator BULLOCK (Western Australia) (14:12): Mr President, I ask a supplementary question. Has the Abbott government abandoned the progress report Sticking to our plan because the plan includes increasing the GST and the cost of living for Australians?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:12): The plan does not include increasing the taxation burden on our fellow Australians—indeed, it is the exact opposite. That is why we sought to abolish the carbon tax as soon as we got into government. Who opposed it time and again? None other than the Australian Labor Party. Today we have the ludicrous situation of the shadow Treasurer being in the electorate of Canning trying to scare the electors of Canning by saying the GST will be 15 per cent. Really! That means Senator Wong's premier in South Australia, Mr Wetherill, Senator Conroy's premier in Victoria, Mr Andrews, and the ACT Chief Minister would all support an increase in the GST. What a ludicrous proposition—but it is indicative of a very desperate opposition. (Time expired)

Senator BULLOCK (Western Australia) (14:14): Mr President, I ask a further supplementary question. Has the Abbott government abandoned its progress report Sticking to our plan because the plan includes 780,000 Australians in the job queue?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:14): I think Senator Bullock and I would at least share this: we believe that 780,000 Australians seeking employment is far too large a figure. The only figure that is acceptable to me and this government is zero, and we will continue to dedicate ourselves to create every employment opportunity that Australia has to offer. That includes signing up to the China free trade agreement—9,000 jobs per annum, year after year after year. There will be 178,000 jobs courtesy of the Chinese, Japanese and Korean free trade agreements. Yet the Labor Party stands in the way. If Labor do get elected, do you know what their proposal is to increase
employment? They will introduce a carbon tax so we can have even more people unemployed! We are committed to growing the Australian economy and Australian jobs. 

(Time expired)

Asylum Seekers

Senator HANSON-Young (South Australia) (14:15): My question is to the Minister representing the Prime Minister, Senator Abetz. Yesterday, the government announced an emergency intake of 12,000 Syrian and Iraqi refugees. I congratulate the government for listening to the Australian community on that one. I am told that there is a mother in Syria who has not been able to leave her home for the last year or let her daughters out of the house because she lives in an ISIS controlled village and fears what the militants might do if they leave. Are these the types of families that the government is hoping to help by bringing them to Australia so they can be safe?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:16): The Australian government is determined to do whatever it can in the Syrian and Iraqi situation to have a balanced approach of military intervention to try to get rid of this death cult. It is nice to hear for once the Australian Greens acknowledging that ISIS is a death cult—I hope at least that that was acknowledged or implicit in the question. What we will do is work with the United Nations to determine which 12,000 people are most in need for resettlement.

Unfortunately, the circumstances of that particular mother in Syria are as heart-rending as literally thousands of other individual cases in Syria and in camps in Jordan and in Turkey. And there are also those in Lebanon who are effectively in camps albeit not formally so. I say to the Australian Greens that this is an issue on which this government did not just run around and pluck a figure out of the air as some others have done. We sent Mr Dutton to Europe to seek information from the UNHCR and try to determine the best way to help. We have now come up with a well-rounded policy which I think most people will consider to be compassionate. As I said the other day, the genuine compassion includes kindness plus judgement. In this case we have tried to do the very best—which is the way Australia has dealt with these matters over many decades. (Time expired)

Senator HANSON-Young (South Australia) (14:18): Mr President, I ask a supplementary question. This family's case is tragic and they desperately need the Australian government's help. This woman's husband fled Syria trying to find refuge for his wife and his daughters. He came to Australia two years ago. He has been locked up in an Australian immigration detention centre and his family are not allowed to join him. Will you bring his family to Australia?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:19): It has been the sorry experience of not only myself but also many senators in this place to be confronted with a situation put to us by Senator Hanson-Young which when submitted to closer examination does not necessarily match-up with what she has said. Therefore I am not willing to accept what she has said on this occasion at face value. It is one of these unfortunate circumstances for the senator yet again. Irrespective of how well motivated she actually might be, the fact that she engages in such behaviour on a serial basis means that she has lost her own credibility in relation to matters of this nature. We as a government will not be engaged
on these individual matters. Suffice it to say that the stop the boats policy has saved drownings at sea and has allowed us to take in an orderly refugee intake. *(Time expired)*

**Senator HANSON-YOUNG** (South Australia) (14:20): Mr President, I ask a further supplementary question. I find it disgusting that we have just had the Leader of the Government in this place play politics with the lives of this family rather than listening to their plight and the need for compassion that this Australian community has asked for.

**The PRESIDENT:** Senator Hanson-Young, resume your seat. Senator Macdonald on a point of order.

**Senator Ian Macdonald:** Mr President, this is question time not time for senators to make statements when the TV is recording the issue. This particular session of the day is for senators to ask questions of ministers and get answers. Senator Hanson-Young so far has spent most of her time and all she has done is make a political statement. I ask you to insist that she ask a question or sit down.

**The PRESIDENT:** In relation to the point of order, generally senators are entitled to have a preamble to their question, to set-up the question and to give some background information for the question. However, I do acknowledge that in this case, Senator Hanson-Young, you may have deviated from setting up that question. So I would ask you to come to your question.

**Senator HANSON-YOUNG:** Could Senator Abetz explain to us why Syrian families that have been torn apart by the conflict are being punished for trying to reach Australia for protection?

**Senator Bernardi interjecting**—

**The PRESIDENT:** Senator Di Natale on a point of order.

**Senator Di Natale:** Mr President, I ask you to get Senator Bernardi to reflect on his comments and perhaps withdraw his implication that the Greens support ISIS.

**Senator Bernardi:** Mr President, put simply, Senator Di Natale does not support a campaign against ISIS in Syria.

**The PRESIDENT:** I do not want a debate, Senator Bernardi. Senator Bernardi, if you said something that you feel as though you should withdraw, I would appreciate your withdrawal.

**Senator Bernardi:** I do not believe I should withdraw.

**The PRESIDENT:** Thank you, Senator Bernardi.

*Honourable senators interjecting*—

**The PRESIDENT:** Order! Senator Wong.

**Senator Wong:** Mr President, you have asked him to withdraw.

**The PRESIDENT:** I did not hear anything that was said, Senator Wong.

**Senator Wong:** I heard very clearly. He said, 'You support ISIS. Why do you support ISIS?' He ought withdraw that.

*Honourable senators interjecting*—

**The PRESIDENT:** Order! One at a time. Senator Wong has the call. There will be silence.
Senator Wong: Mr President, people in this place will have differences of views on national security. I do not share the views of the Greens on national security, but that accusation ought not be allowed to stand in this place.

Senator Bernardi: Mr President, I will make it easy for you, I will withdraw.

The PRESIDENT: Thank you, Senator Bernardi. Senator Di Natale, a second point of order.

Senator Di Natale: A second point of order, Mr President.

The PRESIDENT: Order! Senator Di Natale, is this a fresh point of order because I have ruled on the previous one?

Senator Di Natale: Yes.

The PRESIDENT: Senator Di Natale.

Senator Di Natale: I would also ask Senator Canavan to withdraw his assertion that the Greens also support ISIS.

The PRESIDENT: Senator Canavan.

Senator Canavan: I do not believe I have said anything unparliamentary and I have nothing to withdraw.

The PRESIDENT: Thank you, Senator Canavan. Senator Macdonald on a point of order.

Senator Ian Macdonald: Mr President, I have a point of order too. The question suggested, or in fact said, that Senator Abetz personally punished some immigrant groups. I ask that the person who asked the question withdraw that part of the question and that accusation against Senator Abetz, which is clearly wrong.

The PRESIDENT: In relation to these points of order, Senator Bernardi had the good grace to withdraw. I will go back and reflect on whether that is unparliamentary. I think we are now getting to the stage where we are starting to rule out everything. I will not ask Senator Hanson-Young to withdraw. I invite the minister to answer the question. Minister.

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:24): Mr President, can I thank the honourable senator for her character assessment. She is well known for handing out character assessments to everybody but herself. In relation to the heinous suggestion that I and/or the government are seeking to punish people, can I say that we absolutely repudiate that. It was as a result of Australian Labor-Greens policies that we saw 1,200 people drown at sea. That is disgusting. That is horrific. That is what we on this side were able to stop. We are pleased and thankful that we were able to achieve that.

Senator Whish-Wilson interjecting—

The PRESIDENT: Order! Minister. Pause the clock. Senator Canavan on a point of order.

Senator Canavan: I rise on a point of order, Mr President. Senator Whish-Wilson swore and I would ask him to withdraw that comment.

Honourable senators interjecting—
The PRESIDENT: Order! On both sides. In relation to these points of order there is another opportunity, if you feel as though you have been misrepresented or if you feel as though matters have not been said to your satisfaction, to raise them elsewhere.

Senator Wong interjecting—

Honourable senators interjecting—

The PRESIDENT: Order, Senator Wong! Order! On both sides. Points of order of this nature are not necessarily relevant to question time. Points of order should be about the actual conduct of question time. Could I ask all senators to respect each other in this place and to not use labels, names or innuendos. It would help everyone, and it is probably befitting of the position of being a senator. Senator Whish-Wilson, in the same spirit that I asked Senator Bernardi, if you feel as though you have said anything that is unparliamentary, I would ask you to withdraw. Order! Senator Heffernan, I am dealing with another matter at the moment.

Senator Whish-Wilson: I withdraw any profanity I may have said, Mr President.

The PRESIDENT: Thank you, Senator Whish-Wilson. Senator Heffernan on a point of order.

Senator Heffernan: I withdraw.

The PRESIDENT: Let us now come back to the serious nature of question time. I call the minister.

Senator ABETZ: Mr President, not knowing the full details of the situation of which the honourable senator speaks, let me just speculate that, if a person is in Nauru, chances are they engaged a criminal to advance their cause and we do not support—(Time expired)

Paid Parental Leave

Senator GALLAGHER (Australian Capital Territory) (14:27): My question is to the Minister representing the Prime Minister, Senator Abetz, and I refer to the government's budget measure of removing double dipping from parental leave pay. Does the minister agree with Navy Lieutenant Commander Sandra Croft who said:

To be told I am a double dipper and I'm rorting is a slap in the face to me and all public servants, nurses, teachers, firefighters and the average public servant on a normal wage.

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:28): Mr President, I can indicate that I am not aware of the person or the comments to which the honourable senator refers. However I think we have had a debate in this country where the Prime Minister did take to the Australian people a very ambitious paid parental leave scheme which did not find favour in this chamber and, as a result, we have adopted a different approach.

What we are seeking to do is introduce another scheme that does not allow for double dipping, which is the terminology that has been used. We believe that, if the Labor Party wants to go to the next election championing double dipping, so be it, and let them explain that to the Australian people.

An opposition senator interjecting—

Senator ABETZ: And we do not need the interjections from Rusty over there. I do not think we need interjections from you, Rusty. The paid parental leave maximum rate is
currently $11,539, and over 50 per cent of mothers who were previously eligible for paid parental leave will continue to receive the full paid parental leave entitlement as they have no employer provided entitlements. As to the specifics of which the honourable senator asks, I will see if there is anything further that I can add in due course.

Senator GALLAGHER (Australian Capital Territory) (14:29): Mr President, I ask a supplementary question. Does the minister agree with the chief executive of the Australian Chamber of Commerce and Industry, Kate Carnell, who says, 'We believe the government has got this legislation wrong'?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:30): I have been burnt in the past when people have asserted that certain people have said things and, regrettably, I am not willing to take at face value what the honourable senator has said. This debate about paid parental leave and double dipping is well known in the community and we are in some tighter financial circumstances than we would otherwise like to be, courtesy of the legacy left to us by the ALP-Greens government, which saw a debt trajectory and a deficit trajectory and a debt burden never seen before in this country. That is what we are dealing with. We will continue to deal with it.

It is all well and easy for the Australian Labor Party, day after day, to come into this chamber and say, 'We would spend more here; we would spend more there; we would spend more everywhere else,' but what are their savings plans? Absolutely nil, and we would see the debt trajectory go up even further. (Time expired)

Senator GALLAGHER (Australian Capital Territory) (14:31): Mr President, I ask a further supplementary question. Does the minister agree with the outgoing Sex Discrimination Commissioner, Elizabeth Broderick, who says that any move to pare back support when welcoming a new baby or to a woman's ability to come into paid work will 'just reinforce some of the gender gaps that currently exist for women'? Why is this government exacerbating the gender gap by cutting paid parental leave?

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): What a hide! What a hide coming from the Australian Labor Party, who had a paid parental leave scheme which was designed to encourage women to have children and remain in the workforce—and the Labor Party rejected it. They rejected it, lock, stock and barrel, for cheap political purposes. Now they come in here complaining that we are not doing enough for women in the workforce. I would invite Senator Gallagher: being a relatively new senator, if she is genuinely concerned about getting more women into the Australian labour force, she might actually encourage her colleagues to have a change of heart and accept that which we had initially put forward to the Australian people. But the Labor Party are on record as rejecting our policy, which was designed to do exactly that which you say you support. (Time expired)

**Defence Procurement**

Senator XENOPHON (South Australia) (14:33): My question is for the Minister representing the Minister for Defence, Senator Brandis, and it relates to the government's welcome announcement in Adelaide last month that it intended to spend $89 billion on future
On 20 August, The Advertiser in Adelaide reported that the Defence Teaming Centre of SA had predicted that, based on the limited information released by the government, as little as $8 billion of the spend for surface ships could go to South Australia and, if the government decided to build the future submarines offshore, which has not been ruled out, as little as $19 billion of the total $89 billion announcement could be spent in South Australia. Could the minister please advise how much of the total $89 billion spend, which the government said would be 'centred on Adelaide', will be spent in South Australia and provide a breakdown of how many of each vessel will be built and what the cost of each of the projects will be?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:33): Senator Xenophon, thank you for that question and thank you for your customary courtesy in giving me advance notice of the question. Senator, I have examined the Defence Teaming Centre's remarks, reported, as you say, in the Adelaide Advertiser on 20 August, and I can tell you that the claims made by the Defence Teaming Centre are quite wrong and the government entirely rejects those claims.

Senator Xenophon, as you say, last August—on 4 August, in fact; last month—the Prime Minister, the defence minister, Mr Pyne, the senior South Australian minister and the Chief of Navy, Vice Admiral Barrett, made a historic announcement in Adelaide about the future of naval shipbuilding in Australia. The aggregate of the corvettes or offshore patrol vessels, the future frigates and the submarines is, as you say, some $89 billion. During the course of that announcement, the Prime Minister, speaking of the offshore patrol vessels and the future frigates, indicated that, between those two projects, some $40 billion would be spent substantially onshore, substantially in Adelaide. So the claims made by the Defence Teaming Centre are entirely wrong.

As you would also be aware, Senator Xenophon, one of the other aspects of that decision, which is also very good news for people in your state, is that the offshore patrol vessel build was being brought forward to 2018 and the future frigates build, which will take place in Adelaide, has been brought forward to 2020. So, Senator Xenophon, there is a bright, bright future for naval shipbuilding in Adelaide as a result of the announcements to which you have referred.

Senator XENOPHON (South Australia) (14:36): Mr President, I ask a supplementary question. Could the minister provide details on notice regarding that specific breakdown that I requested? Also, in respect of the Prime Minister's remarks in question time on 20 August, that the comments of the Defence Teaming Centre were misleading, the Prime Minister said: Almost $40 billion will be spent on a fleet build centred in Adelaide on acquisition. It is not on acquisition and sustainment; it is on acquisition.

Can the minister please clarify the statement—that is, how much of the $89 billion spend is for construction and acquisition? How much is for sustainment in each of the three projects? (Time expired)

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:36): I might take some of that question on notice because I want to consult what the Prime Minister actually said in the House of Representatives, but I am able to tell you that, in relation to the
offshore patrol vessels and in relation to the future frigates—the figures that the Prime Minister was quoting in relation to those two categories of vessel—the Prime Minister was speaking of acquisition cost alone, not sustainment.

Senator XENOPHON (South Australia) (14:37): Mr President, I ask a further supplementary question. The defence minister, in an opinion piece on 21 August in The Advertiser, accused the Defence Teaming Centre of 'undermining the certainty that defence industry in South Australia is looking for'. Would the minister concede that the government has released very limited information to date about the frigate build and how much of it would be centred on Adelaide? Given South Australia's unemployment rate is still the highest in the nation, does he understand the need for greater certainty in terms of how much will be spent, when and on what projects?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:37): Senator Xenophon, I acknowledge the point that you make. But we have been very clear that the future frigate build will be in Adelaide. Within the $89 million figure, of course, the largest single component is the Future Submarine Program. As you aware, that is the subject of a competitive evaluation process.

One thing about which there has been no doubt—notwithstanding the enthusiasm of Labor Party politicians to tell lies about this—is that our international partner, whichever of the bidders is selected after the competitive evaluation process, will partner with an Australian-based company. There will be a Defence white paper published in coming months. The more particular figures which you seek and the more particular breakdown which you seek will be found in the Defence white paper. (Time expired)

Indigenous Employment

Trade with China

Senator O'SULLIVAN (Queensland) (14:38): My question is to the Minister for Indigenous Affairs, Senator Scullion. Can the minister update the Senate on how the China-Australia Free Trade Agreement will benefit Indigenous Australians, particularly in regional and remote areas where Indigenous disadvantage is most pronounced?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:39): I thank the senator for his question. It is a most important question because the China-Australia Free Trade Agreement will improve the flow of trade across all sectors of the Australian economy and particularly, as the senator points out, across regional and rural Australia, where we have the most disadvantaged Indigenous Australians.

The three principal sectors that are to be affected by the China-Australia Free Trade Agreement are agriculture and fisheries, resources and energy, and manufacturing. These are major employment areas for our First Australians. The industries represent around—certainly, in the 2011 census—18,000 Australian jobs. That represents 12 per cent of the total Indigenous workforce in Australia. In an area that is going to have just so much effect, the China-Australia Free Trade Agreement promises so much in employment to our First Australians.
It is actually no surprise that the former Labor resources minister—who knew much about this and has been of great assistance to the First Australians, even since he left this place, in facilitating the Gove wharf site agreement—says that we actually need the free trade agreement because the potential industries will grow and are the beneficiaries. Our First Australians are going to be the ones who are the beneficiaries. To those on the other side—who must be wondering, really, the direction that they are taking and who have sympathy; and I know there are many—there is an opportunity to reconsider your position on this very important issue.

Senator O'SULLIVAN (Queensland) (14:41): Mr President, I ask a supplementary question. Will the minister inform the Senate of what the government is doing to ensure that Indigenous Australians in regional and remote areas maximise the opportunities for employment and economic development that the free trade agreement will bring?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:41): If the Indigenous job sector is to take advantage of things like the China-Australia Free Trade Agreement, we need to ensure that our First Australians are in fact job ready. In remote areas, since the previous government's remote jobs and community programs, almost 60 per cent of job seekers are not engaged in any activities. There is broad agreement. I have to again acknowledge the opposition and their work to rectify that. They are working very closely with the government.

We are readying communities for change. More than 16,700 Indigenous Australians have been supported by the Commonwealth into jobs in the last financial year. That is 50 Indigenous jobs every day. They have not stayed there the whole time, but there have been 50 jobs every day. When this free trade agreement is signed, they will have a job to move into. (Time expired)

Senator O'SULLIVAN (Queensland) (14:42): Mr President, I ask a further supplementary question. Can the minister inform the Senate why opportunities like the China-Australia Free Trade Agreement need to be grasped in order to deliver more jobs for Australians? What opportunities will Indigenous Australians miss out on if the Labor Party does not support this historic agreement?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:43): I thank the senator for his question. I call on all of those opposite to actually listen to the voices from regional and rural Australia, who was saying, 'We need this agreement because we need jobs.' In fact, it might be useful to listen to more of their own. What we actually hear most of all is that people are talking down the opportunities that will create jobs for groups like Indigenous communities. We do not need to hear more of the smear and misinformation.

Former Labor Party president and Indigenous leader Warren Mundine says 'it will be an act of vandalism' and:

It's embarrassing watching Labor dance around why they oppose ChAFTA when they didn't oppose similar deals with other countries …

I share Mr Mundine's frustrations, as many of us do here, and understand why he says he is deeply angry about the opportunities that our First Australians will miss out on because of what Mr Mundine calls a 'bigoted' and 'xenophobic' approach.
Trade with China

Senator WHISH-WILSON (Tasmania) (14:44): After 15 Dorothy Dixers from the government this week on the China free trade deal, I have some real questions for the Minister representing the Minister for Trade and Investment, Senator Payne. Minister, the government has claimed this week that the China-Australia Free Trade Agreement, if signed, will immediately create tens of thousands of jobs and add billions of dollars to the Australian economy. Given that trade is a major component used in the measurement of GDP, or economic growth, can the minister explain why the supposed 'rivers of gold' from ChAFTA are not factored into Treasury forecasts for economic growth?

Senator PAYNE (New South Wales—Minister for Human Services) (14:45): I thank Senator Whish-Wilson for the question. If forecasts for the free trade agreement had been factored into Treasury's forecasts on growth, I imagine you would have criticised us for doing that before the free trade agreement was ratified. I think it has been demonstrated repeatedly in the chamber this week—not just by me but by Senator Brandis, Senator Scullion Senator Birmingham and a number of ministers in the chamber—that the potential under the China-Australia Free Trade Agreement is absolutely enormous. Whether it be the Financial Services Council or the National Farmers' Federation, all peak bodies are looking with extreme interest at what they will be able to do in their sectors. More importantly, they are looking at what the damage to their sectors will be if the free trade agreement is not signed this year. We know that there will be—

The PRESIDENT: Pause the clock. Senator Whish-Wilson, on a point of order.

Senator Whish-Wilson: Mr President, with 17 seconds left to go, why are these trade deals not factored into Treasury forecasts for economic growth?

The PRESIDENT: Senator Whish-Wilson, I think the minister did address that up-front with her answer. Minister, you have 17 seconds in which to answer the question.

Senator PAYNE: As I was saying about all of the wonderful produce from Tasmania, it is ironic indeed that Senator Whish-Wilson's Tasmanian colleague does not seem to want to
provide opportunities for Tasmanian businesses to actually send that produce into the Chinese market—Australia's largest market, and growing at 20 per cent per annum.

Senator WHISH-WILSON (Tasmania) (14:48): Mr President, I ask a supplementary question. At Senate estimates earlier this year, I asked the deputy head of the Department of Foreign Affairs and Trade why the department does not share with Treasury its national interest analysis outlining the benefits of these trade deals for the Australian economy. The answer I got was that, from an economy-wide perspective, these deals would not be significant enough to alter Treasury forecasting of GDP. Does the minister not agree with the Department of Foreign Affairs and Trade?

Senator PAYNE (New South Wales—Minister for Human Services) (14:49): I do not actually think that what Senator Whish-Wilson has indicated is inconsistent with anything that I or any other member of the government has said in relation to the China-Australia Free Trade Agreement in any of the discussions in the chamber this week.

Senator WHISH-WILSON (Tasmania) (14:49): Mr President, I ask a further supplementary question. The investor-state dispute settlement chapter in ChAFTA does not appear to have been finalised, which is unprecedented. Can the government guarantee that Australia will not be sued by Chinese companies for simply changing policy or laws in the public interest? Could, for example, the Shenhua Watermark coalmine use strategic ISDS litigation to challenge changes to future state and federal environmental laws that impact on their investment?

Senator PAYNE (New South Wales—Minister for Human Services) (14:50): I think it is really important to be very clear about the ISDS provisions in this agreement. The ISDS provisions in the China-Australia Free Trade Agreement provide a mechanism for Australian or Chinese investors to pursue international arbitration based on a claimed violation of the national treatment commitment in the investment chapter. ISDS does not protect an investor from any loss of profits from a change in government policy or regulation. ISDS also does not prevent a government from changing its policies or regulating in the public interest. Investors should understand the relevant regulatory environment before they commit to making their investments. What modern ISDS mechanisms—

The PRESIDENT: Pause the clock. Senator Whish-Wilson, a point of order?

Senator Whish-Wilson: Mr President, I did back up my question with an example, that is true. But the primary question was: can the minister guarantee that Australia will not be sued by strategic litigation with ISDS?

The PRESIDENT: The minister has been addressing the question—not necessarily that specific portion. Minister, you have the call.

Senator PAYNE: I am trying to explain to Senator Whish-Wilson and to the chamber these aspects of the ISDS. I think I was saying that modern ISDS mechanisms incorporate explicit safeguards to reaffirm the right of governments to take decisions in the public interest, including in the areas of health and the environment, and reduce the chance of foreign investors bringing frivolous claims. (Time expired)

Nauru

Senator GALLACHER (South Australia) (14:51): My question is to the Minister representing the Minister for Immigration and Border Protection, Senator Cash. I refer to the
deeply concerning evidence provided to the Senate select committee inquiry which investigated allegations of abuse at the Regional Processing Centre at Nauru. Will the government undertake a full audit and investigation of all allegations of sexual abuse, child abuse and other criminal allegations as recommended by the inquiry?

**Senator CASH** (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (14:52): I thank Senator Gallacher for his question in relation to what is a very serious topic. But I do advise the Senate that the department fully cooperated with the Senate Select Committee throughout its investigations, and it will now take note of the findings. I can confirm that the Australian government remains steadfast in its support of regional processing as an effective deterrent strategy to combat illegal maritime travel and stop the boats. Whilst there are many in this chamber who remain opposed to offshore protection, this government remains steadfastly in support of it. As I said, the department fully cooperated, and we are currently reviewing the findings.

**Senator GALLACHER** (South Australia) (14:53): Mr President, I ask a supplementary question. Will the government introduce transparency measures, including a ministerial report to the Senate, on action taken in response to the criminal allegations at the Nauru processing centre as recommended by the inquiry?

**Senator CASH** (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (14:53): I just want to make it very, very clear that all reported allegations of sexual assault, serious assault et cetera are properly investigated by contracted service providers, reported to the department and referred to the appropriate Nauruan authorities for investigation where appropriate. The fact that you on that side do not like that does not mean that this is not the appropriate process to follow. The report itself also presumes that Australia has effective control of the Nauru Regional Processing Centre and is implicitly responsible for all matters of state in Nauru. It is the position of the Australia government that we do not have effective control of the centre.

**The PRESIDENT**: Pause the clock.

**Senator Moore**: Mr President, a point of order on direct relevance to the question asked: I have been listening very carefully to the minister's answer, but the direct question was about a report to the Senate on action taken on the recommendations of the Nauru inquiry. I am just wondering whether the minister is getting to that part.

**The PRESIDENT**: Thank you, Senator Moore. There are only four seconds remaining. Minister, had you concluded your answer?

**Senator Carr interjecting—**

**Senator Macdonald interjecting—**

**The PRESIDENT**: Order! Senator Macdonald and Senator Carr.

**Senator GALLACHER** (South Australia) (14:55): Mr President, I ask a further supplementary question. Will the government introduce legislation requiring the mandatory reporting of any reasonably suspected unlawful sexual conduct, sexual harassment, unreasonable use of force or any other assault perpetrated against asylum seekers by Australian contractors or employees at the RPC in Nauru in line with existing Commonwealth, state and territory provisions, as recommended by the inquiry?
Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (14:55): Again, I think it is important to note that this inquiry was politically motivated by Labor and the Greens and those opposed to offshore processing. It is a fact—

Senator Kim Carr interjecting—
Senator Ian Macdonald interjecting—

The PRESIDENT: Pause the clock. Order! Everyone will stop shouting. A question has been asked. Let's allow the minister to answer the question.

Senator CASH: Those on the other side fail to understand that there has been an inquiry into what occurred and that a report was provided to the government and the department. This, of course, is the Moss review. There were 19 recommendations, all of which were accepted. Since that time, the department has been working closely with the government of Nauru and the contracted service providers to respond to the review’s recommendations.

Senator Fierravanti-Wells interjecting—
Senator Hanson-Young interjecting—

The PRESIDENT: Order! Senator Fierravanti-Wells; Senator Hanson-Young.

Illicit Drugs

Senator SESELJA (Australian Capital Territory) (14:57): My question is to the Assistant Minister for Health, Senator Nash. Will the minister update the Senate on the importance of the national drugs campaign warning about the devastating effects of ice?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:57): I thank the senator for his question and note his very keen interest in this issue. As I have said on several occasions in this chamber, more Australians are touched by the ice epidemic every day. The last phase of the national drugs campaign 'Ice Destroys Lives' ran from 10 May until the end of June this year and consisted of advertising on TV, social, online and cinema channels. As well as supporting the work of the National Ice Taskforce, this phase of activity aimed to raise awareness of the harms associated with ice use through advertising targeted to young people aged 18 to 25 years, who are at greater risk of ice use; young people aged 14 to 17 years, who are beginning to be exposed to illicit drugs; and parents of 14- to 25-year-olds. With ongoing community concern about the impact of ice, the second phase of the 'Ice Destroys Lives' campaign will again reinforce the dangers of taking ice and encourage people to visit the campaign website for more information, resources and links to treatment and support services and drug counselling. One very positive flow-on from these ads has been parents taking direct action to talk to their children about drugs. We know that parents are the most influential source of drug information for young people, and it is so important that these conversations happen in the home. Ice is extremely addictive. It is destroying the lives and families across Australia of people I have met. I have travelled across Australia and spoken to many communities experiencing the devastating impacts of ice. The government is committed to a national strategy. We believe that these ads, broadcast into the homes of all Australians, are essential.
Senator SESELJA (Australian Capital Territory) (14:59): Mr President, I ask a supplementary question. Will the minister advise the Senate of the results of the evaluation of the coalition government's first round of advertising about the scourge of ice?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:59): The ads are deliberately hard hitting, and the evidence shows that they are working. Independent evaluation of the government's ice advertising has heaped praise on the campaign. Some 3,805 people were surveyed about the ads, including 2,126 young people aged 14 to 25 and 1,679 parents of young people aged 14 to 25. Incredibly, 94 per cent of youth who saw the campaign said they had taken some action as a result, either by talking to peers or to their parents or by changing their thinking about ice. Critically, 51 per cent of at-risk youth who had seen the ads said they would now avoid using ice—an outstanding result. It is particularly pleasing to see that the ads have cut through to these at-risk youth and are changing their attitudes.

Senator SESELJA (Australian Capital Territory) (15:01): Mr President, I ask a further supplementary question. Can the minister update the Senate on the next steps the government is taking to address the scourge of ice?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (15:01): As I have stated previously, the 'Ice Destroys Lives' campaign is also assisting to highlight the work of the National Ice Taskforce. The task force is continuing to work with states and territories and the Australian National Advisory Council on Alcohol and Drugs on the development of a final report and the national ice strategy. The report and strategy will go to COAG before the end of the year. The task force has identified six key areas to guide work towards the development of the national ice strategy: focusing law enforcement actions, targeting primary prevention, improving access to early intervention, supporting local communities to respond, improving tools for front-line workers, and improving and consolidating research and data. I again commend my colleagues who have done so much work on this: Senator Smith, Senator McKenzie, Senator O’Sullivan and the many other colleagues who have been working tirelessly to ensure that this government works with others to bring in a national ice action strategy.

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

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Answers to Questions

Senator URQUHART (Tasmania—Deputy Opposition Whip in the Senate) (15:02): I move:

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

What sort of government is it that actively sets out to destroy Australian jobs? What sort of government would tell an Australian business owner that they might want to consider registering their business interests in a foreign country, sacking their Australian staff and hiring foreign workers at a fraction of the pay? What sort of government puts forward legislation to this place that will kill off a vital industry and, with it, strategic national skills capacity? I will you what sort of government that is: the government of Australia under the reckless leadership of Prime Minister Tony Abbott. Yet again we have seen a government that
has savagely and vindictively targeted an important national industry. We saw it with car making. We saw it with renewables. We saw it with science. And now the government has Australian industry in its sights.

The Abbott government’s proposed coastal shipping legislation will create the wholesale destruction of the Australian shipping industry through the complete deregulation of our coastal shipping for foreign-flag ships. The loss of vital strategic seafarer jobs is not an unfortunate side-effect of the legislation; it is the very purpose of it. It is not an accidental by-product; it is the very reason for its existence. In fact economic think tank the Australia Institute found that 1,089 Australian seafarer jobs, or 93 per cent of the current work force, will be lost if the Abbott government’s coastal shipping legislation proceeds. This is a very serious threat for my home state of Tasmania, which is incredibly reliant on stable, reliable shipping services to link us to the mainland and the rest of the world. Official government modelling outlines the conclusion that this shocking legislation will see four of the six ships serving Bass Strait make a decision to sail under a foreign flag. It notes that if the legislation passes only 35 per cent of the crews on Bass Strait will be fully Australian. The remaining 65 per cent of crews are predicted to be what the government calls ‘mixed’. What the government is not so up front about is that there will be only a pathetic token requirement of two senior Australian seafarers in each mixed crew. Worse, these people do not even need to be Australian nationals.

In the same document the government notes the assumption that the two Spirit of Tasmania ships will remain Australian flagged. I was very concerned about this assumption and whether the local flagging of our iconic Tasmanian ships would be protected. So I asked the department at a hearing of the inquiry into the Shipping Legislation Amendment Bill 2015 on Monday whether there was anything within the legislation to guarantee that this would be the case. Their answer was very clear: no—there would be no protections. There would be nothing to prevent the government, if this legislation gets through, from registering these Tasmanian icons in another country. The other two regular freight services across Bass Strait are run by Toll and SeaRoad. The government presumes that its legislation will cause these companies to make the decision to foreign flag. Bass Strait shipping operator SeaRoad Holdings put in a submission to the inquiry into this bill, and national marine and terminals manager Dale Emmerton appeared before the committee on Monday night. There Mr Emmerton warned that if the bill proceeds the company may have no choice but to hire foreign workers, creating a massive redundancy liability. On this matter he said:

If you look at a worst-case situation where nobody is operating with Australian crews, then I assume that SeaRoad would be forced to respond to that and seek to lower cost by employing foreign crews. That, in itself, has some enormous impacts that have not been particularly well publicised—that is, what do we do with the 60-odd seafarers we currently employ?

The reality is that under the government’s plan for the wholesale deregulation of Australia's coastline to foreign-flag ships the local industry simply will not survive. Australian shippers, sailing under Australian flags with Australian crew being paid Australian wages, will not be able to compete. But this is not just about jobs; this goes to the very core of national security. A nation’s maritime capacity is a strategic strength that must be maintained. If Australia loses our maritime and seafarer skill base, we will put ourselves in a very precarious position. The Abbott government needs to cease this reckless course of action and turn its mind to creating Australian jobs and building up our industries. (Time expired)
Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (15:07):  
I too rise to take note of answers to the questions asked by Labor senators. I would like to follow up on the point that was just raised by Senator Urquhart. I agree countries do need to maintain their maritime capacity, which is why this government is investing heavily in our maritime construction industry and has brought forward the construction of future frigates and the offshore patrol vessel and announced a continuous build of naval ships so that we can actually provide that continuity and capacity in the industry.

I am intrigued by the opposition's comments in this area. Under the current coastal shipping legislation, which is legislation that they created in 2012, we have seen a 63 per cent drop in the carrying capacity of the major Australian coastal trading fleet. So despite the fact that we have seen an increase in the amount of freight that is carried, the number of ships has decreased from around 30 to around 15. There has been a large drop in that capacity under the legislation that the Labor Party brought in, and yet they come in here complaining that something that we are looking to put in place may damage the capacity. Well, that is already happening under the current scheme.

I also notice that some of the statistics that were used throughout the MUA's submission to the Senate committee referred to a $4.25 billion benefit in output and an additional 9,000 jobs under the current system on the assumption that there were 100 ships registered on the Australian international shipping register, and yet not a single ship has been registered on this register under Labor's system. So part of the problem is they are forecasting great things, but the reality is that under the system they put in place it just has not developed that way. And yet, in areas such as naval ship construction this government is investing money, unlike the previous Labor government, into making that a sustainable future.

I would also like to talk briefly about the response to questions from Senator Bullock, where he talked about employment growth. I want to highlight the fact that it is the actions of this government that have created more than 300,000 new jobs at a rate significantly higher than in the same period under Labor. Members opposite have made much of the fact that in recent times we have seen an increase in the unemployment rate. Again, I come back to the fact that statistics can be misleading. ABC journalist Michael Janda—and remember that the ABC are no great fans or advocates for the coalition generally—wrote in an article when those figures were released:

The reason why unemployment jumped despite much better-than-expected jobs growth is that the participation rate soared 0.3 percentage points to 65.1 per cent.

What that means is that the actions taken by the coalition government have created an increased confidence and expectation, certainly nationally. Unfortunately, I cannot say the same for my own state of South Australia, where, after 14 years of Labor government, we have the nation's highest unemployment rate because of the conditions there that are not favourable to people interested in creating jobs. Nationally, we are seeing this job creation and we are seeing an increased confidence, and so the measure of that ratio—the number of people in work versus the number of people looking for work—has gone up, yes. But we are also creating more jobs, which is a positive thing. That has come about because we have got rid of things like the carbon tax. Qantas attribute that as one of the reasons they have turned their profits around, because we got rid of the carbon tax. The mining tax has gone. And despite the peddling of fear by the opposition at the behest of the CFMEU, things like the
China free trade agreement will mean more jobs for Australians. The protections that are in place for Australian jobs are no different under the chapter 10 provisions to those that existed under Labor. There has been no change, and there will be no change under ChAFTA, to domestic legislation that impacts on when people from overseas can take jobs. The ChAFTA will be good for Australian jobs.

Senator GALLACHER (South Australia) (15:12): I rise to take note of the answer given by the Minister representing the Minister for Immigration and Border Protection, Senator Cash, to a question without notice I asked today on allegations of abuse at the Regional Processing Centre at Nauru.

I want to say at the outset that this is a really serious issue. For Minister Dutton to label the inquiry a witch-hunt before it started, for coalition senators to denigrate the excellent work done by the secretariat and the committee as a whole, is not only disappointing it is also deeply concerning. We are not talking about a to-and-fro issue here, we are not talking about political point-scoring; we are talking about human beings, the way they are being treated, their redress to justice and the law. We know that the tiniest republic in the world, Nauru—a place of only 10,000 people, with a GDP of US$112 million—has had this regional processing centre, negotiated and agreed to by both Labor and the Liberals, placed there. We know that the Chief Magistrate had his visa cancelled and left. We know that the Australian Federal Police officer charged with assisting and training the Nauruan police force had his position terminated.

We know that the Chief Magistrate, the Chief Justice and the Australian Federal Police, who were assisting the tiniest republic in the world to upgrade their justice and legal systems and their police force, have all been thrown out, so to speak. We know that it costs $8,000, which is non-refundable, for a journalist to apply for a visa, but there is no guarantee of getting there. We know that all of these things, collectively and combined, create an atmosphere of no transparency.

The allegations that we heard were not simply publicised; they were sent to the respective people concerned for their response to the adverse comment. If there was evidence that rebutted the allegations, it was published together with the allegations. It was a very careful process that involved almost all of the committee resources of the Senate. Advice was taken from all of the people who normally support this excellent committee system. We produced a report which includes some very serious recommendations. To have those decried or denigrated is deeply concerning to me as the chair of the committee and, I believe, anybody who served on that committee.

More importantly, we are talking about Australia. Australia is the best country in the world. We all know that. But we have to be seen to be doing the right thing. We have to show the world that we are doing the right thing. We cannot do that when we have an area where people cannot go and investigate. We cannot do that when we have allegations that the Nauruan police force lacks the forensic capabilities of adjudicating in a rape case and where there are no child protection laws. We cannot have a minister who is capable of looking the other way when human beings are not being afforded the basic principles of human dignity and the same rights that we would expect any Australian to have. We cannot have a minister looking the other way and saying, 'It's all down to the government of Nauru,' because we...
know from the evidence that the government of Nauru does not have the wherewithal in their justice, prosecutorial and police systems to do the things that need to be done.

There are allegations of people being raped, and they have not been acted on. There are allegations of child assault, and they have not been acted on. There are allegations of reprehensible behaviour by contractors paid for by Australian taxpayers, and no justice has been seen to be delivered there. We cannot have that. We are Australians. These people are entitled to humane protection under the spend of our taxpayers' dollars.

Take even our simplest recommendation—that when they are spending money in Nauru, they should be subjected to parliamentary scrutiny. That is what they are supposed to do, and they have not followed that. The most basic principles of transparency and probity have not been followed. It is reprehensible! The minister should enact every one of those recommendations. (Time expired)

Senator FIERRAVANTI-WELLS (New South Wales—Parliamentary Secretary to the Attorney-General and Parliamentary Secretary to the Minister for Social Services) (15:18): I rise also to take note of answers and, most particularly, to refute some of the comments that Senator Gallacher made in relation to his commentary on Nauru. The inquiry that was established by the opposition and their Green alliance partners was a politically motivated one. It was done to advance Labor's Left and Green opposition to Operation Sovereign Borders, which has stopped the boats. I know that they do not like that, but the reality is that the boats have been stopped and lives have been saved.

Senator Gallacher: It has nothing to do with that!

Senator FIERRAVANTI-WELLS: Senator Gallacher, I spent many years as a government lawyer doing my fair share of immigration work. This area is fraught with complexity. But it is also fraught at times with people making allegations. In this instance, it is clear that the inquiry brought forward little more than a series of vague, untested, unsubstantiated claims, lacking in credibility and amounting to little more than hearsay. Embarrassingly, Labor and the Greens could not even agree on a single set of recommendations for their inquiry, so Senator Hanson-Young from the Greens was forced to write an additional report to perpetuate her failed political claims.

Well before this political inquiry began, the government had carried out an independent review by the former head of the Australian Commission for Law Enforcement Integrity, Mr Moss, into allegations of inappropriate behaviour at the Nauru Regional Processing Centre. The Department of Immigration and Border Protection is implementing the review's 19 recommendations. Over and above the Moss recommendations, the government has established a child protection panel to provide independent advice on child protection in detention and has provided additional Australian Federal Police resources to assist the NPF.

It was the former Green-Labor-alliance government that filled the detention centres with men, women and children after 50,000 people arrived illegally on 800 boats over the six years of Labor government. We hear a lot from those opposite, but the reality is that 1,000 people died at sea. We did stop the boats. Yesterday's announcement in relation to the Syrian humanitarian crisis is a direct, positive dividend of having stopped the boats, because we are now able to make the sort of contribution that we are making for people who are genuine refugees under UNHCR processes and assist them to come to Australia.
Going back to the issues raised by Senator Gallacher: there would be no illegal maritime arrivals in detention today if Labor and the Greens had not opened the borders to people smugglers. Let me take you back to the dismantling of these programs. At that time, I was the shadow parliamentary secretary in the immigration area. I remember vividly Senator Evans dismantling 26 separate programs in the border protection area. What do you think that did to the fabric of a previously organised process? It gave free rein to the people smugglers. It is little wonder that they had a very successful business model, but we ended that business model, because we ended the illegal trafficking of people into Australia. We have stopped the boats, we have stopped the deaths at sea and we have restored integrity to our borders.

Senator GALLAGHER (Australian Capital Territory) (15:23): It is great to have the opportunity to take note of answers given. I want to confine my comments to the question I asked around paid parental leave changes that were introduced in the budget. It is appropriate that, two years on from this government being elected, we reflect on some of the language that the Prime Minister used at the time, prior to the election, about keeping commitments. He said he wanted to be known as the Prime Minister who keeps commitments. He said:

I will do what I say.

... ...

... we will keep the commitments that we make. All of the commitments that we make will be commitments that are carefully costed and the savings to fund them will ... be well-known well before people go to the polls on Saturday, September the 7th.

What we saw with the Paid Parental Leave scheme was certainly an overpromise in terms of what has been delivered. We saw the changes that were made to the very generous scheme that the Prime Minister went to the election with to one that was more focused and much more in line with the scheme that Labor had introduced which was working so successfully. We then saw some comments in the election campaign by the Prime Minister in the document entitled Our plan. The Prime Minister said:

Australia is one of only two countries where parental leave isn't based on a mother's actual wage. If people receive their actual wage while sick or on holiday, they should ... receive their actual wage while on parental leave. Parental leave is supposed to be a workplace entitlement, not a welfare payment.

We can see how the situation has changed in such a short time. That is what was said before the election and, in this year's budget, what started as a workplace right, a workplace entitlement, all of a sudden turned the same women into welfare cheats. The language was that these women were double-dipping and that their families were double-dipping. Words like 'fraud' were being tossed around and words like 'rort' were being tossed around. In fact, the Prime Minister, in his press conference after handing down their budget, singled out the ACT, of course, because we are a fair target. He said:

For instance, here in the ACT, there are lots of Commonwealth public servants who have quite a generous paid parental leave scheme. Why should there be double-dipping—once, as a public servant and another ... through the social security system?

With that, he attacked hardworking public servants. At the same time as he was doing that, the nodding senator, Senator Seselja, the resident ACT senator, stood behind the Prime Minister, nodding away. Actually, the smile that he usually has on his face did wobble just a little bit as the Prime Minister launched his attack on Canberra public servants, because I think it did pass his brain that his constituents were being openly targeted by the Prime
Minister. Nonetheless, there he was, still nodding away and congratulating the Prime Minister on such a wonderful attack on Canberra public servants. Then we saw, in the Senate committee that is now looking into it, the distress that this sort of language has caused women who have previously been unable to access this entitlement. There was the evidence of Sandra Croft, who appeared in a personal capacity to talk about how distressed she was at the language that was being used by the Prime Minister and senior ministers.

We did see one of the first cabinet splits post the budget on this issue, with Senator Sinodinos and Malcolm Turnbull distancing themselves from the poisonous language that was being used as the government went on a rampage attacking the rights and entitlements of women and families who were having a baby. Just two days after the budget was handed down, we saw quite a number of coalition members distancing themselves from that language, but by then the damage was done. Women who had previously had a universal entitlement to top-up payments that supported the employer funded component had been singled out by the leader of this nation as double-dippers, welfare cheats and rorters. The damage was done and it remains today. The language might not be used, but it is there in the budget papers describing the savings—‘stopping double-dipping’. It is there for all to see. This impacts on women who are quite rightly trying to access an entitlement. They will remember this the next time they cast their vote. (Time expired)

Question agreed to.

Trade with China

Senator WHISH-WILSON (Tasmania) (15:28): I move:

That the Senate take note of the answer given by the Minister for Human Services (Senator Payne) to a question without notice asked by Senator Whish-Wilson today relating to the China-Australia Free Trade Agreement.

In the address-in-reply of this government to the first Governor-General speech, they said that they would hang their hats on being the government of free trade deals. I will give them that much credit. Since they have come into government in the last two years, they have signed three trade agreements and are very close to signing a fourth, and there are another three, if not four, in the wings. What fascinates me is that every day over the last two weeks I see multiple articles in the Financial Review and in News Limited media that these trade deals are the signatory achievement of this government, will rescue this country and will deliver billions of dollars worth of stimulus, wealth creation, revenue and tens of thousands of jobs. For those in this chamber, you would have to be living under a rock if you have missed the 15 dorothy dixers this week just on the Chinese free trade agreement.

I thought I would do a bit of homework on this, because it fascinated me, having studied the treaty process in this country where trade deals are negotiated, that the Department of Foreign Affairs and Trade—who are the proponents of these deals—do a national interest assessment themselves. That national interest assessment comes up with a set of numbers and they are the numbers that are being banded around by some in the media and the government in their responses to their own questions this week. The truth is that they are total BS. The reason they are total BS is that I asked Treasury if they forecasted any benefits from these trade deals into their GDP forecast. I have taught economics at university and I understand that for GDP and the way it is measured that a significant component of that is net trade. Trade is an important component of economic growth. So I presumed when we were hearing
about hundreds of billions of dollars of benefits that we would have these things implicit in our forward projections for economic growth. Treasury said no, that they do not forecast these things.

So I went to the deputy head of DFAT and the head negotiator in the these deals, and I asked why. I said, 'Why don't you give this information—that is shoved in our throats by this government every chance they get—to Treasury so that they can utilise it in their forward forecasts for economic growth?' I will read you the response. The deputy head of DFAT said that while acknowledging that there are opportunities—and I acknowledge that there are opportunities in these trade deals in different industries for different businesses; there are absolutely are, but there are also costs to these deals that we do not acknowledge—overall what she talked about in terms of GDP was:

From an economy-wide GDP modelling perspective, the parameters would not be significant enough to alter Treasury forecasting.

Here we go, this is one of the key proponents of these trade deals that our government has been signing. They do a good job. That is what DFAT is supposed to do: if they get told by the government of the day to and go out and sign trade deals, that is what they do. But she was saying they were not significant enough to be incorporated in our economic growth forecasts.

Why is it that we have not heard this in this chamber this week and in these media outlets, that unquestioningly report the same numbers they are given by the government's media departments? Why is it that we do not forecast these benefits? Because there is no certainty. While trade deals might be opportunities, they get sold as being certainties in this country by the politicisation of these deals—because this government has nothing else to show for its economic management, and that really frustrates me. Then we have issues about Labor standards, we have issues about corporations having the right to sue governments.

I want to finish on quote from Nobel prize-winning economist Paul Krugman, who was here a few days ago. When he was asked about the Chinese free trade deal, he said that while he supports trade, he was sceptical of the benefits of bilateral agreements such as the one between China and Australia. He said:

They were often misleadingly pitched as something that must be done 'for the national good', he said. It isn't really—it's not going to have any major impact on GDP per capita.

The Productivity Commission has said the same thing about bilateral trade deals or preferential trade deals, yet it is the only thing this government is running on going into the Canning by-election—hanging its hat on trade deals that really are furphies at the end of the day. (Time expired)

Question agreed to.

COMMITTEES

Education and Employment Legislation Committee

Additional Information

Senator RUSTON (South Australia—Deputy Government Whip in the Senate) (15:34): On behalf of the Chair of the Education and Employment Legislation Committee, Senator
McKenzie, I present additional information received by the Education and Employment Legislation Committee relating to estimates.

Regulations and Ordinances Committee

Delegated Legislation Monitor

Senator RUSTON (South Australia—Deputy Government Whip in the Senate) (15:34):
On behalf of the Chair of the Senate Standing Committee on Regulations and Ordinances, Senator Williams, I present the Delegated Legislation Monitor No. 10 of 2015.

Ordered that the document be printed.

MINISTERIAL STATEMENTS

Global Economic Outlook

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (15:34): On behalf of the Treasurer, I table a ministerial statement on the global outlook and the Australian economy.

MOTIONS

Syria

Senator LUDLAM (Western Australia—Co-Deputy Leader of the Australian Greens) (15:35):
At the request of Senator Siewert, I move:

That parliamentary approval should be required for Australian forces to be deployed to Syria.

You would be aware, I think, that the first bill that I introduced when I came into this place in mid-2008 was to pick up a bill by the former Democrat Senator Andrew Bartlett on parliamentary approval for Australian troops to deploy into conflict zones. It was a bill that had been on the Notice Paper in this place in one form or another since the mid-1980s. I acknowledge the work, in particular, of the former Clerk of the Senate, Harry Evans, who was a long-time advocate for the transfer of what is called, somewhat casually, the ‘war power’ from the executive to the parliament.

This may sound a little bit dry and anodyne but what it means in principle and practice is this: at the moment there is nothing at all preventing the Prime Minister of Australia, on the advice from a very small handful of individuals, from deploying the Australian Defence Force into a theatre of war on the other side of the world, no matter what the consequences—without thinking through the strategic situation, without thinking through the risk to those on the ground, without thinking through or properly evaluating the risk to the personnel that we would be sending overseas or whether our participation in such a conflict would make matters worse. I am very strongly of the view, as are many other supporters of the proposal for parliamentary approval that that decision should never again rest in the hands of the Prime Minister alone.

I made a deliberate decision not to bring that war power bill back for debate in this chamber. It has been debated and voted on twice. It has been defeated twice by the government, voting in concert with the opposition, because the executive prefers to keep this power to itself. I am very strongly of the view that the bill and many of the arguments for it have been thoroughly misrepresented by its opponents, and I will go into that in a little bit of detail this afternoon.
The principal argument is the lessons of 2003, when Prime Minister John Howard committed Australian forces to the illegal invasion of another country on the other side of the world. That resulted in the unravelling of the security environment in Iraq and other consequences that, in part, we are grappling with today. The vicious insurgency that has emerged and evolved almost in viral form into something that now calls itself a state—and, indeed, as some analysts have pointed out, exhibits some of the characteristics of a state—was born in that cauldron of hideous sectarian violence in Iraq, particular during and immediately after 2006.

That decision to invade Iraq was based on false pretences. It was not because intelligence services read that situation wrongly, which is what they have been, I think, quite unfairly blamed for doing, but because politicians warped and twisted the defence and intelligence reports that they were being given by entities such as the ONA here in Australia and their counterparts in the United States and the UK, to suit a predetermined political agenda, which was to unseat Saddam Hussein and remake the Middle East in the image of secular Western democracies. Well, hasn't that been a resounding and spectacular success! If we needed more of a profound argument as to why the decision to send Australians into war should be made by the parliament, here in the Senate and in the House of Representatives, it is that grotesque miscalculation in 2003. To then turn around and pin the blame on our intelligence services, saying, 'They got it wrong; let's hold an inquiry into how they got it wrong,' really compounds the injustice.

I decided, however, that this motion today should stand alone, as it represents the principle that the Australian Greens and our allies inside and outside this parliament, picking up where the Australian Democrats left off, have been arguing for years—that this parliament is the proper place for those decisions to be made.

But I want to make this distinction very clear at the outset: once a decision has been made to deploy Australian forces into a conflict, parliament should not involve itself in tactical or battlefield decisions. That was not the purpose of the bill. I say that because I have no doubt that government and opposition senators will shortly be filing in here and telling us that parliament is not qualified to conduct a war on the other side of the world—and it isn't. Those are strategic and tactical decisions for military commanders in the event that a deployment is considered justified and necessary. However, the decision to participate in a war by choice, which is what this is, is a political decision, and it is my firm view that, before we line up in front of flags and farewell Australian service personnel who may not return or who, if they do, may return broken, we should sign our names to such a decision in this place if we support such a deployment and that we should consider very, very carefully the consequences for not just those that we send overseas but also those who will be subject to that Australian military commitment on the far side of the world.

Here again we see more than a decade later, 12 years later, a Prime Minister, having clearly made up his mind already, unilaterally committing Australian personnel to the Syrian civil war. I heard the comments that Mr Abbott has already made and those of the defence minister this morning, and they were almost unbelievably vague as to the intent of this deployment or its necessity, its purpose, its outcome, its objectives, its legality. 'Vague' barely does it justice. How long will we be there? What are the success criteria? Can you demonstrate in any meaningful way at all—and I genuinely invite a response to this from government senators
and senators on the Labor Party side who again have uncritically signed off on this and simply
failed to turn up to work—that this will not make things worse? It is the view of not just the
Australian Greens that hurling Australian munitions into the Syrian civil war will make things
worse. It is also the view of many others in the diplomatic community and in the defence
community here and overseas that Australia's involvement would not be that of another
foreign combatant merely trying to do our bit to preserve the global order and that it may in
fact be precisely the wrong time for another foreign power to intervene militarily in the Syrian
civil war.

On the news wires just before I came down here, there appears to be confirmation that the
Russian government, which has long been understood to be providing weapons, training and
substantial material support to the Assad regime, now has, in the vernacular, boots on the
ground, that Russian forces are in fact engaged against parties that are as yet unknown, and
that US Secretary of State John Kerry has talked a number of times to his Russian counterpart
expressing extreme concern on the part of the United States government that yet another
foreign military party is now engaged in the Syrian civil war. Mr Kerry's comments, in my
view, are justified and accurate, in that for any power to take a good look at what the Assad
regime has done to its own people since March 2011 and then back it uncritically, as the Putin
regime has done, is utterly unconscionable. Yet Mr Kerry's warning could just as equally
apply to Australia's government as to the Russian government—that this is not the time for
the further escalation of military violence inside Syria; this is the time for demilitarising that
benighted country, as locals on the ground are attempting to do. I see Senator Back frowning.
I will let you speak for yourself, Senator Back.

There are indeed the first tentative signs of regional ceasefire zones inside Syria that locals
on the ground, secular and otherwise, are attempting to widen into a so-called freeze across
certain parts of the country where, for sometimes quite brief but in some instances longer
periods of time, fighting ceases, allowing aid agencies or locals to get food and other supplies
in to those who have been suffering horrific adversity that most of us in here could not even
imagine.

The United States does not have clean hands in this regard either. Analysts have taken the
time to look at the state department cables that were released by WikiLeaks, and it is
fascinating to look at what the United States administration was doing in 2006. I will quote
briefly from Robert Naiman, one of the few analysts who has actually taken the time to go
through the WikiLeaks state department cables and analyse what the US government foreign
policy was in Syria at the time that President Bush was desperately trying to contain, with a
troop surge, the extraordinary sectarian violence that was unleashed across Iraq around 2006.
This is what Mr Naiman says:

This cable suggests that the U.S. goal in December 2006 was to undermine the Syrian government by
any available means, and that what mattered was whether U.S. action would help destabilize
the government, not what other impacts the action might have. … In public, the U.S. was opposed to
"Islamist extremists" everywhere, but in private the U.S. saw the "potential threat to the regime from the
increasing presence of transiting Islamist extremists" as an "opportunity" which the U.S. should take
action to try to increase.

There you have it. The consequences of that now unfold. It is not the United States
government paying the price; it is the not the Russian authorities paying the price; it is the
people of Syria.
He goes on to say in the WikiLeaks files:

… in December 2006, the man heading the U.S. Embassy in Syria advocated in a cable to the Secretary of State and the White House that the U.S. government collaborate with Saudi Arabia and Egypt to promote sectarian conflict in Syria between Sunni and Shia as a means of destabilizing the Syrian government.

Further, he says:

U.S. public disgust with the sectarian civil war in Iraq unleashed by the U.S. invasion had just cost Republicans control of Congress in the November 2006 election. The election result immediately produced the resignation of Donald Rumsfeld as Secretary of Defense. No one working for the U.S. government on foreign policy at the time could have been unaware of the implications of promoting Sunni-Shia sectarianism.

And now we see that not long afterwards, less than a decade later, Syria itself ripped apart, as Iraq has been, not through an active campaign of bombing and shock and awe and mission accomplished, as we saw unfolding over the skies of Baghdad in 2003, but quietly with weapons, with cash, with support, overt and covert, not just for the moderate democratic forces or the Free Syrian Army, as has been on the record for years, but for quite vicious Islamist subgroups and splinter groups that have now ripped that country apart.

Australians and others who have watched Syria effectively bleed to death since March 2011, I would propose, bear some foreign policy responsibility, as does the Iranian government, as does the Russian government and as does the Turkish government, who have used this entire horror show as an excuse to simply persecute Kurdish minorities inside and outside of Turkey. Nobody has clean hands, yet it is the people of Syria who have paid the price.

So are we tilting at windmills to imagine that there is any kind of peaceful solution to what is going on in Syria or, indeed, in Iraq at the moment? My colleague Senator Hanson-Young and some of her colleagues and allies in this parliament, who have put political differences and allegiances aside to argue and advocate in the cause of the asylum seekers and those refugees fleeing—not in their hundreds of thousands but in their millions—from Syria and from Iraq, yesterday heard from the UNHCR's lead in the Middle East and North Africa. One of the things that he told us—as many in this place, staff and journalists who participated in that briefing, will know—is that there is simply no military solution. There is no military endgame in Syria—and recent history surely teaches us that. Rather, we need to be looking towards a peace process. Those were the words that he used. He cannot undertake his mission in protecting those people fleeing from the Syrian civil war, without a peace process. As far as that may seem from the post-apocalyptic scenes that Syrians have experienced and have fled from, as far as that process appears to be from where we are today, it is incumbent upon us in this parliament, whether or not we support the Prime Minister's reckless and counterproductive deployment of the ADF into the skies over Syria, we should surely be doing everything that we can to promote demilitarisation and de-escalation of violence inside Syria. It is something that I believe my colleagues will be drawing out in a little bit more detail, but let us speak for the moment from some of those others who have had long experience in these matters—certainly longer than me. Former Foreign Minister Gareth Evans said:

… trying to drain the Middle East swamps through military action is, we should know by now, more likely than not to be counterproductive.
It is not every day that I quote former Foreign Minister Gareth Evans in here.

The UN commission of inquiry into the conflict in Syria led by Paulo Pinheiro said:

... a resonant cry for peace and accountability rings out.

... the war is increasingly being driven by international and regional powers, primarily in accordance with their respective geostrategic interests.

The competition among regional powers for influence has resulted ... in an alarming exacerbation of the sectarian dimension, instigated by the intervention of foreign fighters and extremists clerics.

This is what Australia is now implicated in. We could have played a profoundly positive role in the de-escalation of the conflict inside Syria, but instead we send F18s.

It is my firm view that this action does not make Australians any safer at all, and I think my colleagues will probably take up that thread in their contributions.

While the focus, however briefly, of the global community is on the safety of the Syrian people, I think it is worth continuing along these lines of argument: how do we deescalate the conflict? How can everybody in a non-partisan way in this place do our bit diplomatically, globally, with those powers that we do have engagement with—ally like the United States government, allies like Turkey and allies like Saudi Arabia?—as distasteful as many us might find that concept. How do we de-escalate this conflict?

Many groups and commentators are now turning to de-escalation through local ceasefires as possible measures to address the conflict. These are not theoretical, as I was outlining before. These exist in a small way already on the ground. Most famously advocated by the current UN mediator, Staffan de Mistura, the idea is to spread local and often quite organic grassroots ceasefires until there is a 'freeze' in the conflict across the country and eventually political reconciliation. One brief example: Turkey and Iran have been involved in negotiating a brief, 48-hour ceasefire in Zabadani, a rebel-held town near the Lebanese border that was besieged by Hezbollah for many weeks. It adds to recent signs of new efforts in the region to end the diplomatic deadlock. I think it is quite powerful and important that it is local people on the ground inside Syria who are driving the demilitarisation. Because so many regional powers, including Australia, now have a part in this conflict, diplomatic engagement amongst regional powers is required to make the ceasefire stick.

Steven Simon, the United States National Security Council's senior director for the Middle East and North Africa between May 2011 to January 2013, and Jonathan Stevenson, the NSC's director for political military affairs between November 2011 and May 2013, put it this way:

The most realistic short-term policy goal in Syria is to find ways to limit the areas of the country in direct conflict, with the aim of both containing extremist violence and significantly reducing the number of non-combatant deaths. This goal is not as far-fetched as it sounds, and there is already a basis for pursuing it: through a series of local cease-fires that could, if properly implemented and enforced, provide a path toward stability in several regions of the country, even as conflict continues elsewhere. In particular, clusters of cease-fires around Hama, Horns, and Damascus, and possibly Aleppo, could help end the conflict in a larger region along Syria's principal north-south axis, bringing a degree of normality to daily life in a vital sector of the country.
That is how the UNHCR is able to do its job. That is how it is able to then bring aid back into the country with partners. Australia could play an immensely powerful role in doing that and then deliver aid to the people who need it most. It is aid that we should be dropping into that country, not more munitions.

I look forward to hearing the contributions of other senators in this debate, but I would have thought the proper time for this debate would have been before the deployment, not after. I think it is extraordinary that the Australian Labor Party will say one thing in the House of Representatives and in various interviews on television—"We're pro bombing. We're just going to let the government go ahead with a blank cheque and report to parliament at its leisure and let us know how it's all going.' That was effectively the essence of what Mr Shorten told the country. Then Ms Plibersek in the media last night, quite correctly, expressed in the extreme similar kinds of concerns to what I have expressed this afternoon—that we are inflaming an already volatile situation. Where are the opposition today? Where are they? The proper time for a debate in parliament about the deployment of the ADF into a war zone on the other side of the world was before that deployment, not after it was already underway.

We do not know where this is going. The Abbott government has provided us with no rationale, no exit strategy, no endgame and no success criteria. We do not trust the government's motives. Nor do we trust its competence to carry out any kind of productive military intervention into the Syrian civil war. The solutions lie elsewhere. That is what this parliament needs to be engaged with today and in coming months.

Senator BACK (Western Australia) (15:55): I rise to speak to the motion of Senator Siewert that parliamentary approval should be required before Australian forces are deployed in Syria. I had the opportunity to listen to Senator Ludlam's contribution on this, as was his right to make, but he moved beyond that particular topic. I was very interested to hear his contribution. Nobody would have any argument at all with the motives expressed by Senator Ludlam—and that is that, in the case of Syria, Iraq and other countries in the region that are in the midst of such turmoil, of course we need to be trying to move towards a circumstance initially at least where there would be protection zones where civilians can be protected, can gather and can be the recipients of aid and where those providing them with that aid themselves can be safe, eventually moving towards a longer term peace in that region. But we are not in that situation yet. What we do in the meantime?

I had the opportunity of being at the United Nations from the period of September to December 2013 when Australia was a member of the Security Council. I had the opportunity to participate in both open and closed meetings of the Security Council. At that time President Obama was doing everything he could with his government to achieve a resolution with the Assad regime other than a military one. I vividly recall an interchange between the Russian Ambassador to the UN and the American Ambassador to the UN. The allegation was made at that time that chemical weapons were being used. President Obama said to his Secretary of State that a line in the sand existed and that, if chemical weapons were used, it would cause a change in the policy of the US in that region, having regard for the fact that there was a strong incentive and desire on the part of all parties to try to reach a peaceful resolution. The American ambassador made the comment that the chemical weapons were being used by the Assad regime. The retort by the other side was, No, no, no. It's not the Assad regime that is using the chemical weapons; it is their opponents.' I will never forget the startlingly obvious
comment by the US ambassador when she said, ‘Yes, that makes a lot of sense! Those opposed to Assad have broken through the lines of the Assad regime. They have broken into the military storage. They have found the chemical weapons. They have loaded them onto delivery systems. They have fired them. Then they have rushed back to wait to be the recipients of these chemical weapons.’ Her derision was so prescient.

I have no difficulty at all with the motives—and I concur with them—expressed by Senator Ludlam. It should always be our objective—and it is the objective of all parties—to find a resolution to this conflict. But subsequent even to the time I spoke of in October 2013 we have had ISIS, or Daesh, active in this region—Iraq and Syria. That has added a totally new and different dimension to this conflict.

If you reflect on the fact that, as I understand it, President Assad is a dentist—it is my understanding that he studied and qualified in the United Kingdom; his wife is British—one would have hoped that a person of that background, with the influence around him, may well have been amenable to some sort of persuasion to find a non-military solution.

I do not know how many in this chamber have had the opportunity to meet with, spend time with and live with Syrian people. I have only had a very limited opportunity of some three or four months, when I hosted a group of agricultural scientists from Syria in 2003. I found these people to be thoroughly decent, highly-qualified, conservative and respectful. I remember showing them agriculture in the Eastern Wheatbelt, at Merredin, and telling them somewhat proudly that agriculture had been practised on this farm for some hundred years. Dr Mohamed Tarabein came up to me—a man who looked a bit like a great big basset hound—and said, ‘Dr Chris, agriculture in my country of Syria has been practised in the same area for 2,000 years.’ He wanted me to know the depth of their civilisation and culture. They are a proud people, they are a professional people and they do not deserve what is happening to them at this time.

Whilst I acknowledge, recognise and agree with the sentiments of the previous speaker, in terms of our demand and need to protect civilians, to find protection zones and to coalesce them into areas of safety for civilians and aid workers, until such time as we get to that stage I believe that we, as one of the world's leading developed countries, have no option other than to play our part in countering and trying to bring to the table, through military means if need be, those who are opposed to each other.

I come now to Daesh and ISIS. Having mentioned Assad and his background, and achieving little hope or help in that regard, heaven only can reflect on Daesh, an organisation that would take a Jordanian pilot, put him out in the middle of a square in a cage, in full view of the world community, and set fire to him. Set fire to him! What is the sort of thinking of a group of people who can try to eliminate a whole culture? Who can rape; who can force girls and women into sexual slavery and marriage? Who can behead people? In the recent case of the desecration of ancient sites at Palmyra, an 82-year-old archaeologist, who as I understand it had devoted his life to the protection and preservation of those priceless assets, was not just deported, not just killed mercifully or humanely but beheaded! Let's be under no illusion in this place at this time about what we are dealing with.

Australia is not taking a lead role in this process; it is taking a contributory role. I do not propose in my contribution to address necessarily the question of Australians—those resident in Australia and those with Australian citizenship—who have been or who are still keen to
leave our shores to go to fight with this horrible group of people. It is not the subject of Senator Siewert's notice of motion moved by Senator Ludlam. I do want to address myself for a moment to the specific words, but before doing so I acknowledge the comments that Senator Ludlam made about the contribution of the Russians. The Russians have been long and strong both as military advisers to the Syrian regime and as providers of military hardware for many, many years. I am not sure what the significance of the current elevation in communication between the Russians, the Syrians and the west is. I have not got my mind around whether that is significant or whether it is just a recognition of an ongoing process. There is no doubt that Russian advisers, Russian weapons and Russian ordnance have long been associated with the Assad regime, but I do not think at this moment that it is only the Assad regime causing the conflict in that country.

I come now to the question as posed by Senator Siewert, that there should be full parliamentary approval before Australian forces are deployed to Syria. I take issue with that conviction. In our parliamentary system it is the role of the executive to make these decisions, harsh and serious as they are. I consulted with a past active service military officer in forming the comments that I want to make. Before doing so, I will defer to the sentiment expressed by Senator Siewert, and that is to say that in this place and in fora such as Senate estimates there are always opportunities for any senator to raise any questions associated with issues of concern in terms of the background of the decision—in this case, the decision to send our personnel over to Syria or into any war zone. Of course, Mr Acting Deputy President, as you know and I know well, the benefit in Senate estimates is that we have not only Senate colleagues but indeed the senior military and departmental people available to us.

It is the case that the decision making, in circumstances such as these, can and must be made by an executive, a small team, who have available to them the information out of Joint Operations Command, for example, out here at Bungendore; the advice available to them from the Chief of the Defence Force, and, in turn, the chiefs of Army, Navy and Air Force. We know very well that decision making has a time circumstance associated with it. We know that it is a fluid process in a military zone. We know that the information that is available is often highly confidential, coming from alternative sources—information that must be sieved; information that must be examined and processed by the Chief of the Defence Force and those reporting to him and advising the executive. It is not possible, in the heat and the ongoing activity in a war zone, for such matters to be the subject of full parliamentary approval and debate.

Senator Ludlam: But congress does.

Senator McKim: It happens all over the world.

The ACTING DEPUTY PRESIDENT (Senator Whish-Wilson): Order!

Senator BACK: Thank you. It is the case, under our system here in Australia, long established, that it is the role of the executive.

I want to make this point: a point related to the safety and security of our personnel—our Australian Defence Force and their support personnel—in war zones. Information that becomes available and must be kept confidential may well, if allowed to be more widely canvassed, explored and debated, have the capacity to put our own personnel at risk.

Senator McKim: Rubbish!
Senator BACK: It's not rubbish! I had occasion only three weeks ago to spend a few days at RAAF Base Amberley and during that time met personnel from both No. 1 and No. 6 Squadron, and, in the case of No. 1 Squadron, those who had recently returned from the theatre of action in Iraq and also those associated of course with the operations and support of our KC30 refuelling aircraft and our Wedgetail communications aircraft overflying that zone.

It was interesting to have a conversation with those officers and other personnel, just in terms of: 'What is Australia's role? What information is made available? And what information do they actually provide? What is the level of safety and security for these personnel?' We discussed that in great detail because, as a member of the defence family, one can only have the highest concern for what may well happen to our personnel should they fall into the hands of the other side. I also spoke to them about what our capacity may be should the requirement be there to extend the involvement, as indeed has now been made by the Prime Minister.

Mr Acting Deputy President, as you know, to date, we have six of our FA18 Hornets and the refuelling aircraft and the communications aircraft; we have support personnel on the ground—although not, obviously, in a combat relationship. In association with the New Zealanders, we are operating in a Building Partner Capacity mission in Taji, north-west of Baghdad. And I know of no circumstance in which it is intended that the activities of that particular group will change over time.

I mentioned the importance of our serving personnel. We have obviously come out of theatres in Iraq and subsequently Afghanistan where indeed our personnel were involved in active combat service. I come back to the point that I made a moment ago: that, for the security and the wellbeing of those personnel, decision making back here in Australia has to be done by senior personnel with access to the best information, timely information, and, indeed, in cooperation with other forces with whom we are working.

It is fair to say that the Obama administration, I believe, has tried the non-military route. I spoke earlier about the issue with chemical weapons, and I guess it is really that that caused them to move in the direction that they have.

It was interesting to hear the Attorney-General today responding to questions associated with the collective self-defence argument. He presented four instances and he made the observation, in answer to the question, I think, from Senator Johnston, that indeed Australia does meet each of those four conditions. And if there are those in this chamber or beyond it who want to challenge the assertions of the Attorney-General, then of course they have the obvious opportunity to do so, both in this place and, shortly, in Senate estimates.

It is also, I think, to the credit of this country that the decision has been made to take these 12,000 extra people from Syria, emphasising that these are permanent resettlements. It is not a short-term asylum circumstance where, should that situation change in their home country, they would be able to return home. It is likely—certainly, with my support—that those who will be targeted for location to Australia would be the women and children and families of persecuted minorities who will be unable to return, regardless of if and when peace and stability return to their country, and they will be made welcome.

This is a generous offer by this country. I am delighted to learn that it has support right around this house. It seems to have support within the wider community and I know that each of the states has put their hand up to say they are behind it. At the end of the day, however, it
is not the role of parliament to approve the deployment of personnel; it is the role of the executive acting on competent professional military advice.

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (16:15):
Labor will not be supporting Senator Siewert's motion to require parliamentary approval for the deployment of forces to Syria. I have, as have my predecessors, explained our reasons for this on a number of occasions. The reasons I give today will be consistent with the reasons I have spoken about before.

I would like to begin by expressing my support for the ADF personnel currently involved in operations throughout the world. They are doing great work and, as always, they are undertaking their tasks with great professionalism.

It is the role of parliament to debate issues of concern and to act as a focal point for discussions which take place in the Australian community. That role is particularly important when we are discussing issues like the deployment of Australian Defence Force personnel. As I have said, Labor fully supports the role of parliament as a place of debate. This is why, when Labor announced its support yesterday for the extension of Operation Okra into Syrian airspace, we called on the government to outline to parliament their long-term strategy for the defence of Iraq and to allow for appropriate parliamentary discussion.

Senator Di Natale: How is that going?
Senator Ludlam: They don't have one!

Senator CONROY: I am not going to miss out on drawing attention to the fact that that has not happened. The government has previously given commitments that it would keep parliament updated on national security matters. It has been a while since we have had an update, so I do again call on the government to come into the chamber, outline developments, outline the reasoning and allow a debate to take place in the parliament. I said yesterday that the parliament, the community, the people of Australia all want the government to do the right thing—to come in and have the discussion in both chambers of parliament and allow all political points of view to be expressed. It would be a robust debate. There would be many differing points of view. But this country would be better off if those opposite kept their word—the promise given by the former Minister for Defence in this chamber that they would give regular updates. I again urge the government, in the spirit of bipartisanship, to come in and keep their promise.

This requirement should not, however, be confused with requiring parliamentary approval. The role of the parliament in approving military action is fraught with danger. The government must retain maximum flexibility to respond to threats to Australia's national security quickly and efficiently. Requiring a statement from the government prior to deploying ADF personnel and assets could unnecessarily increase the risk to the deployment. Furthermore, the government of the day has access to classified information which this parliament does not and, given the nature of that information, cannot have. Australia's defence and national security agencies provide information to the government which must remain secret for a whole range of reasons, including the safety and security of our ADF personnel. A requirement for parliamentary approval could also create situations where ADF personnel are deployed to a warlike environment without appropriate legal authority or important legal protections.
In 2010 Adam Bandt introduced a bill on this very issue. It was referred to the Joint Standing Committee on Foreign Affairs, Defence and Trade. The committee report highlighted a number of deficiencies with the operation of the bill in practice, deficiencies which—to this day, five years later—have still not been addressed. The Senate committee found that the 2010 bill 'leaves too many critical questions unanswered' and 'may have unforeseen and unfortunate consequences'. Executive government remains the most appropriate body to exercise civilian control of the Australian Defence Force.

The Greens do themselves a great disservice trying to conflate these two issues. It is appropriate for the parliament to debate government decisions that involve the deployment of ADF personnel, but that should be done in a considered way. I recommend to the Greens that they read the Labor views from that Senate committee. If they have not read them, they should. They contain some excellent contributions from some of my current and former colleagues. We will not support this motion and we urge the Senate to reject it.

Senator DI NATALE (Victoria—Leader of the Australian Greens) (16:20): Before I begin on the substance of Australia's involvement in Syria, I will refer directly to Senator Siewert's motion, which talks about the need for parliamentary approval before there is any intervention in Syria. The question is whether we should be having a full, frank and open debate in parliament and whether we should require parliamentary approval before there is any intervention.

I reflect on the time I have spent in this place and on some of the debates we have had. I think about the narrow, partisan debates; I think about the 'matter of public importance' debates that are nothing more than an opportunity for one side of politics to attack the other; and I think about question time and the time wasted with dorothy dixers and non-answers. I think about all that enormous waste of time in this parliament—and then I think how now we have an opportunity to discuss something of huge importance, something that involves risking the lives of Australian men and women in the name of an intervention that might make Australia itself a target. In the words of Clive Williams, adjunct professor at Macquarie University:

In the words of Clive Williams, adjunct professor at Macquarie University:

The more we do militarily in the Middle East against IS and announce it publicly, the more likely it is that its acolytes will try to mount attacks in Australia or against Australians in Muslim countries. So let us be clear about what is at stake here. What is at stake are the lives of Australian service men and women, and there is the potential to increase the likelihood of all of us in Australia being targets, not to mention the countless civilian deaths that may be sacrificed as a result of Australia's involvement, and yet we are denying the Australian people an opportunity to hear debate in this the Australian parliament. It is remarkable that we would prioritise some of those inconsequential issues that take up our time in this parliament and yet deny parliamentarians elected here to represent the people an opportunity to hear about why it is so critical that we put those lives at risk and why we potentially make Australia a target for terrorists. It is utterly remarkable. Making a decision like this is subject to all sorts of influences. It is always difficult to be clear about the motives of people in this place and I do not for a moment intend to contribute specific motives to anyone, but the mere fact that it is possible that a Prime Minister could use a conflict like this in order to further their own
political self-interest—just the fact that it is possible—is reason alone for us to ensure that this is a debate of the parliament and are not a captain’s call.

So far we have heard that this is a conflict of questionable legal basis. We understand that in fact it may be possible that what we are witnessing here is an illegal intervention. A number of people have indicated that there is no sound legal basis for our involvement. What we may see is that ultimately Australians who are involved in this conflict are forced before the International Criminal Court to justify their actions. Michael Cornish, the Australian academic and former lecturer in peace at the University of Adelaide, says:

Any Australian intervention in Syria would clearly be illegal under international law. The practical benefits of bombing Syria are limited, if any.

He then goes on to talk about the moral debate. So we have academics and people who have had experience in international law questioning the mere legality of this conflict. When we look at what we do know about what the government has indicated about its strategy, we realise that we know very little. We do not know about the numbers of people involved or the time that will be involved. We have heard conflicting accounts—we hear two or three years on the one hand, from the defence minister, and we hear a commitment that is open-ended from the Prime Minister—as long as it takes. It is scary because we have heard those words before and we know where they have taken us. We have not had any discussion about the costs of this conflict. We have had no discussion about the alternatives and whether alternatives have been considered. We do not know what success looks like. It has been argued that success looks like an end to the genocide, but what does that mean? What is an end to the genocide? The Prime Minister says that success looks like an end to terrorism being exported overseas. What does that mean? How on earth do we judge whether we have had success when we do not know what success really looks like? There is no exit strategy. There is no strategy overall. It does bring back memories of the debate we had on the intervention in the Iraq War, and it feels very much like we are going into another conflict with no plan and no clear exit strategy, potentially making a bad situation much worse. We only have to look at what other parliaments around the world do. In the UK parliament—a democracy not unlike ours—the Canadian parliament and the French parliament there has been frank and open debate before any commitment has been made to sacrifice service men and women in the name of this sort of conflict.

Let us talk about the substance of what we do know, let us talk about the substance of this military intervention, and let us look at what a number of people who have been contributing to the public debate have said. My colleague Senator Ludlam has said already that former foreign minister Gareth Evans has made it very clear that he believes, in a way that only he could frame it, that 'trying to drain the Middle East swamps through military action is, we should know by now, more likely than not to be counterproductive.'

So what are the alternatives? We do know that there have been a number of commentators and groups who are turning to the notion of de-escalation through local ceasefires, and we have seen some progress in that area. That progress is moving slowly, but what we are seeing now is that as that occurs and as we move towards a potential freeze the potential for political reconciliation has increased. Only last month Turkey and Iran were involved in negotiating a 48-hour ceasefire in Zabadani, which was a rebel-held a town near the Lebanese border. So the most realistic short-term policy goal in Syria is to find ways to limit the areas of that
country that are in direct conflict, with the aim of containing extremist violence and ultimately finding a path towards stability in those regions.

It needs to be reinforced by a number of other measures. We need to ensure that there is international economic assistance. That is absolutely critical. And of course we have to redouble our efforts towards a political solution in Syria. The only way, in the words of one commentator, to wind down the conflict, is through an negotiated settlement involving all the regional powers. And let us not kid ourselves: what is going on here right now is a global power play. This is a proxy war for much bigger actors. We have the Assad regime, which is backed by Russia and Iran. We have them against the Gulf dictatorships. And we have Turkey and Western powers, which have backed myriad rebel groups. It is absolutely critical that we negotiate a settlement between those actors before we contemplate military intervention that is doomed to fail. We need to ensure that we strengthen our multilateral institutions. We need to look at a regional arms embargo to prevent weapons from going into the wrong hands. Why is it that there has been so little focus on penalties for purchasing the illicit oil that funds Islamic State? It is ironic, too, that in these conflicts it is harder to get your hands on food than on guns. We absolutely need to focus on those international borders.

We need to strengthen our international law. It would be wonderful if instead of having a coalition of the willing bearing arms we had a coalition of the willing prepared to rebuild international legal and democratic institutions. It is just so critical. We could do that without adding to civilian casualties, which will be a result of this intervention, further destabilising the Middle East. Let us have a United Nations arms embargo. Let us ensure that military supplies and logistical support for both Damascus and opposition forces are restricted. We have to stop the flow of weapons. There is cause for hope. The nuclear deal in Iran came out of the blue, unexpectedly. It shows that the United States, Russia and the Iranians, despite their conflict, despite the tension, can work together to achieve an outcome if they all believe that it is in their own national interest.

We have to work towards a political resolution within Iraq. One of the great mistakes within Iraq was to ensure the exclusion of the Sunnis from the political structures. An inclusive government means ensuring that all groups within that society are represented. The real question about the strategy of Iraq is not about defeating ISIS. That is an important outcome, but to get there we need to build an Iraqi society and politics that is inclusive of all groups, not just the Shites but also the Sunnis and Kurds. We absolutely need to do that. We need political reform in that nation. And we have to empower the Sunni community to engage with their government rather than push them away into the arms of IS.

The definition of insanity is going the same thing over and over again and expecting a different result. The Global Terrorism Index 2014 found that despite all of our efforts, despite the focus on counter-terrorism and on military intervention, the level of global terrorist activity has greatly increased in the last decade. We are making things worse. Now is the time to pause, to reflect and to change tack. We have to ensure that we do not simply respond with more indiscriminate violence, which has the tendency to worsen conflict rather than to ameliorate it. Our responses typically neglect those long-term sustainable solutions that involve and respond to the concerns, priorities, and potential of the conflict-affected population.
I mentioned earlier the flow of arms. One concrete thing we can do is focus on the Turkish border. Turkey, which is a NATO member, has to do more to stop jihadists who cross into Syria. The Turkish border is now known as the jihadist highway. It is the only way to smuggle oil, to smuggle weapons and to smuggle foreign fighters into Iraq and Syria. It is absolutely critical that we use our influence and the influence of our major ally, the US, to ensure that we stem the flow of weapons and fighters across the Turkish border. IS supplies are largely being funded by the sale of captured oil. We need to ensure that we focus on that border. In Kuwait the terrorism financing that has occurred because there are very weak financial controls has resulted in hundreds of millions of dollars being funded to various Syrian rebel groups, including ISIS. We should be focusing on that and ensuring that we do something about Kuwait’s banking system and financial system, because its money changers have long been a huge issue and a major conduit for money to extremist groups. That is absolutely critical.

I will finish by talking about our relationship with our major ally, the US. There are serious questions here about whether we invited this intervention—that is, requested of the US that we become involved. We still do not know that. That is why a frank and open debate is so necessary. Why would we invite our participation in a conflict where we know there are alternatives and where we know the costs are so high?

It does bring into question what the role of an ally is. What is it about the relationship that we have with the US that makes Australians safer and that makes the world a safer place? It does not mean following the US blindly into conflict simply because they ask us to, and it does not mean asking them to be involved in a conflict because potentially it provides some political dividend. There are significant political, financial and military costs associated with that relationship. The role of an ally is to ensure that when you think they are making a mistake you let them know. To be an equal partner in a relationship means attempting to use your power and influence in that relationship to stop people from making mistakes, rather than simply following people blindly into conflicts that have the potential to exacerbate what is an already significant unfolding humanitarian catastrophe. And we do need to recognise that it is time that we played a more constructive role in the world through a more independent, non-aligned foreign policy that puts the national interest and the global interest ahead of the interests of one of our major allies.

There are few things more important than committing men and women to a conflict where they risk their lives and the lives of others. There could be no more important thin g to be debating in the nation's parliament than that very question, and that is precisely why this nation sits before the parliament. It is to the great shame of both the government and the opposition that they have prevented this motion from taking effect and not ensuring that this is a debate and a decision that is made by the Australian parliament rather than by a captain's call made by a besieged Prime Minister on the back of limited information, with no plan and no strategy.

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (16:39): I rise to address this issue in two ways. One is around the principle of whether the parliament or the executive should approve the deployment of our forces. I note that the Democrats, then the Greens, and then the Greens again—and now I think the Greens for the third time—have put bills into this place dealing with this issue. In fact, it has been the subject of a Senate
inquiry in the past. The second part I will deal with is the topic of Syria itself and Australia's decision to extend our current operations from the Iraq area of operations across the border into eastern Syria.

I have spoken in this place before in response to the Green's contention that the parliament should be the one which authorises forces to serve outside the territorial limits of Australia. The bill they put up previously proposed that the ADF not be permitted to serve outside the territorial limits of Australia except in accordance with a resolution agreed to by each house of the parliament or in accordance with a number of specific circumstances. They went through a number of those circumstances, but also had some provisions for emergency situations where the Governor-General can proclaim that an emergency exists that may require ADF service.

As I said, that concept has been put forward before on a number of occasions. When the Senate Foreign Affairs, Defence and Trade Legislation Committee examined the bill by the Democrats, when Senator Faulkner was the Minister the Defence, they came up with a number of concerns as to the practicality of that occurring. I would encourage people who have an interest in this matter to read that report. It was a comprehensive report. It had issues such as, for example, the decisions that are made by the executive using classified and sensitive intelligence and the disclosure of that intelligence. They said it:

… may well compromise an operation and the safety of Australian forces or those of their allies.

They go on to say:

On the other hand, the committee contends that if such information were necessarily withheld from the Parliament, then those required under the proposed legislation to make critical decisions about the deployment of forces would not be fully informed—an equally concerning situation for the security of the nation and its forces.

These are two very simple and easy-to-understand concerns with this issue.

I say that as someone who is privileged to serve at the moment on the parliament's Joint Committee on Intelligence and Security, where we do get access to a range of information from the various security agencies. And as we come into the public inquiries and debates in this place, it is often difficult to convey a sense of why, and the importance of, certain actions without being able to speak freely about that information. That is why the parliament does put in place smaller groups which are cleared to have access to that information, so that they can make a decision—an informed decision—on the behalf of the parliament, who are the representatives of the people of Australia.

We have just seen recently that Joint Committee on Intelligence and Security fulfilling that function quite effectively with the citizenship bill so that we achieve a balance in the legislation between the national security requirement to give agencies the powers they need with the things that characterise Australia as being an open and fair society where individual liberties are respected.

We will step up a scale: it is that same principle that is employed by having the National Security Committee of cabinet. So, the executive are the ones who, under our Constitution, provide the advice to the Governor-General around the passage of legislation. But they also make executive decisions around the deployment of Australian forces. It is for the same reason that that group—the National Security Committee of cabinet—can receive detailed,
informed briefings on sensitive and classified information which will give them the context and the understanding of the consequences of action and, equally, the consequences of inaction.

They also understand the costs and benefits, in terms of global outcomes, national outcomes and the expenditure of revenue associated with each of those actions, and many of those things cannot be discussed in a public space. That is why that system, which works well, was set up, and why there is no requirement in the Constitution or the defence legislation for parliamentary involvement in most acts of declaring war or deploying troops.

As outlined in a Parliamentary Library paper:

… the power to make war, deploy troops and declare peace – are now part of the executive power of the Commonwealth exercised by the Governor-General on the advice of the Federal Executive Council or responsible ministers. Contemporary practice, however, is that decisions to go to war or deploy troops are matters for the Prime Minister and Cabinet and do not involve the Governor-General or the Federal Executive Council.

Since the establishment of the National Security Committee of cabinet in 1996, this body is the primary body that has access to all the classified information and briefs from departments. They then make the decision on behalf of the government. That is the Australian system.

We have heard in the discussion today and in previous debates claims that the parliaments of peer nations provide this function. Let me turn to a few of our key peers—the Canadians, for example. Under Canadian constitutional law:

The Federal Cabinet can, without parliamentary approval or consultation, commit Canadian forces to action abroad, whether in the form of a specific current operation or possible future contingencies resulting from international treaty obligations. Under the Canadian Constitution [Constitution Act, 1867, sections 15 and 19], command of the armed forces … is vested in the Queen and exercised in her name by the federal Cabinet acting under the leadership of the Prime Minister.

So Canada still has the same executive power that is exercised here in Australia. Let me turn to New Zealand:

The formal right to declare war was clearly part of the Royal Prerogative inherited from Great Britain in 1840 and it remains an acknowledged part of New Zealand law. Defence and wartime prerogatives include the right to declare war and peace, and the deployment and armament of defence forces.

The Royal Prerogative is primarily exercised by the Governor-General on the advice of elected ministers or executive by authority of the Letters Patent Constituting the Office of the Governor-General of New Zealand 1983.

Let us look at the UK, a case which has frequently been quoted recently:

The deployment of troops and the issuing of orders to engage in hostilities are matters of Royal Prerogative, exercisable by Ministers. The Government has liberty of action in this field, and Parliament need not give its approval.

… … …

Since 2003 there have been calls for aspects of the Royal Prerogative, including the monarch’s war powers, to be codified and subject to parliamentary scrutiny.

A draft bill to modify the UK legislation is before the House of Lords, but it is far narrower than the legislation which has been presented on several occasions in this place. It applies only to decisions by the government to authorise the use of force by UK forces if that is both outside the UK and regulated by the laws of armed conflict. At this stage it is still only a draft
before the House of Lords. The decision of Prime Minister Cameron to seek in-principle support from the House of Commons in 2013 was a decision he made and accepted. But he used his discretion to do that. The UK government is not bound to do that by their law.

In the United States the constitution, under article I, section 8, clause 11:

… grants to Congress the power to declare war, to raise and support armies, and to provide and maintain a navy.

While the President is made the commander-in-chief of the armed forces under article II, section 2, clause 1, the specific power to deploy US armed forces is covered by the War Powers Resolution 1973, also known as the War Powers Act. That resolution imposes on the President the following:

The President in every possible instance shall consult with Congress before introducing United States Armed Forces into hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances …

Well, like in a lot of areas of politics, these things are not necessarily agreed. 'Every possible instance' and 'consult' are not defined by the resolution and have been interpreted in different ways at different times by different parties. Notably, the term 'consult' does not equate to the approval of Congress, a matter that is being put before the Senate today. Many US presidents have claimed that the war powers resolution is an unconstitutional infringement on their authority as commander-in-chief and have refused to be bound by it. The US courts, likewise, have been reluctant to accept jurisdiction in matters seeking to enforce the resolution, asserting that it is a political rather than a judicial matter. In one case in 2003, a judge of the District Court:

… rejected the contention that the president must have congressional authority to order American forces into combat by saying 'Case law makes clear that the Congress does not have the exclusive right to determine whether or not the United States engages in war'.

It is fairly clear that Australia has a system that is not unlike most of our peers—Canada, the UK, the US and New Zealand—whereby the executive, for very practical reasons, has the authority to make informed and timely decisions.

I come now to the topic of Syria. The discussion that has occurred in the last few days in terms of Australia's commitment to extend our air operations into Syria would almost have you believe that we had decided to redeploy the AIF and invade the Middle East. In practical terms, as the CDF mentioned during the media conference the other day, the difference this extension makes is that the sorties that go into Iraq will either divert about 10 degrees left of track, or go 50 or 100 miles further north of their current area of operation.

If you look at the map, you will see that the eastern part of Syria comes across the northern part of Iraq. The practicalities on the ground are that Daesh know that our rules of engagement are tight because we have a policy of not inflicting civilian casualties. They know that they can avoid the containing airpower of the Allies in two ways. The first way is by embedding their fighters amongst civilians. We have seen that before, in Gaza, and its horrific consequences for civilians. People commit horrific war crimes by doing that.

They also know that, under the current rules of engagement, if they withdraw across the border—and, bear in mind, we are talking about a desert where, in practical terms, the border does not exist—like crossing the chamber here, a certain number of participants in the allied
action cannot prosecute action against them. This means that, if you are notified of a target and, by the time you get your asset in place, that target has driven 100 yards further on, you cannot legally attack it. This means that we no longer give people who have been wreaking havoc in Iraq the option of seeking refuge by driving 200 yards across the border. It is not a significant force going to invade Syria. We are talking about a very pragmatic extension of the area of operations to avoid the situation where forces who have been either conducting combat operations or providing logistics support within Iraq can seek refuge by just crossing the border, waiting for the aircraft to leave and coming back and do it all again. I do not see that that can be criticised in any way in that it is a very common sense extension of the rules of engagement of our forces there so that they can effectively reduce, or hopefully destroy, the military capability of Daesh.

The fact that we are doing this is legal—that was covered off today by the Attorney-General—under the principles of collective self-defence and the four requirements that are laid out under international law. All four of those requirements are met in this case. So it is legal, it is practical, in terms of avoiding people seeking refuge, and it does not expose our forces to any greater danger in that kind of operation just into eastern Syria than their current operations do. Obviously, if they were to go deep into Syria where Assad's forces are and where Russian forces are potentially moving in, that would be a different scenario, but that is not what is being proposed. It is important that people realise the limitation that has been placed on the area of operation that is being considered, or has been decided on, in this case.

The last part I want to talk about is principle. Senator Di Natale might be surprised by this, but I agree with him: the long-term solution is not just about Daesh; it is about all the forces that are acting in that region: the Assad forces, the regime, the Sunni majority, the plethora of opposition groups, the external actors who are taking part in that. But no amount of talk here and no amount of goodwill here is necessarily going to bring those parties to the table immediately. Hopefully it will happen one day—probably with the exception of Daesh, who I do not believe are actually inclined to negotiate with anyone—but it does not happen overnight.

The Greens mentioned the treaty with Iran and said it occurred out of the blue. It was hardly out of the blue. A lot of nations worked at that for a long period of time, with many extensions before that finally occurred. The question practically is: if we strive for that goal—and I do not see that we are militarily going to be able to impose a solution to a problem that has been inherent in this part of the world for centuries—it is going to take a period of time.

Just as we look back at situations like Rwanda and the genocide that occurred there, there is collective guilt in the United Nations—recognised by Mr Ban when he spoke at the 20th anniversary—that the UN could have and should have done more to prevent that genocide. We cannot wait for a month, a year or five years. How long will it take before those parties to come together if they have had these tensions for centuries? Therefore, just as we look back and say, 'Why didn't we do more in Rwanda?' we are saying here that, as a minimum, we will not give Daesh the freedom to roam at will and form into large groups to conduct major military operations. Clearly, they are still there and they are still active. They embed themselves with the civilian population. But we have managed to degrade their capabilities and, particularly, degrade their ability to form large military-like organisations to use indirect
firepower indiscriminately by application of air power. Every time we have seen a recognisable target, we have been able to interdict and destroy that target.

The mission here is about saying, 'What can we do at reasonable risk to degrade Daesh while the very things that Senator Di Natale talked about are occurring? How do we stop the flow of oil and arms across the Turkish border? How do we stop the recruitment of foreign fighters?' The Joint Committee on Intelligence and Security visited the US, the UK and France in dealing with this whole topic. That visit highlighted that one of the key things that attracts Australians, Americans and Europeans of the Muslim faith to go over there to fight is the very existence of the Islamic State. It is seen as fulfilling a destiny.

Ways to degrade Daesh include stopping oil and stopping the flow of arms, but also one must stop the flow of fighters. Clearly, the more we can degrade their military capability and degrade their presence on the ground the more we create an environment where perhaps the other parties can negotiate for peace. But it is important to understand that the context of the motion that has been put forward by the Greens is that, for very good reason, it is the executive and not the parliament—not only here but in the countries of our allies—who make these decisions. The decision to go into Syria is not a huge step from where we have been and it is occurring for very good and practical reasons. Our whole presence there is not just mindlessly lobbing bombs; it is to say, 'What reasonable steps can we take to prevent genocide and the freedom of action of a particularly nasty force which this world will be well served to see the back of?' I will not be supporting this motion.

Senator McKIM (Tasmania) (16:59): It is a very timely debate that we are having in this house today. I rise to strongly support the motion that, prior to any decision to send Australia into foreign conflict or war, this parliament should be placed in a position to endorse that decision and have veto over any decision. We are having this debate today in the context of an announcement very recently by the Prime Minister that Australia would, through aerial bombing, engage in the Syrian conflict. What was lacking from the Prime Minister's announcement was any strategic objective and any exit strategy. In fact, it is entirely accurate to say that the Prime Minister has no plan and no idea of what he actually intends to achieve through this armed intervention.

In Australia's Westminster system the authority of executive government flows from the parliament, not the other way around. To put that another way, it is the parliament that is sovereign over government in this country. You cannot form a government unless you have the numbers to do so in the House of Representatives. If you acknowledge the simple fact that parliament is sovereign over government, you then have to ask yourself: isn't it reasonable that the biggest and most important decisions that are made in this country are ultimately made by the parliament? It is this parliament which decides who forms government and it is this parliament which should decide whether Australia goes to war.

The current situation in the eastern Mediterranean and the Middle East is highly complex and has a range of contributing factors. No-one here is denying that. We have a brutal regime in terms of the Assad regime but we also have long-term causal factors including a lengthy drought which displaced many hundreds of thousands of people in the eastern Mediterranean area. As I mentioned in my inaugural speech we also have findings from the US National Academy of Sciences which conclude that long-term climate influences have played a causal role in the Syrian conflict. When you have complex causal factors that have led to civil war,
rampant human rights abuses and large-scale civil dislocation there is a strong argument for a robust, comprehensive process to determine whether this country should involve itself in that region militarily.

There have been a number of arguments raised in rebuttal of the Greens' position today. I want to rebut those rebuttals because, frankly, many of them do not take into account the realities of the situation. Firstly, we often hear the argument that decisions to go to war or enter into armed conflict need to be made quickly. The desirability of speed in these contexts is often vastly overrated. In fact, when the decisions are around entering into armed conflict or going into war the Greens would prefer that a correct decision were made rather than a fast decision. We would prioritise a correct decision over a quick one.

It is undoubtedly true that there are doubts over the legalities of this decision by the Prime Minister. The Greens absolutely agree with Paul Barratt, a former secretary of the Department of Defence, who recently said that the parliament should require an opinion from the Solicitor-General to be tabled in this place to reassure members of both houses of this parliament that the action being taken is actually legal.

As our leader, Richard Di Natale, said in his contribution to this debate, the simple fact that a decision to go to war, to commit Australian armed forces to war, can be made in the Prime Minister's political self-interest is enough of an argument to require that that decision come before the parliament. Frankly, it is an outrageous scenario that in this country someone who has the good fortune to be made Prime Minister can in his own political self-interest, or that of his political party, decide to commit Australia to war. It is something that we need to address.

I also want to rebut the accusation we heard from the Leader of the Government in the Senate, Senator Abetz, during question time this afternoon that, somehow, a questioning of the decision making mechanism in this context is somehow an attack on the men and women who serve in the Australian Defence Force. That argument is the last refuge of the weak. It is the last refuge of the political scoundrel. It goes to show how absolutely unable Senator Abetz was, this morning, to make a rebuttal to the Greens suggestion. This is in no way a reflection on the capacity of the men and women of the ADF. In fact it is a reflection of the Greens respect for the men and women of the ADF because, when you make a decision to commit Australia to war, you are making a decision to place the men and women of the ADF in an extremely dangerous position. We owe it to them and we owe it to their families to ensure that we have a robust decision-making process before we make a decision to commit them to danger. The Greens have an absolute respect for what the men and women of the ADF do. We just want to make sure that they are not unnecessarily committed to war and conflict that places them in more danger than they otherwise would be.

Senator Conroy, in his contribution, said that he wanted the government to explain to this parliament what its plan is and what its exit strategy is. We agree with Senator Conroy that that should occur. There are two major problems of course with that. Firstly, the government does not have a plan or an exit strategy in relation to Syria but, secondly, what Senator Conroy is calling for is an after-the-fact process not a before-the-fact process. That is where the Greens very strongly differ from the position of the ALP in relation to this matter. We strongly believe that before any decision is made and as part of that decision-making process
the parliament needs to have a capacity to determine whether or not Australia should enter armed conflicts or war.

Ultimately a parliamentary debate and decision would enhance, significantly, the legitimacy of any deployments or war that Australia entered into. That is very important. Because we are the representatives of the people in this place I would hope that all members of this chamber would want a majority of the Australian people to back any decision to deploy into conflict or war overseas. Parliamentary approval would give legitimacy to a decision and it would remove the capacity of people to allege that a decision to go into a war or into an armed conflict was made out of political self-interest or political expediency.

There are many matters that come before this parliament. There are matters that many would think of as relatively trivial and there are matters which are of the absolute highest import. The decisions that we are talking about today fall clearly into that latter category. They are amongst the most serious and significant decisions that can be made. They are decisions that can expose, not only members of the ADF, but ultimately in the long term every Australian citizen to more danger. Because these decisions can expose every Australian citizen to more danger they ought to be made in the parliament which ultimately is accountable to the people through the ballot box.

The Greens have said consistently that we have extreme concerns over the decision the Prime Minister has made to commit us in Syria. We believe he has absolutely no plan. We believe he has absolutely no strategic objective. We believe he has absolutely no exit strategy. We basically believe the Prime Minister does not know what he is doing. I have to say that it strikes me that the Prime Minister has made this decision primarily so that he could be seen to be doing something even though he has no plan, no strategic objective and no exit strategy.

Ultimately we need to start talking seriously about peace in that region. We need to start getting people together, sitting down and talking about how we are going to remove or mitigate some of the causal issues that have led to this conflict. As I said at the start of my contribution, this is an extremely complex scenario. There are a range of causal factors here. Ultimately, if you are not sitting down and talking about peace, then you are not going to achieve peace. When people pick up guns and get into planes to drop bombs, that is a step away from the peace that every human has a fundamental right to and that every human hopes for.

It is very easy for us to sit in this place, but we need to put ourselves in the shoes of the men, the women and the children who are, right now, cowering in their houses, who are, right now, afraid to go outside and who are, right now, wondering what their long-term future is. We all need to put ourselves into the shoes of those people and ask ourselves: is an Australian intervention in an armed conflict with no strategic objective, no plan and no exit strategy the right way to go here? When you make these big decisions, you need to ensure you have adequate checks and balances. That is a fundamental principle of any democracy. In the Greens' view, leaving a decision like this in the hands of a Prime Minister does not provide the necessary checks and balances.

A further rebuttal that has been made today is around the confidentiality of sources of information and the difficulty in placing it before parliament. They seem to manage that all right in the congress in the United States. They seem to manage that okay in the United Kingdom, where matters similar to this have in fact been brought before the parliament. I
would say that information that supports any argument that Australia should go to war or should enter into an armed conflict absolutely ought to be able to be provided to parliament. Maybe it needs to be de-identified in some way to protect sources or to protect people who are operating on behalf of Australia, but we believe that it can be done and that that argument also has little or no merit.

Ultimately and fundamentally, this is about whether or not you believe that parliament is sovereign over government or the other way around. Clearly, parliament is sovereign in this country. So I am very proud to support the motion before the Senate. It is worth pointing out, in the context of Syria, that we are now being committed by Mr Abbott to enter into a conflict which ultimately risks making the situation worse. It is worth remembering that it certainly will put men and women serving in the ADF at greater danger than they otherwise would have been. For those reasons and the other reasons that the Greens have articulated today, we absolutely need in this country a process such as that exists in the United States and many other countries, where the parliaments get an opportunity to debate and determine whether their countries should enter into war and armed conflict.

Senator REYNOLDS (Western Australia) (17:17): I too rise to speak on this motion. Twelve months ago, I rose in this place to speak on the Defence Legislation Amendment (Parliamentary Approval of Overseas Service) Bill 2014, and, 12 months later, I am here to speak on the same issue again. Twelve months after this place first addressed this issue, our Constitution has not changed but Australia is facing an increased and heightened challenge posed by stateless enemies—by Daesh. It is not just the people of Australia who face this grave threat; it is also the millions of Syrians and Iraqis who have been displaced and who now need protection from Daesh.

There is no greater responsibility for any elected national government than to keep the nation safe and secure and in making the decision to utilise military personnel in a wide range of roles, both domestically and overseas. Under our Constitution, the decision to deploy troops is clearly the responsibility of the executive, which is elected by the Australian voters and accountable to them through the parliament. Additionally, our military forces are accountable to the executive and to the Crown, not to the parliament. I believe it is not within the spirit of our Constitution, and it certainly was not the intent of our founding fathers, after many decades of very considered debate, that executive government would ever consider abrogating its responsibility for the serious decision to deploy Australian defence forces in harm’s way. Ultimately, in our Constitution and in our country today—in our parliamentary democracy—that is what our executive has been charged with.

Personally, I willingly, and certainly knowingly, have served under both Labor and coalition governments in uniform. Throughout my nearly 30 years in uniform, I always understood and accepted that the government of the day, regardless of its party affiliations, was responsible for making decisions that impacted on not only my service but also the men and women I served with. I knew that would possibly impact on my life itself. While I was never deployed, I always knew that I could be—in fact, I still could be. I had absolutely every confidence, again, regardless of who was in government, that the executive would take the right decision and that it would take into consideration everything that needed to be before it made that decision.
I firmly believe that the Commonwealth Constitution is the birth certificate of our nation. It has operated very successfully for over 100 years and it does provide for the separation of power in Australia between the Commonwealth and the states and between the arms of our government. Chapter I of the Constitution sets out the powers of the Australian parliament and chapter II addresses the executive government. Section 51(vi) of the Constitution gives the Commonwealth the power to make laws with respect to:

... naval and military defence of the Commonwealth and of the several States, and the control of the forces to execute and maintain the laws of the Commonwealth;

In addition, as far as I can see there is no requirement in our Constitution or in any of our defence legislation for parliamentary decisions in most, if not all, aspects of declaring war and the engagement and deployment of our troops. Indeed, former royal prerogatives, including the power to make war, deploy troops and declare peace, are now part of the executive power of the Commonwealth, exercised by the Governor-General on the advice of the Federal Executive Council or the responsible ministers. Contemporary practice is that decisions to go to war or deploy troops are matters for the Prime Minister and for cabinet and do not directly involve in the decision-making process the Governor-General or the Executive Council.

Since the establishment of the National Security Committee of Cabinet in 1996 by John Howard and his government, this body has proven to be the most influential and the most knowledgeable in considering any Australian government decision to commit the Australian Defence Force personnel to the domestic operations or overseas deployments. I see absolutely nothing in the Commonwealth Constitution or, as I said, in defence legislation that requires the executive to engage in a debate or a vote in parliament before committing military force. In fact, parliamentary committees have previously found quite the opposite. For example, in 2010 the Senate Foreign Affairs, Defence and Trade Legislation Committee published a report on the Defence Legislation Amendment (Parliamentary Approval of Overseas Service) Bill 2014. That Senate report highlighted several very significant concerns with potential parliamentary involvement in decisions on the deployment of ADF personnel overseas.

There are three main concerns that greatly troubled me with this proposal and the committee highlighted very genuine concerns about the disclosure of sensitive or classified information. They also raised concerns with the lack of responsiveness and a lack of ability of the parliament to respond quickly, particularly when confronted with the dynamic battle spaces that we have these days and how things need decisions very quickly. They also identified that there was a lack of clarity around when the bill would apply and when these circumstances could be evoked.

That was in 2014 and I do not thing anything has changed since then. In fact, I think the folly of this bill has actually been played out in many, many government decisions now dealing with Daesh and the consequences of their heinous behaviour. In fact, in the current security environment, the need for executive power over the use of military force is, as I said, more necessary than ever and the National Security Committee of Cabinet has proved to be a very effective and very adept organisation of this executive in making these decisions under both governments—this government and the previous government.

Threats can no longer be easily characterised. Even less than 50 years ago, it was still much easier to determine who a likely enemy might be. The armies of states dominated our security environment. But in the early period of the 21st century that we now find ourselves in, this is
absolutely not the case. Stateless enemies and terrorists using asymmetric tactics are an ever increasing threat, as we are seeing daily in the Middle East and also now on our own shores. These threats demand the capacity to respond quickly and flexibly and routinely require operational security without the operational knowledge being out there in the general community and available to our enemies. All three of these criteria would be all but impossible to meet if the executive was required to gain the approval of parliament every time it were to commit, change or adapt the utilisation of our military forces.

When you start to unpack and explore the practical implementation of this proposal, there are many credible scenarios relating to why it is not appropriate to require a parliamentary vote to commit our forces overseas. One simple, but very powerful, example of this is to consider the situation of a prorogued parliament. If this legislation were to be in effect, it would be impossible to gain parliamentary approval and for quick and decisive military action to be taken. As one of my colleagues in the other place, Andrew Nikolic, noted recently, this situation has happened and is not hypothetical. In fact, it was August 1914 when Australia went to war. At that time, federal parliament was prorogued. The government of Prime Minister Joseph Cook had been elected with a majority of one and a hostile senate went to a double dissolution election in June 1914. Imagine the circumstance in 1914 if the executive had not been able to meet around that wonderful table, which is now at the National Archives, and quickly made the decisions that needed to be made. Clearly, it was not in the national interest then for this sort of requirement to be in place, just as it is not in the national interest today.

Even when you have a look at the detail and even if parliament was not prorogued, having a look at how the practical circumstances and how the practical application would be, it would be almost impossible to implement. This would require a proclamation to be made. Consider a circumstance where the government does not want it known that forces are serving overseas for their own operational and personal security. Imagine a time when we have got a hostage rescue situation for the Australian forces in Iraq or Syria and we have got to mount a new operation—what do we do? Do we come to parliament? Do we discuss it here? Do we let our enemies know what we are doing? Time is of the essence. We may as well just post everything from the National Security Committee of Cabinet on our website here or set up a bulletin board to let our opponents and Daesh know what we are doing.

There is not only a high possibility but a very high probability that these requirements in practice—particularly in the current environment in the Middle Eastern area of operations that we are currently operating in—would put Australian service men and women in absolute physical danger. For example, the bill that the Greens put forward last year—which we debated at some extent last year—would require just that. Information on deployment would have to be provided to government within two days, even if forces are deploying on the pretences of secret intelligence or on information that cannot be publically shared.

I will just say that again. Just think about the implications for our service men and women of what the Greens proposed last year in that bill to give effect to this motion today: information on deployment would have to be provided to government within two days, even if forces are deploying on the pretence of secret intelligence or on information that cannot be publically shared. As I said, why don't we just put everything up on a bulletin board to say to Daesh and any other enemy in the future, 'Here we are, guys. This is what we're doing. We're
coming to rescue our people. We're coming to do these military operations.' That is really not a very safe or a very smart environment.

That is not the only thing in their legislation last year that they wanted in their bill. They also wanted out there in the public: the reasons for the deployment, the geographical extent of the proposed deployment, the expected duration of the deployment and the number of members of the Defence Force proposed to be deployed. I cannot believe that they would actually want to disclose information that would tell our enemies in a conventional war, or in an asymmetrical war such as we are fighting with Daesh at the moment, where we are going, when we are going, how many troops we are going to deploy and how long we are going to be there. What else does the enemy need to know to actually defeat us when we finally hit the ground? It is the most ridiculous proposal. In my mind, it was ridiculous 12 months ago; but looking at the nature of the threat of Daesh today, it is even more fanciful. It is frightening to me that somebody would come into this place and put forward a bill—and now a motion—that says we should telegraph to our enemies what we are going to do, how we are going to do it, where we are going to deploy our troops, how many we are going to deploy and what equipment they are deploying with. That is the strategy for them to defeat us! I still find it unbelievable that anybody in this parliament would suggest such a thing.

This motion falls directly within the remit of findings of the joint standing committee, which identified three key concerns with this approach. It is worthy to note in this place and remind senators of what the parliamentary committee said:

Much of the information under consideration would be classified, for example risks to personnel, Defence or AFP assets, their strength and location, their force readiness, as well as the level of commitment and capabilities of likely allies, and the compatibility and complementarity of their forces. Clearly much of this information could not be disclosed and, if so, would have the potential to compromise the safety and security of any proposed operation or adversely affect diplomatic relations with potential allies.

It was not a coalition senator saying this. It was the parliamentary committee that reviewed the same proposal from the Greens last year. It was absolutely true then, and it was just as ludicrous then as it is today.

The Islamic State, or Daesh, is an enemy unlike anything we have ever faced. There is truly no way anybody can offer to hold hands with them, reason with them and talk messages of peace, because they do not understand that language. They do not respect compassion; they exploit it in the most horrifically gruesome ways—rape, roasting people alive on TV and other horrendous things. I think we heard today that they are not only selling their captives for sex; they are actually selling men and women into slavery. This is an enemy that cannot be treated lightly, and it cannot be treated in the same way that we may have treated our other enemies. We certainly will not win until Daesh is destroyed. We need to protect not only the Australian people but also the 11 million-plus displaced Syrians who will find no peace and no ability to go home until then. Daesh does not respect borders. They are not just in Iraq. They are also in Syria. It is essential for security in the Middle East and also for the Syrian refugees, the millions of displaced Syrians, that we go in and confront this enemy.

The ludicrousness of the Greens' bill last year, now reflected in this motion today, is that we would telegraph personnel details, Defence and other AFP assets—strengths, locations and force readiness—and the level of commitment and capabilities of our likely allies. So we
would not only be telegraphing to Daesh, 'Here's who we are, here's where we are and this is how we're going to come and get you,' we would also be telegraphing our allies' information. They would not be our allies for very long, let me tell you. As I said, there is absolutely no other way to characterise the behaviour of these Islamic State and Daesh fighters. We have all seen the horrific photos and images of the pure evil that these people are capable of. They do not understand compassion; they exploit it in the most heinous ways.

The use of military force is never a decision to be taken lightly, but there is no other way to defeat ISIS and Daesh. There will always be risks, but sometimes there are risks in sitting back watching and waiting as the problem gets worse—with more people being killed, raped, beheaded, roasted alive and all of the things that Daesh is now doing quite publicly and wants the whole world to see. There is no other way for many millions of Syrians to be able to go back to their homes until IS, Daesh, has gone. Put in this context, I find it hard to see how Australia has any other choice than to involve itself with our allies. Operations do change and they have moved. The enemy has moved further into Syria. There is no question that, if we want to deal with Daesh, we have to go into Syria with our allies, not just leave them to do the heavy lifting on our behalf.

I fully believe that our intervention is humane and is on the side of the persecuted minorities who have been forced to flee their own homelands—those who have been lucky enough to survive. This is in conjunction with our allies and our partners. It is under the purview of the United Nations. While it may be centred on the Middle East, 10,000 kilometres away, it clearly has an impact on the security of Australians. It is incumbent upon all of us to do what is right to combat evil and to protect those who are at risk of violence and subjugation at the hands of people as evil as Daesh. As human beings it is our obligation not only to protect our own people but to do what we can to protect the people of Syria.

The Greens' opposition to the deployment of the Australian Defence Force in conflict zones is nothing new. We saw that with the bill they proposed last year. In fact, if my recollection is correct, one of my Greens colleagues who is currently in the Senate chamber said:

Terrorist is a word that is very commonly used against us by those same people in Iraq who have been radicalised.

And:

... anything that creates terror is, by definition, terrorism.

And:

Terrorism in the context of national security has a specific meaning. Anything that creates terror is not, by definition, terrorism.

My understanding of Senator Whish-Wilson's words at the time was that, given what we are doing to help the Iraqis and Syrians, our own men and women in uniform could be construed as terrorists. I found that offensive then, and I find it just as offensive today.

The decision to deploy members of the Australian Defence Force has consistently been regarded as a fundamental decision for the executive of the day. It has always been and always should be. (Time expired)

Senator WHISH-WILSON (Tasmania) (17:37): It has been really refreshing that the coalition has put up some of its more sensible, rational and measured speakers for this debate today rather than the attack-dog whistle that we have seen in recent days from the likes of
Senator Abetz—simply over the Greens daring to ask questions in the Australian parliament about a new deployment of our Defence personnel in a war zone. And I welcome that. That is what this is about. This is about having a debate and considering these things.

Last night at the UNHCR briefing organised by my colleague Senator Hanson-Young I heard a very emotional Tim Costello talk about the shame he personally felt after spending four years in the refugee camps around Syria, in Lebanon and in other places—his shame at not being able to convince the Australian public that this was catastrophic, an enormous crisis waiting to happen. And he was relieved last night that finally the penny had dropped. In fact, I think the words he used were that the bubble has now burst in the public consciousness on what is going on in the Middle East, especially around Syria. I think a lot of Australians like me are sitting at home now, watching TV, having discussions around barbecues, talking about these things and asking themselves the question: how did we get to this situation? It is fine for Senator Reynolds to come in here and misrepresent the views of this bill. If Senator Reynolds had been here she would know that the Greens have made it very clear in previous debates that this bill does not impact operational matters for the military; it is a debate about an initial deployment, under limited conditions—very much like what we have seen overseas.

What we also found out last night from the Reverend Tim Costello was that in a place like Syria, thanks to arms being smuggled in from, in his words, Russia and America, it is actually harder to put a banana in the hands of a Syrian than it is a weapon. His points were very poignant. He said that peace is the first line of defence but if you cannot have peace then aid should be the first line of defence. They are severely lacking in aid, but the world has woken up to the fact that in Syria and around Syria we now have a global crisis, a catastrophe, a human tragedy of proportions that we have not seen since the Second World War. We all acknowledge that, and we congratulated the government for listening to the Australian people and implementing an emergency refugee intake. But on the same day they did that, they could not resist making an announcement that they were extending the scope of Australian military operations in Syria.

Australians at their barbecues or having discussions around the dinner table will be asking: to what point has our military strategy got us up until now? How did it get to the point where four million people have had to flee? When we were speaking to our experts last night they also made it very clear that the reason we are seeing this exodus into places like Europe is that a lot of these refugees have actually given up hope that they can go home. The war has taken that long and has been that disruptive and destructive that they have given up hope, so they are now seeking a new life. This is the point we have to focus on.

At the end of his presentation to us last night, Amin Awad said something. He is the guy on the ground for UNHCR, the key guy in the Middle East who has to deal with this crisis, and I have to say, on R U OK Day, that I was looking at him last night on the TV—at the colour of his eyes, at the colour of his skin, at how tired he looked—and thinking what an incredible strain it would be to have his job. But what he said last night is very important. He said that for all the work UNHCR does, all the aid you can give them and all the refugees you can take, it is to no avail without a peace agreement. I asked him about that. I said that 'peace agreement' are two words that you will not hear in this country from this government. I asked what he meant by 'peace agreement': is there something afoot? Could he elaborate? And he said—and I must say, his answer was very terse, and I would have liked him to have
elaborated a lot more—that what we need is global leadership, like we saw in Bosnia, where an impossible situation was resolved through a process that was no doubt long and convoluted. I have no doubt that Senator Fawcett's words tonight were on the money, that these things will not happen straightaway. But Amin Awad said that in Bosnia they had leadership, and eventually, through all sorts of coercions, including military action, a truce to cease fire was achieved.

It was good to hear this morning that at least Julie Bishop—unlike the other attack dogs in this government who love conflict in this parliament and in this society, who have relied on division for their polling numbers—engaged in this frame. And, as I think Senator Fawcett very poignantly pointed out to the parliament this afternoon, any long-term solution is of course going to have to go beyond military means and look at a whole range of different options, including geopolitical considerations, towards a peace agreement. But we have not actually had that conversation in this country, and it was only today, following the UNHCR briefing, that this actually entered our language. Julie Bishop talked this morning about the need, at the right time and the right place, for a peace agreement. At least we have got that far.

What have we achieved in this parliamentary debate today and by raising this in parliament yesterday? Thank you Senator Hanson-Young for organising an amazing forum last night. It had me close to tears when I actually realised the human catastrophe that is unfolding. I sometimes feel that putting a human face to this is the last thing our government wants us to see. Thank you for pointing that out, because like a lot of other Australians I am now awake to this and I am asking questions—where do we go from here?

When I did media this morning, I said that I do not know what a peace agreement would look like or if it is even feasible yet. But we need to start talking about how we can get a diplomatic solution to this crisis so that these people can return home and so their country can be rebuilt. If we start that conversation, no matter how brief and how stilted, at least we will have started it. I think a lot of other Australians are probably asking themselves the same thing, and they are saying that what we are doing now is not working.

Getting to the bill: I have experienced in this parliament a similar debate—or a tussle, a tug-of-war—between the executive and the parliament in the area of trade negotiations. I have learned from my experience that the big parties—Labor and Liberal—do not want to give up executive power, especially around treaties and the special powers the executive has under our Constitution. It is no different for war powers. What we are actually suggesting is eminently sensible for parliament: for each and every one of us to get up here and debate the deployment of our Defence personnel. Let me get it on record: the Greens support our Defence personnel. That is why we ask these questions, because we want to make sure that they are not being used as political tools or toys by any government and that they only go to war as a last resort—when it is absolutely necessary. That is what this is about.

As I said yesterday in this chamber, I believe that Defence personnel will respect the fact that there are people asking questions about this and asking for debate. We are not criticising them. I personally have an incredible amount of respect for all the Defence personnel that I know and have met. I save my contempt for a government that sends them into unnecessary and immoral wars. On that point, why are the Greens putting this motion up and asking this question? And why are Australians discussing this around the dinner table? Because they do not trust the executive to make these decisions. Not only did this government totally politicise
national security in the last 12 months, with the help of the Murdoch press—I would dearly love to use a swear word on this next point, but I won’t—but also they totally screwed up in 2003 by invading Iraq.

I read David Kilcullen’s quarterly essay *Blood Year* and I recommend that everybody reads it to get the background to what Mr Kilcullen says. He was an expert, an Australian working with Condoleezza Rice in the US during the insurgency in Iraq. He makes it very clear what a total screw up it was, how unnecessary it was and how—and this is what I would like Senator Reynolds to have heard if she had been in the chamber—it led to the rise of Isis or Daesh, not to mention the deaths of hundreds and thousands, if not millions, of people. So excuse me for being sceptical about a government—a Liberal government—that took us to a war in 2003 that we did not need to have on the same proviso, the same messaging, that we are getting in this chamber today about eradicating and killing bad guys.

That sounds intuitive. I think all of us would like to see the end of Isis, but it did not work in 2003 when we got rid of Saddam Hussein—that has backfired. Isis has made it very clear that they want us to go in and drop more bombs and they want us to commit soldiers—the likely escalation of this conflict. They are totally, criminally insane and mad. This is what they want, and this is what we are giving them. This is what they want; it is a brilliant recruiting tool.

I heard Senator Back, who I have a lot of respect for, as I heard Senator Fawcett, talk about the awful atrocities that Isis have perpetrated in the Middle East. I have to say today that I still do not get why those atrocities are so often and so clearly shown by elements of our media in this country and overseas, because that is also what Isis wants—making front page headlines with photographs of people being beheaded. I do not think that is a good thing. Why give these bastards what they want?

We are at a juncture here where it is right for Australians to be sceptical about our military involvement in Iraq. Any reasonable, rational person will be having doubts, and the only way we can deal with those doubts is to have a proper debate—a parliamentary debate—where we, as the elected representatives of the Australian people and in our positions of power, can put this on the record for them, because they are asking these questions.

Although I would love to take up my remaining time, I respect Senator Xenophon enough to know that he only has 10 minutes left before the clock ticks over. So I would say that this is a lot deeper than some of the shallow arguments that we have seen in the last few days about the Greens asking questions. We are asking questions for a very good reason and I am glad that someone is.

**Senator XENOPHON** (South Australia) (17:51): Thank you to Senator Peter Whish-Wilson for graciously giving me an opportunity to speak on this important debate, because it is an important issue. Can I say at the outset that if plagiarism is the sincerest form of flattery, I will plagiarise from a speech that I gave on 1 September last year in this place in respect of this issue. I set out my position then, but it is worth setting out again and also worth updating the concerns that quite legitimately have been asked by the Australian community.

There are a number of issues that confound the proposition that parliament should be required to approve the deployment of troops prior to their deployment. It is important to distinguish between routine or non-warlike military activities—including peacekeeping,
capacity building in other countries, humanitarian assistance and antipiracy actions—and activities involving the rescue or extraction of Australian citizens from threatening situations overseas, covert operations such as those involving special forces and, most importantly, full-scale deployment. These involve varying degrees of emphasis on the role of intelligence and classified materials that are available only to the executive.

There is also the requirement for Defence to mobilise its forces safely and effectively. All cases are not alike, and parliament's role differs where the specific constraints differ. The Constitution does not say anything about where the power to deploy troops lies. It is assumed that this is part of the executive power under section 61.

I note that Senator Macdonald is in the chamber. I am happy to truncate my remarks so that Senator Macdonald can have five minutes on this motion before the time for it expires, if that would be helpful to him. I have only just started, but I will try to wind up in the next two or three minutes if that would be helpful to Senator Macdonald. I am very happy to do that. I will be very quick.

Essentially, there is no constitutional requirement for the executive to seek the blessing of the Australian parliament before troops are committed to war. There is no constitutional need to even debate the decision to deploy troops, because the power to deploy troops overseas lies with the Minister for Defence, under section 50C of the Defence Act 1903.

In relation to an important issue such as this, I do not think it is practical and I think it could in some circumstances be quite dangerous to require parliamentary approval before troops are deployed because of emergencies that have arisen. But it would be reasonable, after troops have been deployed in a theatre of conflict, for us to have a debate within a reasonable period of, say, three months. A critical situation may arise for the deployment of troops, but we should eventually have a parliamentary debate and, if necessary, seek approval for that. So I take an approach that is not in line with what the Greens are suggesting, but it does say that we ought to have a debate in relation to this.

The Prime Minister is quite right to say that Daesh, or ISIS, is a death cult, but we need to look at how Daesh came about. I think it is reasonable to say, as sensible commentators have said, that, following the coalition of the willing invading Iraq in 2003 and overthrowing the brutal regime of Saddam Hussein, recklessly dismissing the entire army and dismantling the Ba'ath Party sowed the seeds of what is now ISIS, because it radicalised the Sunnis in Iraq, it ignited a vicious civil war between the Shiites and Sunnis, it increased Iran's influence and, most tragically of all, it led to hundreds of thousands of deaths. We must not forget that. I do have more to say on this, because I am critical of Saudi Arabia and its role in fuelling this conflict.

In relation to this particular motion, I believe we must be mindful of the dangers of escalation and the dangers of mission creep. But, at the end of the day, I wish our troops well. I am sure they will do us proud. I hope and pray that none our Defence personnel will be harmed in any way in what appears to be an escalation of this terrible conflict.

Senator IAN MACDONALD (Queensland) (17:55): I appreciate Senator Xenophon allowing me to go back to my original spot in the queue! But it was generous of Senator Xenophon to curtail his remarks. I am pleased that my absence at the appropriate time
allowed him to make a few points as well. At this stage of the debate, my points will be necessarily brief as well.

I have no objection to a couple of the points that Senator Xenophon made, particularly about having a public debate about the deployment of troops after the event. Of course, in a chamber like the Senate, where rarely does the government control the numbers, such debates can be held at any time should the majority of the Senate agree that a debate should be held. Indeed, today is a good indication of not a full debate on the issue but a debate where many of the issues that would be raised in a full debate were raised. Should the majority in this chamber decide that it needs more than that, then the majority of this chamber can always make that decision.

Most of the speakers who have spoken before me, both from this side and from the Labor Party side, have indicated the stupidity of trying to have a parliamentary debate before any decision has been made to commit troops anywhere, because you can never predict the urgency with which a decision might have to be made. We elect governments to govern for a period of three years and, in a democracy, we give to the leaders of the government the responsibility for making decisions where the national interest is at stake, where national security is at stake. The thought that, before anything was decided, you would have a full-scale parliamentary debate is just ludicrous. I know my colleagues on both this side and the Labor side have explained that in some detail, so I will not even attempt to do so in the couple of minutes available to me.

Can I just congratulate the Prime Minister and indeed the government on the decision to take a greater number of genuine refugees in a one-off, 12,000-person hit, to do our bit. In this I want to emphasise, as I do in many aspects of public international policy, that Australia should play its part but it should not do more than the rest of the world. I raised this issue in relation to climate change. Australia emits less than 1.2 per cent of global carbon emissions. If you shut Australia down absolutely and completely—if there was no light burning anywhere in the country—it would not make one iota of difference to the world environment. Similarly, in the case of refugees, I know 12,000 is a drop in the bucket, but per capita across the world Australia punches well above its weight in the number of refugees we take in and in our assistance to refugees.

I add that many countries grandstand and make grandiose promises, whether it is in relation to carbon emissions or support for the United Nations High Commissioner for Refugees, but very few ever meet those commitments. Certainly, that is the case with carbon emissions and offering money to support the UNHCR. A lot of countries make promises but very few actually pay up. Australia does. Australia always has done. I congratulate Mr Abbott and the government.

The PRESIDENT: The time for the debate has now expired.

DOCUMENTS

Consideration

The following order of the day relating to documents was considered:

Thursday, 10 September 2015

SENATE

COMMITTEES
Select Committee on the Regional Processing Centre in Nauru

Report

Debate resumed on the motion:
That the Senate take note of the report.

Senator GALLACHER (South Australia) (18:00): I rise to take note of the Select Committee report on Nauru titles Taking responsibility: conditions and circumstances at Australia’s regional processing centre in Nauru. I rise in relation to a number of contributions made by government ministers and government senators in which they made remarks about the alleged witch-hunt and the alleged airing of allegations without substantial evidence. I want to touch on a couple of points that I think are really pertinent to this debate.

A submission came before the committee from the Hon. Geoffrey M Eames AM QC. Mr Eames submitted to the committee that, in December 2010, he was appointed Chief Justice of the Republic of Nauru by the President, Marcus Stephen. Mr Eames held that position until 13 March 2014. In his submission, Mr Eames states:

My resignation was forced, because the Nauru government of President Baron Waqa MP had revoked my visa, thus making it impossible for me to perform the role of Chief Justice. The actions of the Nauru government constituted a series of flagrant breaches of the Rule of Law. The fact that the government is not committed to the Rule of Law should be a matter of concern to the Australian government.

He goes on to say:

Resident Magistrate and Registrar of the Supreme Court, Peter Law, was arrested on 19 January 2014, forced on to an aeroplane and deported under police escort. No reasons were given to him by the government for this extraordinary action. The reasons, however, are now very clear – Mr Law had offended the Minister for Justice and Border Control, Mr David Adeang, by making interim orders, as Registrar, restraining the unlawful deportation of two expatriate businessmen, an Australian, Rod Henshaw, and a Fijian, Mohammed Haneef.

If that was not enough, Mr Richard Britten's appointment as commissioner of the Nauru Police Force was terminated on 19 July 2013. This is the evidence that this committee has taken. It has been publicised. It has not been rebutted. It is not unsubstantiated. It is a simple fact. People were arrested and deported—three people who, I would contend, were assisting the government of Nauru, the Republic of Nauru, in providing an independent police force and an independent judiciary. Any semblance of transparency, justice and accountability which the Australian government could rely on is now no longer there. This is the evidence that came to this committee.

We have had contributions in this chamber that said we dealt with 'unsubstantiated allegations' that have all been dealt with by other parties. I am sure that Senator Carr is in vehement agreement with me when I say that that is not the case. That is simply not the case. No-one has rebutted the contentions of Mr Law or Mr Eames. The Australian federal policeman has basically remained silent, as he probably needs to do in terms of his contract of employment.

We do know that there is an absence of ability to prosecute, to forensically evaluate, in the Nauruan police force. We know that because this minister has recognised it. He sent additional officers to Nauru to assist them in building their capacity. It is extraordinary and
exceedingly strange that a minister can look one way and row another. He says that all of the Moss review allegations and all of the allegations that have been made before the four recent inquiries are all being capably dealt with by the responsible Republic of Nauru—who threw out the Australian Police Commissioner, threw out the Chief Justice and threw out the Chief Magistrate. They deported them—house arrest and on you go. Now we are expected to take from the minister and the minister representing the minister in the Senate that it is all okay and that these 'untested' allegations will all be handled competently by the government of Nauru.

We know that other nations have expressed concern about supporting funds that go to justice in Nauru. I think the New Zealand government is on the record as having expressed concern. I think our own foreign minister is actually on the record as having expressed some concern. But, no, people can come into this chamber and say that the evidence before the Nauru select committee was untested and basically not factual. I would like to see the evidence that was put before the committee that rebutted not claims, but facts. Where was the evidence that rebutted these facts?

If we are going to rely on the justice system in Nauru to provide good, humane, legally transparent treatment for people who may settle in Nauru from the RPC or who may be in the RPCs and have a complaint against someone, then the initial recommendation is that this government give back resourcing for the judiciary and the police force to get in place a proper and transparent police and judicial system that includes child protection legislation. Apparently child protection legislation does not exist in Nauru. It should have child protection laws.

We have the awful situation where the allegations have not been rebutted and people have endured awful criminality. The Nauruan police, whether because of a lack of training or a lack of resources, have not acted on those. People under the control and care of Australia are not being treated in the same way as they would be in this great country of ours. That is Australia's shame. We cannot allow this to go on. These people need to have access to a judicial system and the care and help of a police force that is adequately trained and resourced and capable of prosecuting. There is no evidence that that is the case.

One of the firmest recommendations the committee made was that the Australian government, if it wants to rely on the Republic of Nauru in these matters, should make sure Nauru have the wherewithal. It should make sure they have the competent people and the assistance to carry out prosecutions, to collect forensic evidence and to protect children in detention and in the community. There is no evidence that we have stepped to the plate in respect of that. That is the first recommendation that this government should take up.

The minister's responsibility is very, very clear. But he has done exactly the opposite of what he should have. He has labelled this inquiry a witch-hunt. He has labelled it a political stunt. But the awful reality is that the Nauruan police force is deficient in its prosecutorial capacity. It is deficient in its collection of forensic evidence. It is not through any great fault of theirs. There are only 100 people in the Nauruan police force. We cannot expect them to act with the capacity of the Australian Federal Police. But we can make sure they have resources, backup and training. We can provide that and we are not at the moment. We have some Australian police officers trying to do their best in Nauru as we speak. But it needs to be a continuous, reinforced, funded effort.
We really need to get serious about this. We cannot have Australia's reputation at risk because we have underresourced the police force and magisterial areas of the Republic of Nauru. They are making a lot of money out of Australia's efforts there. We need to get on the job here and fix a few things.

**Senator IAN MACDONALD** (Queensland) (18:10): Those in the chamber and those who might be listening to this on broadcast might almost agree with Senator Gallacher, but I will just remind people of the history. Senator Gallacher complains about a police commissioner who was sacked on 19 July 2013. I ask people to remember July 2013. That was the very time that Senator Gallacher, Senator Conroy, Senator Wong and Senator Carr were in a government that was doing a deal with the nation of Nauru. If it was so bad, why did Mr Rudd and Senator Conroy agree to the deal? They did. They sent these boat people to Nauru. The evidence at this and other inquiries has clearly shown that it was all done in such a rush because Mr Rudd, Senator Conroy and others realised the political and voting impact of their failure on border protection and so they grabbed at any straw to try to recover some political momentum. In doing that, they did the deal with Manus. According to Senator Gallacher, they did it at the time that the Nauruan government was actually sacking the police commissioner who Senator Gallacher is so worried about.

Senator Gallacher, if you are worried about it now, why weren't you worried about it then? Why didn't you say to Mr Rudd, 'Hang on. We can't do a deal with this country because they have just sacked the police commissioner and they don't want the judge to remain'? They made the arrangement. Senator Conroy was a senior member of the cabinet that made that deal. Yet those opposite have the hide to come in here now and complain about something that they put in place at the time that, according to them, the Nauruan government was wrongfully, illegally and undemocratically sacking their police commissioner. If it is bad now, it was bad when they did the deal.

The Greens political party are equally complicit because they supported the Labor Party in most of the decisions made at the time—

**Senator Hanson-Young:** Mr President, I rise on a point of order. That is misleading the chamber. The Australian Greens voted every single time against the establishment of Nauru and Manus Island—

**The PRESIDENT:** That is a debating point, Senator Hanson-Young. There is no point of order.

**Senator IAN MACDONALD:** As I was saying, the Greens political party voted with the government on almost every decision the Rudd and Gillard government made and had enormous influence on that government. They threatened to cross the floor and vote with us and bring the government down. When the government went ahead with the arrangement in Manus, of course they did not cross the floor. The hypocrisy of the Greens political party knows no bounds.

My concern with these reports is that they are always politically motivated. Senator Hanson-Young, with the support of the Australian Labor Party, has suggested and initiated so many inquiries into these things, but they are all politically motivated; they are all set up with committees that have a majority of Labor and Greens and Green Independent senators. They know the outcome before they go there, and it gives Senator Hanson-Young—with all due
respect to you, Senator Hanson-Young; I do not want to belittle you—the opportunity to expose her expertise on this. She has looked at Sea Patrol episodes over many months, so she knows all about these things and how they work. The committee would rightly report before it had even had a hearing, and I suggest that that is what has happened now.

I simply cannot understand Senator Gallacher and other members from the Labor Party complaining about something that they set up. I am only going on your advice, Senator Gallacher, that it was on 19 July 2013. That was the very time that Mr Rudd and Senator Conroy were wining and dining these people from that country, making the deal. Why did they not say then, 'We're going to give you enough money, but we're only going to do this if you properly train your police, your judges and your parliamentarians. We'll only give you the money and do the deal with you if you do that.' Did they do that? No, of course they did not.

The Labor Party in government made this deal with a sovereign country. What does Senator Gallacher want us to do now? Perhaps, Senator Gallacher, we should mobilise the army and invade Nauru? We will teach them a lesson or two; we will invade the country and set up a democratic parliament, a proper judicial system and a proper police system! We will have Australian troops surrounding the place so that this little nation learns its lesson. Is that what you want? How else are you going to—

The PRESIDENT: Order, Senator Macdonald. Senator Gallacher, on a point of order?

Senator Gallacher: Mr President, I rise on a point of order. I am quite happy to engage in a debate across the chamber if he wants to waive standing orders.

Senator Hanson-Young interjecting—

The PRESIDENT: Order on both sides! Before I call Senator Macdonald back, I did note that in your contribution, Senator Gallacher, you were heard in silence and there were no interjections on my right. Could I indicate to senators that they should listen to senators in silence.

Senator IAN MACDONALD: Thank you, Mr President. I know you do not mean it in this way, but if they did listen to me in silence they might actually learn something and understand. The honourable senator who spoke before me, Senator Gallacher, wants us to do something about it. There are a lot of countries around the world that I think are deficient in the way they run their parliaments or their police, but what do we do? Do we send in Australia's army to overrun them? We will teach them how to do it properly, Senator Gallacher. We do not like the way they are running their government, but what can we do? Is that what you want us to do—inve

Since then there have been problems, but every person in the know who gave evidence agreed that the reason for the problems was that the deal done by Mr Rudd and Senator Conroy was done in such haste that none of this was looked at. None of the proper resourcing was done. They just had to do something to try to save their own political bacon. And yet now
the Labor Party, having had a conversion to purity since the election, want us to go in, invade Nauru and teach them how to do it properly.

What the current government did, as best it could, dealing with the internal affairs of another country, was to set up an independent inquiry with the agreement of that country—not a political witch-hunt in which the Labor, Greens and Green Independents have a majority, but an inquiry by an independent, respected former public servant, Mr Moss, who went in with all the resources that were needed and made a sensible investigation. As well as that there were police investigations, to the best of our ability as a nation looking at what might have happened in another nation but confining ourselves to where we were invited or to offences that might have occurred within Australia’s jurisdiction. These brought out recommendations. As I understand it the government's reply, which is later in the documents that we will be debating today, indicates that most of the recommendations of these independent inquiries—I think probably all of, although I cannot be precise on that—have been put into place by the government, so far as the government is able to do in another nation's jurisdiction.

So again I say to the Greens and the Labor Party: you complain loud and long now, but where were you when your government, the Greens-Labor government, put these arrangements into place? Where were you? When you can answer that question I will give this debate a little more credibility than anyone who is listening to it could possibly ever give to it at the present time.

Senator HANSON-YOUNG (South Australia) (18:21): I think it is appalling to hear the level of debate we just heard from the previous speaker on an issue that is incredibly serious: the abuse of children and the rape of women inside the Nauru detention camp, done at the hands of guards paid for by the Australian taxpayer, funded by the Australian taxpayer, overseen by the Australian government and managed by the Australian government's contractor, Transfield Services. If this place is not able to discuss the spending of $1.2 billion to run this camp and ensure that children are safe and that women are not being raped—if we are not going to take responsibility for it—who will?

It is precisely why, when the legislation was first drafted to re-establish Nauru and Manus Island, I stood with my Greens colleagues in this place and moved amendment after amendment after amendment to try to put in safeguards. And who voted against every single one of those amendments? Senator Macdonald, and every single member of the coalition—and, I might say, every member of the Labor Party in this place too.

So: the mistakes have now been realised. This camp is horrendous. It is shameful that we are leaving vulnerable people there who have committed no crime but to try to get themselves and their families out of a war zone. And today, of all days, when we are discussing Australia taking more people from the war zones in Syria and Iraq, you have got to wonder: where is the common sense and the debate about other people who have already tried to get here, for safety, and have been shipped off to be dumped and locked up on Nauru, and are being abused, harmed and hurt?

We hear from government members that that is all okay and we should not be asking any questions. No—not good enough; absolutely not good enough.
Thankfully, we have seen, particularly over the last few days but increasingly over the last weeks and months, an opening of heart and a compassion and a desire to welcome people who are in such desperate need of protection and safety. When they flee from war zones, families get torn apart; lives get destroyed. And, for the people who made their way to Australia in the vain hope that they might find protection and safety here, we now need to turn our generosity of heart and our compassion to what we can do for those people here as well, because they have fled the same wars. They are fleeing the same ogres.

My daughter said to me that she described what a refugee was to her class. We were talking about what 'refugees' meant and what they were. And she said, 'Mum, refugees are people who are fleeing ogres and hot lava, and they need help.' If an eight-year-old child can get it, and if the Australian community is starting to desire and call for a proper response from our government, the very least we can have is a bit more civilised debate in this chamber about the people who are being harmed in the places that we have locked them up in.

They will not be forgotten. They should not be forgotten. And I am never going to be in this place and let somebody stand there and laugh off the abuse and rape of children and women that is happening in Australian institutions. It is appalling.

I obviously have a lot more to say in relation to this report, and I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Select Committee on the Regional Processing Centre in Nauru

Report

Debate resumed on the motion:

That the Senate take note of the report.

Senator GALLACHER (South Australia) (18:27): Mr President, I rise to take note of the initial report of the Select Committee on the Recent Allegations relating to Conditions and Circumstances at the Regional Processing Centre in Nauru—the first report to you. That report had one recommendation:

The committee draws the attention of the Standing Committee on Public Works to Commonwealth expenditure on public works in the Republic of Nauru, not confined to the Department of Immigration and Border Protection but across the Commonwealth, and recommends that the Department of Immigration and Border Protection ensures that all future public works in the Republic of Nauru are referred to the Standing Committee on Public Works in accordance with the Public Works Committee Act 1969 (Cth).

Senator Macdonald asked what we would like to do. His notion of invading Nauru will just go to the bin where it should be.

But what we do know is: there is an evidentiary and documentary trail showing that the Labor government completely honoured and followed the probity and scrutiny of the public works act. We know, because we have the two second reading speeches or the two contributions in the other place where exemptions were sought on the basis of expediency and urgency for urgent works on Nauru. And we know that there was commitment given by those respective ministers that the Public Works Committee would be kept fully informed as to expenditure and the like on Nauru.
We also know that the incoming Abbott government—the Hon. Tony Abbott, the Prime Minister, and his ministers—have not followed that seeking exemption or expediency motion. They have simply gone on to spend enormous amounts of public money without the proper scrutiny of the public works committee. We also know that the Minister for Finance in this place is the only one who can give an exemption. The Minister for Finance can give an exemption to a department. Then they need to go to the other place and seek an expediency or urgency motion, spell out the reasons and get on with it. They have not done that.

Under questioning during the inquiry process that we undertook they said, 'Don't worry about that because we keep the public works committee informed.' I have to tell you they have not. Every time they have informed the public works committee, the public works committee has said to me, 'We've told them to put some documentation to us.' You need to follow this through and the department has not done that. We know that when he was minister, Minister Morrison on water said, 'I don't talk to anybody. No information will be forthcoming.' This is not on water. This is on land. This is on Nauru. We know that a company called Canstruct has had two contracts—one for $36 million and another for $16 million, which, incidentally, met the threshold of the public works act scrutiny—which were never referred. These are the grown-ups in charge.

We know from the department's evidence that $1.3 billion has been spent in Nauru. We know that $450 million was spent in 10 months—$2,000 a day per asylum seeker; $1.3 million a day; $610,000 per asylum seeker to live in a mouldy tent. I will take that back; the evidence is that it is a marquee. But after 402 days a marquee is pretty well a tent. It is 10 by 12 metres and there can be six families in there. There is mould on the inside and that is in a climate the same as Darwin. The public works committee would have tested that for fit for purpose, in the public interest, value for money and the like. But it never came our way. The department have the gall to say, 'We have received legal advice that this is aid to another country and does not have to come to the public works committee.' I am not able to provide that legal advice today, but there will be a point when I am. I have seen the legal advice and I have to say that the legal advice they have got does not say what they told us it said. It does not say that. The public works act has applied to every bit of construction on Nauru since this government took office and it has been cloaked in secrecy. It has not been subject to parliamentary scrutiny. There has been no transparency about it. It has been treated basically like the on-water matters: 'Don't you worry about that. We're not telling you.'

This culture of secrecy and lack of transparency has masked an appalling outcome. This is really bad public policy: $1.3 billion of taxpayers' money spent in an appalling way. Senator Macdonald says, 'What can we do with the tiny Republic of Nauru?' We have paid the Republic of Nauru $27 million, $1,000 a month for every asylum seeker, as a visa. We have paid the Republic of Nauru $8 a square metre for however many hectares the detention centre occupies. We have poured money into a country with a GDP of US$112 million, in addition to our foreign aid, which is about 25 million. We have poured money into that tiny republic. All I am saying is that we could have used that influx of money to turn Nauru into a much better republic.
We could have assisted, quite appropriately, with the refurbishment and improvement of their hospital and their school. But we have got a jail there, a detention centre, which has 800 guards. We are spending enormous sums of money on a very tiny tropical island as if it is them and us. These people are asylum seekers. I do not think there is any evidence that they are going to rise up and take over the community in Nauru. When they are in a situation requiring fair and just treatment they should be able to get it. All I am saying is that our incredible investment in this tiny republic should have got a better outcome.

The more we talk about it, we see that it is common sense. If we are investing huge sums of taxpayers' money then why can we not have a win-win? Why can the Republic of Nauru not win? Why can they not have a better trained police force? Why can they not have a better legislative and magistrates area? Why can they not have a better hospital and a better school? Why can we not do all of these things? Basically, we cannot do them because there is a culture of secrecy with the department knowing best and delivering appalling outcomes.

They had to do the Moss review. It was an independent inquiry. The department have picked up the 19 matters, but they are looking after themselves. There is no evidence that they are actually up for any accountability or scrutiny. You cannot get in as a journalist; it costs $8,000 and is non-refundable. You cannot get there to have a look at what is going on. Facebook has been closed down. All sorts of anti-democratic measures have been taken in that place and we are paying for it. If you look at $450 million over 10 months, that is four times their GDP.

And you are telling me that we cannot influence these people to provide better certainty of outcomes and that we cannot even get the processing of the refugee claims speeded up? That is absolute nonsense. We do not need to go to war with people, as Senator Macdonald alleges. We just need persistence and common sense: 'We are underpinning your economy. We want this to be a fair and just outcome for people.' They are people, after all. You might want to denigrate them and call them asylum seekers, but they are human beings. They are under our protection and control and we have a duty to do better, not to do worse.

Senator Macdonald decries the work of this committee, but all I can say is that I will just keep bringing the evidence to this place. I will use every opportunity to get on the public record all of the evidence about what we are doing wrong. All the department has to do is follow the rules of the parliament. If it is more than $15 million and it meets the criteria of the public works act, refer it. We do not travel to Nauru; we have a look at what is being done. If you put a contention up to us that you are going to put six families in a 10 by 12 marquee for two years and you are going to spend $36 million doing it, most people on the committee, of whatever political persuasion, would say, 'I think we need to think about that; that might not be the best use of taxpayers' money.'

Senator IAN MACDONALD (Queensland) (18:38): If we are to believe what Senator Gallacher has just said—and I almost believe half of it—again I have to ask Senator Gallacher why was he part of a government that set this up?

Senator McEwen: You are the government.

Senator IAN MACDONALD: It was the Rudd Labor government, supported by the Greens political party, that went into this arrangement. Those listening might say, 'Gee, that Senator Gallacher had some good points.' Yes, he did. But can I explain that these
arrangements, these agreements, are made between one sovereign nation and another—and they are agreements that go for a long time. The government of Australia that made this deal, this agreement, with the Nauruan government that Senator Gallacher now criticises was the Rudd Labor government of which Senator Gallacher, Senator Conroy and the Greens political party were a part. Anyone could have said at the time that doing this as a pure political measure in the run-up to the 2013 election was fraught with danger. It was not clearly thought through, and the public servants who were trying to advise the government were given strict deadlines—'This has to be done tomorrow because we are going to an election and we need to pretend we have fixed the boat people problem.' Senator Gallacher made reference to 'asylum seekers' being a term of denigration. He might think it is a term of denigration but the Abbott government has just agreed to have 12,000 asylum seekers permanently settled in Australia and so 'asylum seekers' certainly is not a term of denigration as he was suggesting. But that is beside the point.

In defence of public servants who cannot themselves respond to the accusations of Senator Gallacher, the Department of Immigration and Border Protection, as it then was, was the most harassed and overworked department in the days of the previous Labor government. Many departmental officials were absent on stress leave because they were required to process the tens of thousands of people illegally arriving in Australia. They saw some horrendous, some horrific, situations. Public servants, politicians and anyone who had to deal with those horrendous situations day after day after day were being overworked, doing long hours to try to cope with the unregulated influx of people entering Australia in the wrong way. For a parliamentarian to criticise those people, then and now, is unfortunate. Senator Gallacher says the department says that they have legal advice that the Public Accounts Committee cannot go and look at a situation in another country, but Senator Gallacher does not believe that. I have to say, with respect to Senator Gallacher, give me a departmental official with the benefit of the best legal advice as opposed to Senator Gallacher’s advice, based purely on politics—I will always take the public servant with good legal advice. Senator Gallacher says the department knows best. I make the same qualification: give me the department, with all their resources and expertise and professionalism, over the allegations of the likes of Senator Gallacher and Senator Hanson Young. I will take the department's evidence any time.

Senator Gallacher, as I understood him, implied that Commissioner Moss was 'looking after themselves'. I think they were his words—if I have misquoted him in the Hansard I will withdraw that later. That is what I understood him to say. To suggest that someone as well respected as Mr Moss would be 'looking after themselves' is an awful accusation and should be withdrawn. Senator Gallacher also talked about this country having antidemocratic measures. Thanks, Senator Gallacher, it is nice of you to say that now—but where were you when your government entered into the arrangement with this government you are now referring to as antidemocratic?

Senator Hanson Young, in a previous debate we were having on a similar subject, made a big point about this being a serious subject because women and children are being raped—and it is a serious subject. You would think from Senator Hanson-Young's contribution that she was the only one in the whole of this parliament concerned about that. I would say that every other member of this parliament has the same concerns, and that is why the Abbott government has spent quite a lot of money in pursuing these issues, in trying to bring
perpetrators to justice where the Australian government has jurisdiction to do so. That is why it has accepted most, if not all, of the recommendations of Mr Moss. Everybody is appalled by that sort of behaviour but it is a question of what Australia can do about it when it happens in another country. If you look around the world any day of the week you will find things happening in other countries that most Australians would find abhorrent. But there is not a lot Australians can do except what the Abbott government has done: within its jurisdiction to provide every assistance to bring criminals and perpetrators of injustice to account. Again I say to Senator Hanson-Young that I can see that the Greens political party did not support the Labor government on this particular issue, but they kept the Labor government there for six years. At any time they could have got rid of a government that was so awful that it made this rushed decision which results in all of the problems that have now been enumerated by Senator Gallacher and Senator Hanson-Young.

I assure senators and those who might be listening to this that the Abbott government will do everything within its power, regardless of cost, to try to look after the safety and welfare of anyone for whom this nation is responsible, wherever they are in the world. There is not always an easy one-liner to respond with, but that is happening and is what the department is very professionally doing. I thank the relevant department, now the Department of Immigration and Border Protection, for the work they continue to do in protecting Australia's borders and in stopping the sorts of mass drownings that we saw occur under the Labor government with the unregulated flow of people smugglers and their clients into this country. I thank those public servants for a job very well done. As a parliamentarian I apologise to them that some of their actions have been criticised by a fellow parliamentarian. They do a wonderful job. I thank them for what they have done for Australia. They deserve our thanks and credit. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

COMMITTEES

Consideration

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

Economics References Committee—Report—Corporate tax avoidance – Part 1: You cannot tax what you cannot see—Corrigendum. Motion of Senator Canavan to take note of document agreed to.

Environment and Communications References Committee—Regulation of the fin-fish aquaculture industry in Tasmania—Report. Motion of the chair of the committee (Senator Urquhart) to take note of report called on. On the motion of Senator McEwen the debate was adjourned till the next day of sitting.

Economics References Committee—Future of Australia's naval shipbuilding industry—Interim report. Motion of Senator Canavan to take note of report called on. On the motion of Senator Ruston the debate was adjourned till the next day of sitting.

Recent Allegations relating to Conditions and Circumstances at the Regional Processing Centre in Nauru—Select Committee—Taking responsibility: conditions and circumstances at Australia's regional processing centre in Nauru—Report. Motion of Senator Gallacher to take note of report debated. Debate adjourned till the next day of sitting, Senator Hanson-Young in continuation.

Intelligence and Security—Joint Statutory Committee—Australian Citizenship Amendment (Allegiance to Australia) Bill 2015—Advisory report. Motion of Senator Fawcett to take note of report agreed to.
Economics References Committee—Report—Privatisation of state and territory assets and new infrastructure—Government response. Motion of Senator Canavan to take note of document agreed to.

Law Enforcement—Joint Statutory Committee—Inquiry into financial related crime—Report. Motion of Senator Singh to take note of report called on. On the motion of Senator McEwen the debate was adjourned till the next day of sitting.

Intelligence and Security—Joint Statutory Committee—Review of administration and expenditure no. 13 (2013-14)—Australian intelligence agencies—Report. Motion of Senator Canavan to take note of report agreed to.


Treaties—Joint Standing Committee—151st report—Treaty tabled on 28 October 2014. Motion of Senator Canavan to take note of report called on. On the motion of Senator Hanson-Young the debate was adjourned till the next day of sitting.


Economics References Committee—Future of Australia’s automotive industry—Interim report. Motion of Senator Carr to take note of report called on. On the motion of Senator McEwen the debate was adjourned till the next day of sitting.

Community Affairs References Committee—Out of home care—Report. Motion of the chair of the committee (Senator Siewert) to take note of report called on. On the motion of Senator McEwen the debate was adjourned till the next day of sitting.

Finance and Public Administration References Committee—Domestic violence in Australia—Report. Motion of the chair of the committee (Senator Gallagher) to take note of report called on. On the motion of Senator McEwen the debate was adjourned till the next day of sitting.

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

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

Economics References Committee—Future of Australia’s naval shipbuilding industry: Long-term planning (part 3)—Report. Motion of Senator McEwen to take note of report called on. On the motion of Senator Ruston the debate was adjourned till the next day of sitting.

Foreign Affairs, Defence and Trade References Committee—Use of unmanned air, maritime and land platforms by the Australian Defence Force—Report. Motion of the chair of the committee (Senator Gallacher) to take note of report called on. Debate adjourned till the next day of sitting, Senator McEwen in continuation.

Foreign Affairs, Defence and Trade References Committee—Blind agreement: reforming Australia’s treaty-making process—Report. Motion of the chair of the committee (Senator Gallacher) to take note of report called on. Debate adjourned till the next day of sitting, Senator McEwen in continuation.

Constitutional Recognition of Aboriginal and Torres Strait Islander Peoples—Joint Select Committee—Report. Motion of Senator Peris to take note of report called on. Debate adjourned till the next day of sitting, Senator McEwen in continuation.
Community Affairs References Committee—Adequacy of existing residential care arrangements available for young people with severe physical, mental or intellectual disabilities in Australia—Report. Motion of the chair of the committee (Senator Siewert) to take note of report called on. Debate adjourned till the next day of sitting, Senator McEwen in continuation.


Legal and Constitutional Affairs References Committee—Incident at the Manus Island Detention Centre from 16 February to 18 February 2014—Government responses to interim and final reports. Motion of Senator Siewert to take note of documents agreed to.

Legal and Constitutional Affairs References Committee—Ability of Australian law enforcement authorities to eliminate gun-related violence in the community—Report. Motion to take note of report called on. On the motion of Senator Ruston the debate was adjourned till the next day of sitting.


Finance and Public Administration References Committee—Domestic violence in Australia—Interim report. Motion to take note of report called on. Debate adjourned till the next day of sitting, Senator McEwen in continuation.

National Broadband Network—Select Committee—Second interim report. Motion to take note of report called on. Debate adjourned till the next day of sitting, Senator McEwen in continuation.

National Disability Insurance Scheme—Joint Standing Committee—Progress report—Implementation and administration of the National Disability Insurance Scheme—Government response. Motion of Senator Siewert to take note of document called on. Debate adjourned till the next day of sitting, Senator McEwen in continuation.

Abbott Government's Budget Cuts—Select Committee—First interim report. Motion of Senator Bilyk to take note of report called on. Debate adjourned till the next day of sitting, Senator McEwen in continuation.

Legal and Constitutional Affairs References Committee—Incident at the Manus Island Detention Centre from 16 February to 18 February 2014—Interim and final reports. Motion of Senator Bilyk to take note of reports called on. Debate adjourned till the next day of sitting, Senator Ruston in continuation.

**ADJOURNMENT**

The PRESIDENT (18:48): Order! I propose the question:

That the Senate do now adjourn.

**Health Care**

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (18:48): I rise to report to the Senate some concerns about the provision of health care in country South Australia. I had the privilege last week of spending two days in regional South Australia with Senator Fiona Nash, the Assistant Minister for Health, who also has responsibility for, among other things, rural health, Indigenous health and palliative care and also has a role on the Ice Taskforce. We canvassed many of those issues with people in regional areas spanning from the south-east to the Riverland to the lower north. The prime purpose of our visit was to talk about training for junior doctors, particularly the provision of intern places in South Australia. We currently have five. We used to have six; it has now gone down to five. According to a rural workforce agency report of a couple of years ago, we need
a minimum of about 20. So we are looking to see how we can constructively work with the university sector, with the state government if they will come on board, and with GPs in rural communities to bring about such a program.

The topic I would like to talk on tonight is palliative care services. One of the concerns raised with us in Mount Gambier is the fact that, as of 1 July, palliative nursing staff numbers will be halved, bereavement services for Mount Gambier and Naracoorte will go and a head of palliative care position will also be cut. This comes at a time when in the media we are seeing reports that in Adelaide the state government is choosing to spend some $7 million to relocate palliative care services from Daw House at the repat hospital to the Flinders Medical Centre and will be building a 15-bed facility there. The closure of the repat hospital is a separate issue and I will perhaps discuss that on a separate occasion. Whilst I am thrilled for people in the metropolitan area of Adelaide that there will be a brand-new facility with 15 beds at the Flinders Medical Centre, I do question the relative priorities of the state Labor government that they are spending $7 million to relocate an existing facility—albeit an aged one—but at the same time are completely cutting services in one of South Australia's largest regional towns and the hinterland around that.

A couple of reports have come out just recently in which people in the community who have highlighted the impact that these positive palliative care services have had. In a story that came out on the ABC in June this year, Mr Chris Couch talks about the support that he and his brother Andrew received from the palliative care team at the Mount Gambier hospital for their father. It highlighted the real difference that that made to their ability to care for their father in the community compared to the options that they might have faced if that support had not been there. So it is clearly an issue that the community is concerned about. I would like to raise tonight and highlight that this is an issue that the state government has in its remit to fix if it so chooses.

The response to the media in Mount Gambier and the south-east from Country Health SA is to blame the end of the Commonwealth national partnership program. I have gone back to look at that program to understand exactly what was provided, and I will give you a little bit of context. This was a program that was set up as a top up, if you like, to try to overcome some of the inefficiencies in hospital services. It was set up under the former Labor government, and I give them credit for spending that money. In looking at the program, under schedule E to the partnership agreement, South Australia received some $119.7 million between 2010-11 and 2013-14 for additional subacute beds, and the palliative care area falls under that as well as rehabilitation services. What it also highlights is that, if you go to page 8 and table 1, which is part 5 of the financial arrangements, the investment in the subacute beds finished in the financial year 2013-14 even though the overall agreement stretched out to 2016-17.

Mr Rann, who was then the Premier, signed up to this agreement. So the South Australian health department knew when they signed the agreement that this top-up funding was going to finish at the end of June 2014, or that that would be the last time it would be funded. Under that agreement for the following years there was no funding. So for them, now, to turn around and say that they are pulling these services in country areas in South Australia because this agreement has ended in just inaccurate. If you look at the agreement, that funding stopped anyway under what they signed.
It is also worth pointing out that under the coalition government we have continued to fund and increased funding to South Australian hospitals. In fact under the National Health Reform Agreement, under the activity based funding arrangements, the Commonwealth will pay 45 per cent of efficient growth in public health costs out to 2017-18. This is just part of the health funding. Overall, as I have talked about in this place many times before, funding to the hospital sector in South Australia increases year on year on year, but this particular part in 2014 was $1.124 billion and by 2018 that had gone up to $1.3 billion. So there is a 16 per cent increase across the forward estimates in the area that the South Australian government is making choices as to where it spends its money. If you couple that with the fact that there is some $1.8 billion of additional revenue that the South Australian government is receiving through GST that was not forecast at the time when we came to government, it says that they have no shortage of funds to spend to support the health services of people living in regional South Australia. This comes down, purely, to an issue of the priorities of the Weatherill government and Minister Snelling as to where they think it is worth spending money to provide health services for South Australian residents. Clearly people living in regional communities are not seen as a priority.

Unfortunately for South Australians most country areas are represented by Liberal Party members, so it is very difficult for them to get political leverage to convince the state Labor government to spend this money in regional areas. I would encourage anyone in South Australia listening to this debate, who has family in the city or, indeed, who lives in the city, to take this up as an issue of equity. Governments govern for all regardless of who you vote for, regardless of whether you live in the city or country. Good government is here to govern for all and to make sure that there is an equitable distribution of available funds to provide services that are essential for people.

In this area, where the Commonwealth still provides funding and increases funding,—as I said a 16.3 per cent increase over the forward estimates for the additional GST funding—this is a decision that the South Australian government can and should be making to support people living in regional South Australia. Bear in mind at the moment that much of South Australia’s economy is dependent on the agriculture sector, yet those communities who provide this income for the state also need the health services that gives them the confidence, gives young families the confidence, to establish a career in a regional area. Whether they be people working in the ag sector, the health sector or in many other parts of the community, they go there to have a functional and sustainable community.

In terms of palliative care the Australian government is funding some $52 million over three years to develop and deliver national palliative care projects that palliative care groups have identified as critical to improving the quality and service delivery of palliative care. In South Australia Flinders University has three such projects running. This is an important topic for people in South Australia. For those people in the city, I urge you to take this up as a matter of equity. For those people in the country, particularly in the south-east at the moment who are affected, I encourage you to not give up your fight but continue to advocate and call for equity in funding from the state Labor government.

Asia Pacific TB Caucus

Senator SINGH (Tasmania) (18:58): I rise tonight to report on the inaugural meeting of the Asia Pacific TB Caucus that I attended in Sydney recently. The caucus, convened by
Melissa Parke and Warren Entsch, is a gathering of regional parliamentarians who have vowed to take action, both collectively and individually, to drive progress against tuberculosis. We will work with national parliaments and regional and global organisations to build support for necessary policies and mobilise resources to more effectively tackle the disease. The Asia Pacific TB Caucus was set up under the aegis of the Global TB Caucus, which was established by Nick Herbert MP, the co-chair of the UK All-Party Parliamentary Group on Global TB, and Jose Luis Castro, the executive director of the International Union Against Tuberculosis and Lung Disease, in Barcelona 2014. The Barcelona Declaration on Tuberculosis of the caucus committed its signatories—parliamentarians and political leaders spanning five continents—to work for sustained action and significant investment in the fight against TB. The Asia Pacific TB Caucus is the first parliamentary network of its type in the region.

I attended the meeting along with my Labor colleagues Matt Thistlethwaite and Sharon Claydon, as well as Liberal MPs Dr Andrew Southcott and Warren Entsch, the chair of the meeting. I want to applaud the determination of RESULTS International and RESULTS Australia, with whom I have engaged very closely on other issues related to their efforts to end poverty, for working so hard to establish this caucus and for providing its secretariat.

I also want to recognise and express my deep gratitude to the wonderful Eloisa 'Louie' Zepeda from the Philippines, a former architect who lost her sight to drug-resistant tuberculosis and who is now trying to save the lives of others by sharing her story and inspiring parliamentarians like myself to keep increasing the pressure on TB. I thank Louie for moving and motivating me and my colleagues in this caucus. And she needs to, because every year approximately 100 million people globally are infected with TB, eight million develop active or infectious TB and two million die from the disease.

It is appropriate that parliamentarians from the Asia-Pacific have formed this network because some 60 per cent of the world's TB cases occur in the Asia-Pacific region, where nearly five million people fall ill each year. TB continues to be widespread and deadly in many Asia-Pacific countries, including Timor Leste, Cambodia, Myanmar, Papua New Guinea, Kiribati and the Marshall Islands.

Target 6.C of the Millennium Development Goals aimed to halt and begin to reverse the incidence of TB by the end of this year. Due to some remarkable achievements over the past decade, this target is on track. Since 2000, TB treatment has saved nearly 37 million lives, but prevalence and mortality rates are falling very slowly. The UN is following up on this slow success with the ambitious but necessary Sustainable Development Goal 3.3 to end the epidemic of TB by 2030. However, at current rates, the TB epidemic will be controlled by 2180 at the earliest.

Besides the human cost, TB in general and drug-resistant TB in particular place an extraordinary economic burden on communities and trap people in poverty. It is estimated that TB will rob the world's poorest countries of an estimated $1 trillion to $3 trillion over the next 10 years. The World Bank estimates that the loss of productivity attributable to TB is four to seven per cent of some countries' GDP. Without swift action, drug-resistant TB will claim the lives of an additional 40 million people in our region over the next 35 years and significantly drive down economic growth. Five per cent of global TB cases are actually drug resistant. Failure to specifically address drug-resistant TB will result in major long-term...
human and economic costs and, ultimately, may pose a major threat to regional development and security.

Despite the growing need, chronic underinvestment in TB research and development means that the pipeline for new drugs is very sparse, with few new treatments in development. As has been proven by other diseases such as smallpox and polio, prevention through vaccination would be the most cost-effective tool for ending TB as an epidemic. It is feasible to develop an effective TB vaccine in the next decade. As recently as 10 years ago, only one new TB vaccine candidate was in clinical trials. Today, 15 potential vaccines are in the pipeline. Donors such as Australia need to renew and sustain research and development support if we are to eliminate TB as a global epidemic by 2030. A new vaccine could be available within 10 years if appropriate research and development is supported.

Under Labor, Australia's contribution to official development assistance grew with every budget. In 2006-07 the Australian government invested $2.9 billion, and by 2013-14 that amount had almost doubled to $5.7 billion. In 2013 alone, a commitment by the former Labor government saw Australia give $100 million to the global fund to fight tuberculosis—the largest single-year contribution our country has ever made. The Abbott government needs to ensure Australia is a strong contributor to the global fund.

The impact of an additional contribution by Australia to the global fund could be multiplied by up to 10 times in the Asia-Pacific region. This is because TB is the leading killer of people living with HIV, causing one in five HIV-related deaths. More recently, the association between TB and diabetes has come into focus, and the TB-diabetes combination is particularly relevant for our Asia-Pacific region. Of the 10 countries with the highest prevalence of diabetes globally, seven are in the Pacific. In these countries between one-quarter and one-third of adults have diabetes. A high proportion of TB patients also have diabetes, many with uncontrolled diabetes, which makes treating TB more difficult.

From Australia's perspective, the health strategy for the aid program released in June emphasises support for strengthening the health systems of Asia-Pacific countries. An important part of our health-system strengthening is to ensure that services can cater to people with multiple conditions which require care and treatment. Unfortunately, Prime Minister Abbott's severe cuts to international aid threaten to compromise the important work that the global fund is trying to achieve in fighting TB in developing countries, including some of Australia's nearest neighbours such as Papua New Guinea. It is so critical that we as a nation bolster our support in the fight against TB and lead the charge wherever possible. This is a disease that affects us all. This is a disease that is affecting some of our nearest neighbours, including Timor Leste and Papua New Guinea. It is up to us as a wealthy nation to support the global fund in fighting this very severe disease that causes so many deaths and so much suffering for our nearest neighbours each year. We cannot do that by cutting our aid budget. We have to do that by investing in research and development to find a new vaccine, hopefully before that 2030 date, and we will only do that if the Abbott government ensures that its aid budget is lifted from the poor position that it currently finds itself in, coming out of our last budget and the budget before that.

My message tonight is to urge the Abbott government to provide the necessary funding to the Global Fund to ensure that our nearest neighbours—those in the Asia-Pacific affected by TB, people like Louie—have a chance in life to be free of TB, just like so many have been
cured of polio and smallpox in the past. Let's invest in the Global Fund, invest in research and development, find a vaccine for TB and get rid of this epidemic by 2030.

**Employment**

*Senator BUSHBY* (Tasmania—Chief Government Whip in the Senate) (19:08): I rise to speak about the great news for Tasmanian employment revealed by the Australian Bureau of Statistics’ jobs figures released today. It is my pleasure to inform the Senate that over 6,200 new jobs have been created in Tasmania since March 2014 and there are 2,100 fewer unemployed Tasmanians. Retail trade is at record highs. The construction sector is booming in Tasmania and business confidence in Tasmania is the highest in the nation. These are the statistics—a strong and improving set of numbers—but the reality on the ground is also clear. Talking to businesses and investors across Tasmania strongly backs up what these numbers are saying. There is a buzz and an excitement about jobs and opportunity that I have not seen in Tasmania for many years.

Of course, this is a significant contrast to just a few years ago when Labor and the Greens in Tasmania presided over 10,000 job losses between February 2011 and October 2013. In fact, Labor and the Greens consistently earned Tasmania the unemployment wooden spoon, with an unemployment rate peaking at 8.1 per cent in June 2013. Then, as was often the case during the 16 years of Labor and the Greens, it was the worst in the nation. If any further evidence is required to prove that the Hodgman Liberal government's long-term plan for a brighter future, supported by a job focused federal coalition, is working in Tasmania, then one needs to look no further than Tasmania's vastly improved unemployment rate, which now sits at 6.7 per cent—a rate that is no longer the highest in the nation and which is rapidly approaching the national unemployment rate.

This follow some very positive news on the national stage, with jobs growth now running 10 times faster than it was under Labor. In 2013, only 2,000 new jobs were created each month in Australia. In 2014, this jumped to 15,000 new jobs a month. So far this year there have been almost 21,000 new jobs each and every month. But neither the Abbott nor the Hodgman governments are content with these improvements. Just a little over a week ago, the Prime Minister and Premier Hodgman announced a co-investment plan involving $16 million of federal funding and $8 million of state funding to leverage on a two-to-one basis a total of $72 million into investment in jobs-rich Tasmanian projects. I look forward to these projects being rolled out, as I am sure businesses and people who are looking for jobs in Tasmania do as well. Governments at both levels will continue to develop and implement policies designed to promote jobs growth in Tasmania and nationally.

Given all of this, I draw your attention to the ill-timed and poorly chosen words offered in this chamber yesterday by Senator Bilyk. It is not surprising, but most ironic, that Senator Bilyk chose to talk Tasmanian job outcomes down the very day before the ABS jobs data provided the bright news for Tasmania to which I have already referred. It is data which proves the upturn that so many Tasmanians know is happening. I am sure Senator Bilyk, spurred on by her Labor colleagues, is now suitably embarrassed by today's jobs data and, no doubt, full of regret for the poorly chosen and factually incorrect words that she spoke in this place yesterday. But Senator Bilyk's comments extended further than her factually incorrect attempt to talk down jobs outcomes in Tasmania. She went on to talk down the *Spirit of Tasmania* refurbishment—clearly another faux pas. As TT-Line has confirmed, this project...
has resulted in work for 200 Tasmanians and, out of the 30 subcontracts let by the turnkey contractor, Trimline, more than two-thirds were awarded to Tasmanian companies, which in my view is a fantastic result. TT-Line pointed out that the only realistic alternative would have been the standard approach for ship refurbishments where both vessels are taken out of service and sent to Singapore for refurbishment. This would have left Bass Strait passengers and freight stranded for more than four weeks. It would also have resulted in precisely zero jobs for Tasmanians. That is at least 200 fewer Tasmanian jobs than the Hodgman Liberal government delivered by making the right decision on these ships. Labor's approach would have undoubtedly involved a third way—that is, do nothing at all.

The Tasmanian Labor opposition and their federal colleagues firmly opposed the refurbishment and I assume they also opposed the fantastic increase in passengers we are already seeing as a result, with forward bookings held by TT-Line up by more than 17 per cent and forward bookings for day sailings up an incredible 126 per cent. I would think that this is good news, not just for TT-Line but for Tasmanian hospitality and retail businesses and the people that they employ as well.

Looking a little closer at Senator Bilyk's words, something becomes more than evident. Senator Bilyk is not really interested in Tasmanian jobs per se. What she is interested in is union jobs. Senator Bilyk's sole solution to her completely fabricated jobs crisis is to encourage Premier Hodgman to sit down with the unions, especially the CFMEU, to find ways to deliver more union jobs. I remind the Senate that it is the faceless men of the CFMEU who maintain xenophobic opposition to the free trade agreement with China—the very agreement that will unlock a multitude of new employment opportunities in Tasmania. Senator Bilyk and her leader, Mr Shorten, should quit their economic vandalism, support Tasmanian jobs and growth and back the China-Australia free trade agreement. Mr Shorten must stop pandering to the misleading xenophobic web of fibs spun about labour market testing by the CFMEU. To truly understand what motivates Labor, you need to look no further than their recent Tasmanian state Labor conference. In the lead up to the conference in August, Bill Shorten proclaimed:

We acknowledge the mistakes of the past and that reconnection and growth of the Labor Party is well and truly underway in Tassie.

Unfortunately, Mr Shorten's forecast spectacularly unravelled when sensible policy discussion was abandoned in place of bitter factional disputes and ad nauseam arguments on side issues. Labor's priority and focus was demonstrated when its faceless men, heavily influenced by union powerbrokers, exercised their factional muscle to dislodge Senator Lisa Singh from her place on the Senate ticket—completely snubbing the will of Labor's rank-and-file voters whilst rewarding their comrade, John Short, from the AMWU with her place.

Labor's conference proceeded with a notable absence of meaningful discussion on priorities, such as creating jobs, restoring business confidence, reining-in budget spending and boosting tourism. Labor claims that its alliance with the Greens has formally concluded. However, even a cursory glance at the hot topics discussed at the Labor conference shows that this symbiotic relationship remains strong. Tasmanian Labor still cannot decide whether it is a party for working Tasmanians, or merely a mouthpiece for the far-left extremities of political debate or the toy thing of union powerbrokers.
At a national level, perhaps Labor’s faceless union bosses should have taken the opportunity to commit to rooting out corruption rather than focusing their energy on shutting down the very process designed to assist in that task. This is not a time for talking the Tasmanian economy down, nor is it a time for good governments to rest on their laurels. The Abbott and Hodgman governments will continue to invest in job-creating infrastructure and projects in the interests of Tasmania and the nation.

Senate adjourned at 19:16

DOCUMENTS

Tabling

The following documents were tabled by the Clerk pursuant to statute:


Medical Research Future Fund Act 2015—Medical Research Future Fund (Amount to be Transferred from the Health and Hospitals Fund) Determination 2015 [F2015L01412].

Indexed Lists of Departmental and Agency Files

The following document was tabled by the Clerk pursuant to the order of the Senate of 30 May 1996, as amended:

Indexed lists of departmental and agency files for the period 1 January to 30 June 2015—Statement of compliance—Fair Work Commission.