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**SITTING DAYS—2014**

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FORTY-FOURTH PARLIAMENT
FIRST SESSION—FOURTH PERIOD

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

Senate Office holders
President—Senator Hon. Stephen Parry
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 AOM, Dean Anthony Smith, Zdenko Matthew Seselja, Glenn Sterle, Peter Stuart Whish-Wilson and John Reginald Williams
Leader of the Government in the Senate—Senator Hon. Eric Abetz
Deputy Leader of the Government in the Senate—Senator Hon. George Henry Brandis QC
Leader of the Opposition in the Senate—Senator the Hon Penny Wong
Manager of Government Business in the Senate—Senator Hon. Mitchell Peter Fifield
Manager of Opposition Business in the Senate—Senator Claire Moore

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

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

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

**PARTY ABBREVIATIONS**

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

**Heads of Parliamentary Departments**

Clerk of the Senate—R Laing
Clerk of the House of Representatives—D Elder
Secretary, Department of Parliamentary Services—C Mills
Parliamentary Budget Officer—P Bowen
<table>
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<tr>
<td><strong>Prime Minister</strong></td>
<td>The Hon Tony Abbott MP</td>
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<tr>
<td><strong>Minister for Indigenous Affairs</strong></td>
<td>Senator the Hon Nigel Scullion</td>
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<tr>
<td><strong>Minister for Indigenous Affairs</strong> (Deputy Prime Minister)</td>
<td>Senator the Hon Eric Abetz</td>
</tr>
<tr>
<td><strong>Minister for Indigenous Affairs</strong> (Leader of the Government in the Senate)</td>
<td>Senator the Hon Michaelia Cash</td>
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<td><strong>Minister for Indigenous Affairs</strong> (Deputy Leader of the House)</td>
<td>The Hon Josh Frydenberg MP</td>
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<tr>
<td><strong>Minister for Indigenous Affairs</strong> (Parliamentary Secretary to the Prime Minister)</td>
<td>The Hon Alan Tudge MP</td>
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<tr>
<td><strong>Minister for Infrastructure and Regional Development</strong></td>
<td>The Hon Warren Truss MP</td>
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<tr>
<td><strong>Minister for Infrastructure and Regional Development</strong></td>
<td>The Hon Jamie Briggs MP</td>
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<tr>
<td><strong>Minister for Foreign Affairs</strong></td>
<td>The Hon Julie Bishop MP</td>
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<tr>
<td><strong>Minister for Trade and Investment</strong></td>
<td>The Hon Andrew Robb AO MP</td>
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<tr>
<td><strong>Minister for Trade and Investment</strong> (Parliamentary Secretary to the Minister for Foreign Affairs)</td>
<td>Senator the Hon Brett Mason</td>
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<td><strong>Minister for Employment</strong></td>
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<tr>
<td><strong>Minister for Employment</strong></td>
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<td><strong>Attorney-General</strong></td>
<td>The Hon Michael Keenan MP</td>
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<tr>
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<td>(Vice-President of the Executive Council)</td>
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<tr>
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<td>Minister for Justice</td>
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<tr>
<td><strong>Minister for Finance</strong></td>
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<td><strong>Minister for Finance</strong></td>
<td>The Hon Bruce Billson MP</td>
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<td>The Hon Barnaby Joyce MP</td>
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<td><strong>Minister for Social Services</strong></td>
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<td>(Manager of Government Business in the Senate)</td>
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<tr>
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The PRESIDENT (Senator the Hon. Stephen Parry) took the chair at 09:30, read prayers and made an acknowledgement of country.

BILLS

Social Security Legislation Amendment (Stronger Penalties for Serious Failures)
Bill 2014

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (09:31): As I was saying last night, before I had to cease my contribution, the restriction of waivers will disproportionately impact on some of the most vulnerable people in our society. These are the people we should reach out a hand to and support—people with mental illness and people experiencing homeless. They are the people who I am very concerned to hear appear to have been described by Joe Hockey as 'leaners'.

This government does not understand the challenges faced by the most vulnerable and disadvantaged people in our community. They are completely out of touch with what goes on out there in the real world, or, even worse, they might understand it but they just do not care. They are quite happy for the most vulnerable unemployed Australians to be the collateral damage in a cruel and heartless scapegoating exercise. It is important for a strong mutual obligation system that we have both the carrot and the stick systems—a system of penalties for failing to comply, accompanied by help and incentives to engage with the employment support system. This is why the waivers are so important.

When there is a serious failure, the waivers allow the department to consider individual circumstances and whether applying the penalty would be appropriate. The department can consider whether the job seeker has the capacity to comply with the serious failure requirement and whether applying the penalty would cause them serious financial hardship. Also, the job seeker has an opportunity and an incentive to re-engage with the system and return to actively seeking work.

What the Abbott government wants to introduce is a system that is cruel and inflexible. There is no argument from this side of the chamber that people should be penalised in some way if they steadfastly refuse to engage in finding suitable employment, or if they do not bother to make any reasonable effort. But, having any restriction on the number of waivers that are applied to eight-week penalties is just plain cruel. This legislation says, 'You have blown it. No second chances. We do not care, even if you start to re-engage. We do not care of applying this penalty is going to cause you serious financial hardship.'

This government can see from the statistics I quoted last night that this legislation will have the greatest impact on the most vulnerable people. Those opposite may be surprised to hear this, but punishing job seekers and blaming them for their failure to find a job—one that often does not exist—and cutting their income support will not improve Australia's unemployment rate. Creating new jobs will improve Australia's unemployment rate. I can guarantee that the
government's harsh approach will lead to a boom in one industry. It will create a lot more demand for the welfare agencies, for emergency relief services and for law enforcement, because what this government is proposing to do with the most vulnerable job seekers in our community will have them living in abject poverty.

We may as well go back to convicts, where we won't pay you anything and you can survive on fresh air and then when you do have to resort to some illegal way to survive then we'll lock you up. It is disgraceful. I cannot imagine anyone in this chamber from any side living for six months with no income. I would challenge those on the other side to think very seriously about how people are going to do that.

Labor's approach in government was to boost education and training opportunities. We made changes to Job Services Australia and introduced a system with greater flexibility to manage job seeker to jobs. We prioritised, providing more resources to the job seekers with the greatest need. Across the employment services portfolio during our time in government we helped over 1.6 million people to secure jobs. We did it without punishing job seekers simply because they could not get a job. We will oppose this bill. We will oppose it because it is bad policy. We will oppose it because it will do nothing to improve the prospects of job seekers in getting job. But, most important of all, we will oppose it because it is cruel, heartless and completely inflexible.

Senator URQUHART (Tasmania—Deputy Opposition Whip in the Senate) (09:35): The legislation before us today is a prime example of this government's distorted, heartless and unfair policy agenda. It is further proof that it is intent on punishing the most vulnerable people in our society, tearing up the Australian tradition of a fair go and creating a new underclass.

The bill before us today aim is to overturn Labor's changes that ensured job seekers who incur a penalty for not actively seeking work or training were encouraged to re-engage with the job market. Currently under the Social Security (Administration) Act, job seekers on a particular participation payment can potentially receive an eight-week, non-payment penalty for serious breaches of the rules. These breaches include refusal of suitable work or ongoing failure to comply with their obligations. In order to encourage re-engagement, Labor included the opportunity for job seekers to have the penalty waived if they took on a serious failure requirement like Work for the Dole, job search training or more intensive job searches. Similarly, the non-payment period could also be waived if it would result in severe financial hardship for a job seeker who cannot undertake one of these activities.

The bill before us today seeks to eliminate all avenues for non-payment periods to be waived. In doing this, it denies the most vulnerable people in the country a second chance to re-engage with the job market. It removes all incentives to get more people involved in job seeking. In fact, not only are job seekers not recognise for taking measures to re-engage; they are actually prohibited from doing this under the proposed legislation. This reveals the lie in the government's stated aim of getting people back into work. It is a mere mask for their true agenda of punishing job seekers. If this government actually wanted people to get into work, wouldn't it make sense to encourage any active measures that job seekers take towards this goal? Banning this type of proactivity in job seekers is an affront to both common sense and compassion. This bill, if passed, will guarantee that once people have got to this point, for whatever reason, no matter how legitimate, the likelihood that they will move into paid work
will decrease significantly. Similarly, the proposed legislation removes the potential for Centrelink staff to consider exceptional circumstances or to make appropriate decisions to respond to individual situations.

Who will be affected by these harsh measures? The reality is that those who will be impacted are the most vulnerable of all. They might be the homeless or in the midst of a traumatic domestic situation or they could be suffering from serious health issues. They are very likely to be young people. As history tells us, more than three-quarters of people who will be affected by the bill will be under 30. In short, they are likely to be people who are most in need of government support, the least able to rebound after a setback. The government has spruiked that it will save $20 million through this bill. What they will not tell you is what the heavy social cost of such draconian legislation will be. Nor will you hear them admit what the flow-on costs could be to the budget.

When combined with the government's other harsh and unnecessary plan to force young unemployed people to forego the dole the six months year if they are not in work programs or training, Prime Minister Abbott and Senator Abetz have a recipe for massive destitution and ensuing desperation.

In fact, even after a young job seeker has served out the six-month waiting period, they still will not be guaranteed a full six months of income support, because the eight-week non-payment period could also be required. In this context it is not surprising to hear some in St Vincent de Paul chief John Falzon and warned that the government's proposed welfare changes will plunge job seekers into poverty and force them to choose between charity and crime.

We have received this play out in the United Kingdom, where experts claim that harsh welfare cuts from the Conservative government have resulted in a rise in crime rates of up to three per cent in three years. In fact, Derbyshire Labour Police and Crime Commissioner Alan Charles directly attributed the rising crime rates to the welfare cuts inflicted by the government.

The reality is that some job seekers may be able to turn to family or friends, but many thousands of unemployed people just do not have this luxury. For them, illegal means might be the only option left. But, of course, any increase in crime would undoubtedly weigh heavily on our judicial system. Similarly, our health and social services systems will pay the price if there is a spike in depression, suicide, homelessness and other social problems that often accompany financial desperation.

We should never forget that if the hit on the budget will be bad from this ill-considered policy, the toll on families and local communities will be immense. We can see when it comes to addressing unemployment, this government has forgone sensible, considered solutions in favour of persecution, cruelty and prejudice. They ignore the unemployment data and expert research about the reasons for unemployment in favour of founding policy based on spite and stereotypes. But we should not be surprised really. This is true to form for Mr Abbott and his twisted priorities. Despite the espoused goal of helping job seekers to gain the dignity of work, their words belie their cruel and heartless attitudes to unemployed people.

We have had Treasurer Joe Hockey falsely divide the world into lifters and leaners, with the implication that the latter are just too lazy to go out and get themselves a high-paying job.
He then went on to use this divisive construction to play on people's greed in order to fan resentment in a desperate bid to gain public support for his draconian measures. I say to Mr Hockey: 'Unemployment is not a lifestyle choice. The vast majority of job seekers are honest Australians, struggling to find their way through difficult circumstances on an income that sometimes does not even cover the rent.'

While Mr Hockey has been busy maligning the jobless, Mr Abbott headed to Tasmania to glibly tell us that it is not the worst outcome in the world if people have to moved for work. Never mind the fact that young people would have to forego their families, their friends and support networks. Never mind the fact that they themselves might be an integral part of other people's support networks. Never mind the fact that it can cost thousands of dollars to move let alone to meet the daily financial burden of living in a high-cost capital city. Never mind the fact that there is no guarantee of finding work, even if they do move. And those on the other side wonder why people say they are out of touch with ordinary Australians.

I recently spoke in this place about the outrageous comments from the member for Braddon, Mr Whiteley, who showed both ignorance and spite in comments on this government's unemployment programs and harsh budget measures, where he said:

It is my very strong view that some of our young people just need an extra prod.

Some people will cry a little longer than others but it is for their own good in the long run.

This attitude is not only a vicious and cruel but it is absolutely unproductive and has no basis in current knowledge about what works to reduce unemployment. The same article quoted the advice from the Minister for Employment, Tasmanian Liberal Senator Abetz, who said that our young people should just go and pick fruit. Minister Abetz went on to say that people can be taught fruit picking 'in five minutes', deriding the knowledgeable observation from the Farmers Association chief of Tasmania, Jan Davis, that farm work, including highly seasonal fruit picking, is not unskilled and it is not grunt work. Senator Abetz continues to present a shallow and simplistic solution to Tasmania's unemployment challenge, ignoring the complex and multilayered issues contributing to the unemployment rate in Tasmania. It is not surprising that leading Tasmanian economist Saul Eslake denounced Senator Abetz's attitude when he said:

Statements like that reflect the degree to which people who make them are out of touch. It reflects a blinkered view and predetermined attitudes.

But if the words of those opposite are bad, their policies are even worse. Rather than listening to expert opinions and decades of research, this government appears to draw from a deep well of prejudice, ignorance and fear when devising their employment policy. The running theme is cruel and harsh measures that punish people for circumstances that in the large majority of cases are completely beyond their control. At the same time as they are demonising unemployed people and taking away their entitlements, they have the audacity to shut down excellent and proven skills training initiatives such as Youth Connections and sack the hardworking productive local employment coordinators everywhere but in Geelong.

They put all their eggs in the basket of Work for the Dole, a program that has already proven that it is the least successful way to get people back to work. In fact, the evidence suggests that far from creating employment outcomes, Work for the Dole could actually discourage people from finding further employment. University of Melbourne Professor of Economics Jeff Borland undertook an analysis of the outcome of the Howard government's
Work for the Dole scheme. He found that those who took part in the scheme spent longer on income support payments after they had done the scheme than those who had not. Professor Borland said that the results were not surprising as they mirror the findings of similar research undertaken in the US and Europe.

Even worse, we now learn that not only is the Work for the Dole scheme ineffective, but that the government cannot even get it off the ground. In Tasmania the trial Work for the Dole scheme was announced by the government on 1 July with plans to place 2,000 Tasmanians in the first year. Despite the government's hype, only 40 job seekers were given placements in the first two months across the entire north-west, west coast and north project areas—a complete failure by any measure. Instead of providing job seekers with support, the modus operandi of this government seems to be bullying, threats and intimidation. Its actions reveal a deep vein of hostility towards jobless Australians with no consideration of the circumstances surrounding their situation.

Mr Hockey and Mr Abbott need to learn that you cannot bully and belittle someone into work. It just does not work that way. John Falzon from St Vincent de Paul perfectly captured the problem when he described this government's employment policy recently on Q&A when he said:

These measures will not help people into jobs but they will force people into poverty. You don't help someone into a job by making them poor, whether you're young, old, a person with a disability, a single mum, you're not going to be helped into a job by being put down. You don't build people up by putting them down.

Australia deserves a government that will fight for jobs and support workers and job seekers alike.

The twisted priorities of this government were again on display yesterday with the farcical scenes in this chamber on the mining tax, a mining tax that the CEO of the Tasmanian Minerals and Energy Council yesterday described as being 'pretty neutral for Tasmania'—pretty neutral because no mining operation in Tasmania actually pays the mining tax. This is because the tax only applied to coal and iron ore companies when their annual profits hit $75 million. How does this relate to this bill? For years Senator Abetz, his three amigos in the other place and the other Tasmanian Liberal senators have consistently said that the repeal of the mining tax will create jobs in Tasmania. Yet on the day of the repeal, the CEO of the Tasmanian Minerals and Energy Council clearly stated that this is unlikely. Senator Abetz has claimed for years that the repeal of the mining tax would create jobs in Tasmania when in fact all the repeal does is take a significant amount of money out of the payments and tax incentives out of the Tasmanian economy and gift all that to the owners of mining companies.

Everyone knows, even Senator Abetz, that the price of iron ore has plummeted while the Australian dollar has remained at high levels. These global economic changes have been the major negative influences on mining investment in this country.

Despite these global economic changes, this government and their friends in the Palmer United Party just want to make it harder for Tasmanians to make ends meet. This government is making it harder for Tasmanians to find a job. This government's employment programs have been an absolute failure and their response is not to go back to the drawing board but to punish Tasmanians who find themselves out of work with cruel proposals like those in this bill.
In closing, I simply ask those opposite: when will the government learn that it needs to focus on creating jobs and stop punishing the jobless?

Senator LINES (Western Australia) (09:50): I rise to speak on Labor's opposition to the Social Security Legislation Amendment (Stronger Penalties for Serious Failures) Bill 2014. Labor opposes this bill and we do so because Labor supports a just and reasonable job seeker compliance system—a system which encourages job seekers and supports participation for those in receipt of participation payments.

Job seekers need to be encouraged into work. They need to be supported into work with appropriate training and, yes, there does need to be some kind of penalty regime but not a regime which has such harsh consequences as the ones being proposed in this bill before us.

We have seen that the Abbott government is a government which just cannot properly explain its policies. We have seen that over and over in the last 12 months. In this place, we need to look no further than the recent examples by Senator Abetz as he stumbled to try and make a link between women's reproduction and breast cancer, and family planning matters and breast cancer, until the Prime Minister had to intervene. After that, we saw Senator Brandis absolutely fail to explain to the Australian public the security issues that he wants to introduce around metadata. It is not just Labor saying this: you only need look to the Sunday papers, great friends of the Abbott government, who I think gave Senator Abetz and Senator Brandis a 'C' and a 'D' for their efforts. These are the people trying to impose harsh penalty regimes on those in our society who are the least able to defend themselves.

This is a government which is determined to make life tougher for most Australians through its harsh and unfair budget. This is a government which pays off mining companies at the expense of every single Australian worker—8.5 million Australian workers sold down the drain by the Abbott government in its desire to deliver to just a handful of mining companies. It did that by freezing 8.5 million Australian workers' superannuation entitlements, not for a year, not for a few years but for the next seven years. This is a government which is trying to pretend that somehow this stolen superannuation entitlement will magically appear in the pay packets of those 8.5 million workers.

Just yesterday, after it had stolen the superannuation entitlements of 8.5 million workers, the government publicly attacked the Community and Public Sector Union for its wage claim of four per cent a year. Make no mistake: this is a government that will attack the first union to make a claim for that stolen superannuation to go into the pay packets of workers. The government wants us to believe that somehow, magically, once it freezes superannuation, people's pay packets will suddenly increase. What a lie by the Abbott government.

After it has punished everyone else in our community, except those at the top end, it wants to punish further some of the most disadvantaged in our community by its harsh job seeker penalty regime. In respect of this social security bill, I am just wondering—and I am not alone in wondering; the Australian public is wondering and I am sure that 8.5 million Australian workers this morning are wondering—just who does this government represent? Let us have a look. The government does not represent the homeless because there is another program that has not only been frozen but has lost the capacity to actually invest in housing affordability for the homeless. That was done way before the budget.
What about ordinary working Australians trying to find affordable housing? I have read what Mr Abbott said on that. He somehow thinks that if the housing market is buoyant then it will translate into affordable housing for ordinary Australians. I do not know where that logic comes from but that was a comment made about six months ago by Mr Abbott: that, yes, somehow the market will take care of those who cannot get into the housing market. Perhaps he has not seen what is happening in Western Australia, and he certainly has not been visiting Western Australia, but I can tell you that for young couples, for singles, for those who are currently not in the housing market, whether it is rental or purchase, there is no hope that those people will be able to afford a house as the buoyant market in Western Australia gets further and further out of their reach. What about pensioners? They have been punished too. Despite those promises before the election that there would be no cuts to the pension, we have now got pensioners being punished in this country.

Let us look at another group—working Australians, the 8.5 million of them punished yesterday over their super. They have been punished if they use child care, because the childcare benefit for those on the lowest incomes has had the wage eligibility aspect frozen too. Is there anything that this government has not frozen? So into the future we will see low-income families—and heaven help them if any of them lose their job—have their super attacked and now they will be paying more for child care.

But it does not stop there. What about the kind of promise that women's super will somehow be protected? The maths has been done on that and obviously the government did not bother to do the maths before it decided to cut the bonus payment to low-income women. Those women, through the combination of the effects on their super imposed by the Abbott government, will be about $10,000 worse off at retirement—$10,000 dollars. And somehow the Abbott government is trying to pretend that you will have more money in your wage packet each week. What? I have never heard such nonsense in all my life in trying to pretend that the money that has been stolen from super is somehow going to appear in people's pay packets.

But it does not stop there. What about anyone who needs to go to a doctor? Seemingly, the government is absolutely determined to try to get their GP tax through, and what we saw yesterday from the Palmer United Party is that they are willing to do anything to get their names in the headlines for a few days. So watch this space, Australians, as the Abbott government tries to impose a big tax every time you get sick and visit a doctor.

I heard Senator Cormann or one of the other government senators on the radio this morning, saying, 'No, no, we are not increasing the cost to go to a doctor. After you have been 10 times, you will revert to the Medicare payment and you will not be charged a fee.' But how do you find the money for the first 10 visits when everything else is being attacked?

Let us now get to the unemployed, the last group—

**Senator Fieravanti-Wells:** Mr Acting Deputy President, on a point of order. Last time I looked this was about social security legislation; it was not about GP costs. Senator Lines is ranging far from the topic under discussion, if I might say so.

**The ACTING DEPUTY PRESIDENT (Senator Back):** I have heard your point of order and I do not rule in favour of it. Please continue, Senator Lines, aware of the topic.
Senator LINES: The government is so embarrassed and so on the nose over its harsh, cruel budget that it wants to try and stifle discussion and cut down comment. I am trying to put these harsh social security penalties into context, because they do not sit out there in isolation. The government would like us to believe that, somehow, those who have been unable to participate in employment have to be punished. Somehow, the whole of the Australian public, unless you are wealthy, unless you are a mining company or a big business, have to be punished. Job seekers are the last in a very long list of ordinary, everyday Australians—fighting to make ends meet, working hard, looking for jobs—to be attacked by this government.

Let us look at this last group, the job seekers, the most vulnerable in our community, that the government wants to impose a harsh regime on. There is no doubt that we should have a carrot-and-stick approach, and that is what Labor had. That is what Labor had. But, no, the Abbott government has to take it one step further, because its whole job seeker program is about punishment. It is about punishment. Somehow, jobs are going to magically appear through the government's trickle-down economic program. Well, let us see what happens in the future; let us see if these wonderful jobs materialise.

In the Kwinana strip in Western Australia, there is very high youth unemployment. These young people are some of the people that this government is seeking to attack—not help or support through appropriate training programs or by having a penalty regime that rewards people when they get back on track, that helps people to get back on track. No, this government has a single step: put one foot wrong and that's it; you will be without any money at all.

Let us have a look at what happens to these people who fall foul of the government's penalty regime. Taking money from people who are disadvantaged in the job market: how does that help? How do we get people into employment when they are no longer receiving a benefit? How do we get them into an appropriate training program? Because work for the dole is a joke. It does not work anywhere in the world. Let us have a look at that. Cleaning windows at the community centre: how does that skill people up for a job into the future? Taking just any job is not going to help either. If I live on the Kwinana strip in Western Australia, is the government really suggesting that I up sticks and take a fruit-picking job in Tasmania? How do I get there? Where is the money for that? I am already being penalised by these harsh penalty measures, so how on earth will that happen? I know: like every other failed program of the government's, it just happens magically! It happens by magic! It is somebody else's problem.

So what happens when a person is penalised and is without any income? What happens about the rent or the mortgage that they might have to pay? How do they get food into their cupboards? How can they even afford to comply with this regime if the local Centrelink office is a bus or train trip away? Does the government just expect them to be picked up by yet another government department—or the non-government sector, which is already overloaded?

I can tell you that, in the southern suburbs of Perth, community services are pretty thin on the ground. The Salvation Army operate out of Rockingham, which is close to Kwinana, but I am not sure how someone on an income of nil, someone getting no money at all because they are being penalised, would actually get to Rockingham. How do they get the bus fare? How
do they manage to get from the place they are living to the Salvation Army to get the assistance they need? Or is that just going to fall to yet another department?

This regime being proposed by the Abbott government is completely out of order. To punish the most vulnerable in our society by denying them a benefit is not going to work, and there should be the sort of regime that Labor had in place where, once people complied, the benefit started to flow. But, no, this government is saying, 'No, you've done the wrong thing. You'll serve your time.' Where is the carrot in that to attack those who are most in need of our help and just say, 'That's it'?

Being harsh to people will not lead to them getting jobs when youth unemployment and other areas in our community have already got very high levels of unemployment. I just do not understand how that will work. These measures, don't forget, go along with the six-month waiting period so we are creating this whole new harsh regime which says to those seeking work, 'Guess what? If you're out of work, it's your own fault.' That is what we are saying—'It's your own fault you're out of work.' And not only that: 'If you don't take a job or comply and go and scrub the windows in the local community centre, imposing a regime on an NGO that is already struggling, then we'll punish you further because we'll apply penalties and you'll miss out on your benefit.'

If that is not blaming the job seeker, then I don't know what is—I really don't. How do you put in place Work for the Dole in a place like Kwinana that has got such high youth unemployment? How does that happen? I will not hold my breath, because it is not going to happen. That is for sure.

The non-compliance measures the government is trying to tighten are Labor's initiatives from when we were in government. Our purpose was to allow job seekers the opportunity to re-engage in the participation process. So what has happened to that? How does the job seeker re-engage from a position where they have got absolutely no money? Talk about knocking a person down when they are already down—this just takes it one step further.

The provisions that we put in place were successful in helping job seekers re-engage with their job service providers and assisting with participation while they looked for work. Our provision encouraged job seekers to find suitable offers of employment—and there is a raft of academic research that says that, if you take a job seeker and force them to take a fruit-picking job or some other kind of job that they are not well suited to, it just does not last.

What we know about some of the jobs that Senator Abetz talks about is that they are casual jobs. So are we seriously asking a job seeker to move to wherever in the country to avoid a penalty and pick up any job at a great cost for six or four months, and then what?

This is a government that has no plan. It is not able to develop good policy that is fair and, yes, has some sort of penalty in it. Labor is not saying, 'Let's throw it all away,' but we had a regime in place that was working because we believed that job seekers need to be supported to be able to participate and get a decent job, a job they can hold into the future.

The Abbott government's ideology is well and truly showing in this proposal: we have to punish people, because that is what is needed here. This will fail and fail dismally and, not only that: this bill has the potential to do real harm to individuals. I bet the Abbott government hasn't taken a second to think about that. At the end of this harsh penalty regime are real people with lives and complicated situations who need to be supported. They need to be well
supported so that they are in a fit state to be able to get a job, a job that will last them for quite a few years—not a seasonal job, not a casual job, not a Work for the Dole job but a decent job. And we are certainly not going to see jobs magically appear as a result of the Abbott government’s market based, trickle-down, ‘it’s someone else’s problem to find these jobs’ approach. The jobs will not magically appear, and I would urge the government to re-look at what Labor had in place—to have a penalty regime but to have a regime whereby there can be some kind of reassessment, some kind of re-evaluation, so that people are not harmed by this harsh, cruel measure.

Senator CAROL BROWN (Tasmania) (10:10): I rise to speak on the Social Security Legislation Amendment (Stronger Penalties for Serious Failures) Bill 2014. Senator Lines’s contribution was spot-on: this is a measure that is cruel and unfair and will not do what the government says it is intended to do. It is just another attempt by this ideologically driven government to further demonise and isolate job seekers. The measure in this bill is just one of a number of unjust budget measures, part of this government’s all-out attack on job seekers. The other measures include the extension of Work for the Dole and the under-30s measure, which will cut all income for job seekers under 30 for a maximum of six months every year.

The bill we are considering here today seeks to make changes to the compliance provisions for participation payments. The changes in this bill would mean that a job seeker who incurs an eight-week penalty for not taking or commencing a job would be prevented from re-engaging and seeking employment and training to have their payment reinstated earlier. The bill also seeks to limit the number of times a job seeker can have a penalty for persistent noncompliance waived to one. These changes would prevent job seekers from re-engaging with the job seeker process to work off eight-week nonpayment penalties for serious failures. These changes all but roll back changes Labor made when we were in government.

Labor’s changes were made to strike a balance in the compliance system—a balance to support participation in a flexible and equitable way, to strike a balance between the carrot and the stick—and it is appropriate that the compliance system has both of these elements, as the current system does. Labor’s changes amended the former Howard government stick-only compliance system to ensure that job seekers who suffered a penalty for noncompliance were encouraged to re-engage—and I would have thought that is exactly what we would want—to seek employment and training. These changes were based on extensive consultations and evidence on the perverse impacts the compliance measures had on job seekers, particularly vulnerable and disadvantaged job seekers. Labor’s changes preserved the eight-week nonpayment period for breaches of a job seeker’s mutual obligations and introduced the ability to re-engage with participation requirements to have withheld income support reinstated. These changes address the fundamental flaws in the Howard government’s compliance system—a system that had a harmful impact on vulnerable job seekers, a system that actually prevented people from re-engaging in employment services.

Under the current compliance provisions, job seekers receiving a participation payment—for example, Newstart, youth allowance or parenting payment—may incur an eight-week nonpayment penalty for serious failures of either their refusal of suitable work or persistent noncompliance with their participation obligations. Importantly, these nonpayment penalties may be waived if the job seeker begins to comply with a serious failure requirement, such as Work for the Dole job search training or undertaking more-intensive job searches.
The evidence to the Senate Community Affairs Legislation Committee inquiry into this bill was clear. The witnesses at the inquiry hearing were emphatic in their opposition to the changes in this bill. This is reflected in the dissenting report of the Labor senators involved in the inquiry, which recommends that the Senate oppose the bill. This is a recommendation based on evidence, rather than the government's bill, which is clearly based on ideology. In fact, the minister's department were the only witnesses who spoke in support of the bill.

All the other witnesses, and I will name them here because these are organisations that work with vulnerable people and job seekers—the Brotherhood of St Laurence, BoysTown, the Australian Council of Social Services, St Vincent de Paul, Anglicare, National Welfare Rights Network and Jobs Australia—all provided compelling evidence to oppose the bill based on their experiences of working with job seekers and employment services. This should send a clear signal to the government. Unfortunately, it appears that the government is not listening.

The evidence to the committee inquiry made it clear that current system is effective. In evidence to the Committee, the Chief Executive Officer of Jobs Australia, Mr David Thompson, said:

... the measures contained in the bill seek to resolve a problem that does not really exist, that the levels of compliance in the existing system are very good, and the levels of noncompliance are very low.

This position was echoed by the Executive Officer of the National Welfare Rights Network, Ms Amelia Meers, who told the committee:

Fundamentally, the system that we have now is very effective in ensuring that people re-engage immediately and in stopping people from falling through the cracks ...

She went on:

The system as it is at the moment is actually working extremely well—certainly from our perspective and our on-the-ground casework.

In spite of evidence such as this, those opposite are seeking to push ahead—or perhaps more accurately take us backwards back towards the excessively punitive measures of the Howard government.

The bill before us will roll back many of the important changes that Labor made to the compliance system, removing the waiver that allows job seekers to re-engage and have the payment reinstated. I cannot stress how important these waiver provisions are. They are important because they encourage job seekers to re-engage in the process after noncompliance by allowing the non-payment period to be ended if they re-engage with their participation obligations.

In his evidence to the Senate Committee inquiry into this bill, Mr Thompson, CEO of Jobs Australia, said:

The existing measures whereby waivers enable and encourage and incentivise people to re-engage immediately are likely to be much more effective in terms of getting them engaged in the system and getting to work

But under this cruel and harsh bill, job seekers who incur an eight-week non-payment penalty for refusing suitable work will no longer be able to have that penalty waived at all. People looking for employment who fail to comply with participation obligations will only be
allowed to have the penalty waived once using the same criteria during each period when they receive payment. This will discourage re-engagement. It will discourage re-engagement because the government is telling job seekers they will not be able to re-engage for eight weeks. They are telling job seekers to go away—out of sight and out of mind. Even if a job seeker wants to re-engage, they will be prohibited from doing so. They will get nothing for eight weeks. We are talking about people who are already vulnerable being penalised. These include people who have a mental illness, people at risk of homelessness, people who may have experienced a recent relationship break-up and others who are vulnerable.

The evidence provided to the Senate committee inquiry made it clear that the current compliance provisions for job seekers receiving participation payments are flexible and effective. Why would you change a system that is both flexible and effective? The government claims it intends to save $20 million over five years by introducing this measure. But I ask: at what cost to those who will be affected? It is unbelievable that this government would rather not pay someone for eight weeks, and for many on top of a mandatory non-payment period of six months, than having them engaged and looking for work.

And as the Labor senators’ dissenting report on the Senate committee inquiry into this bill found, jobseekers with a Centrelink recorded ‘vulnerability indicator’—meaning that they are disadvantaged in some way, including where they have mental illness or psychiatric problems, are homeless, have recently been discharged from prison, have had a recent traumatic relationship breakdown, or suffer from cognitive or neurological impairment—could be further disadvantaged by the changes in the bill. Data from the Department of Employment shows that of all the 27,400 serious failures recorded against job seekers from 1 July 2012 to 30 June 2013, more than half—14,235—had a vulnerability indicator, a mental health indicator or were Indigenous, and a large proportion were under the age of 30. The proposed changes are likely to further disadvantage these people.

Labor’s dissenting report also noted evidence from the submitters, which highlighted concerns that the proposed changes would actually exacerbate existing problems and create further barriers to employment. The Australian Council of Social Services stated:

The majority of recipients of unemployment payments have few savings, little access to credit, and many receive little or no support from family. A period of eight weeks without income support is very likely to cause hardship in these circumstances, including homelessness in some cases.

Evidence to the Senate committee inquiry also argued that the changes in the bill will disproportionately impact on Indigenous job seekers who already receive higher numbers of penalties. The CEO of the National Welfare Rights Network, Ms Meers, said:

For a range of reasons under the penalty system, Indigenous job seekers have higher numbers of penalties. It is not because they are not seeking work or do not want to comply but because there might be issues of remoteness or lack of understanding of the actual system—a whole range of issues—that result in that.

Ms Meers went on to say:

When you look at the rates of penalties and the rates of appeals in Indigenous communities, not only do they get more penalties; they generally do not exercise their rights. So removing the ability to work off a penalty, we think, will result in more Indigenous people just falling away from the system and disengaging entirely, ending up without income support.
It is also unbelievable that these harsh measures in the bill come at the same time that the government want young people aged under 30, who quit a job, to wait six months before they can get a payment. It is worrying that in the past more than 76 per cent of the failures to comply were by young people aged under 30. Professor Shelley Mallet from the Brotherhood of St Laurence gave evidence to the Senate committee inquiry on the interaction between the changes in this bill and the government's proposed under-30 measure. Professor Mallet said:

We feel greatly pained by that proposal—

particularly if you add the eight-week waiver to it. I guess we start with the premise that these young people are our country's future, that they are going to make a significant investment in the economy as well as in the society as a whole and that we risk losing their contribution to the community, with both economic and social consequences as well as, of course, dire individual consequences for them. So we think that is of great concern.

These young people will be forced to live on nothing. As the CEO of the Brotherhood of Laurence, Tony Nicholson, said in an article in the Australian newspaper magazine on 16 August, the government's policy is fraught with danger. Mr Nicholson said:

It seems to assume that young people will have family support and that if they lose income they will have a family to fall back onto. However, if you look at the data there are some 45,000 people receiving the youth allowance who are not living at home and many of those can't move back home and don't have family support. So if you cut the income off to those people they become destitute.

'Destitute', Mr Acting Deputy President Back!

Now in this article, the federal member for Braddon, Mr Whiteley, disagreed with Mr Nicholson's comments about people becoming destitute as alarmist. In fact, Mr Whiteley, who represents an area with the highest youth unemployment in the country, said that 'some of our young people just need an extra prod'—an unbelievable statement, Mr Acting Deputy President. Mr Whiteley and this government do not provide any answers to helping people find jobs. Instead of creating jobs, this government seems determined to punish and demonise job seekers particularly young job seekers.

Labor is also concerned about the impact of and interactions between all the government changes to participation payments, such as those in this bill, and the proposed new funding contracts for employment service providers. The department is going to be handing over responsibility for the decision-making on whether or not a serious failure has occurred and whether there was a reasonable excuse for it from Centrelink to Job Services Australia provider staff. The minister's own Exposure draft for employment services purchasing arrangements 2015-2020 states on page 41:

The Employment Provider will also determine whether the Job Seeker had a reasonable excuse for non-attendance at their initial appointment in accordance with legislation and guidelines.

JSA providers have expressed concern in relation to these changes, including that it will change the dynamic of the relationship between the job seeker and the provider. In its evidence to the Senate committee inquiry, the National Welfare Rights Network stated:

… that means that the DHS powers would be delegate to numerous employment service providers across the nation to make these original decisions which will then have appeal rights from there. But we are concerned about pressure on the employment service providers, the change in the nature of the relationship between them and the job seeker and the almost certainly inconsistent application of the
law across the land as a result of outsourcing that decision-making power from the Department of Human Services to employment service providers.

So, as you can see, Mr Acting Deputy Speaker Sterle, this bill is just part of a raft of changes the government is seeking to make to participation payments and employment services—changes that will penalise job seekers, punish and demonise them. Those opposite would have each of these measures viewed in isolation. This is why parliament is only getting to consider the relevant legislation in a piecemeal manner. But these changes should not be considered in isolation, as they are linked: they are part of this government's broader agenda, part of its big picture.

This broader agenda was made very clear in the Abbott government's first budget. Those opposite say they are committed to helping job seekers into work, but that is completely at odds with this and other measures in the budget. This measure will actually prevent job seekers from re-engaging, depriving them of support to find work. In evidence to the Senate committee, the Brotherhood of St Laurence said of this measure:

We believe that it will have harsh unintended consequences for job seekers, so we do not believe it will achieve the outcomes. We know that the evidence suggests that rapid re-employment is absolutely crucial to achieving positive employment pathways. But what this will do is delay that re-engagement, and in such a moralising way that people could feel defeated by these sorts of measures, because it will have dire consequences for their housing stability and basic living standards.

A number of the submissions to the Senate committee inquiry on the bill argued that the changes go so far that they could be inconsistent with a number of Australia's human rights obligations. In evidence to the committee, the CEO of St Vincent de Paul, Dr John Falzon, said of the raft of government changes:

It is severe not only for the people who are being subjected to this … I would put it to you that what we are seeing is a cumulative desensitisation of mainstream Australia, led by the government, in disregarding the humanity and the basic fundamental human rights of a section of the population on the basis that they are unemployed.

Similarly, in its ninth report of the 44th Parliament, the Parliamentary Joint Committee on Human Rights took issue with the government's assessment of the bill's compatibility with our own human rights obligations. The joint committee argued that the government's statement of compatibility did not either accurately reflect or sufficiently justify the limitation on human rights that the bill's proposed measures entail. The joint committee also formed the view that the bill could potentially have 'a disproportionate or unintended negative impact on particular groups', which may limit rights to equality and nondiscrimination.

This government has a clear agenda, an agenda that seeks to punish, isolate and demonise job seekers; to strip them of the support and assistance that they need; and to what ends? I ask you, Mr Acting Deputy President Sterle: to what ends? Under this bill, people who incur a penalty will not have the chance to re-engage for eight weeks. They will have no support for eight weeks.

This is a bill that goes too far. It is unnecessary, and it will have a severe impact on the most vulnerable job seekers. It is consigning them to the scrap heap. It is saying, 'You're on your own.' It is denying them the chance to re-engage and the chance to take up education, training or a job.
This government is making life harder and harder for job seekers—laying all the blame on them for being unemployed and not taking responsibility for the lack of job opportunities in this country at the present time. The changes in this bill are unnecessarily harsh. They are unjust, and actually discourage participation. They do the exact opposite of what the government says is the intention of this bill. I ask the Senate to oppose this bill.

Senator MOORE (Queensland) (10:30): Thank you, Senator Brown. You have taken all the good lines. It is very difficult to speak in a debate of this kind, where everyone is working on the same information. The core information that we have—apart from personal knowledge and the experience that we all share—is the information that came before us at the Senate Community Affairs Legislation Committee into this bill.

Interestingly, in opening our report, the *Journals of the Senate* set out the aim of the Social Security Legislation Amendment (Stronger Penalties for Serious Failures) Bill 2014. It said:

The Bill will help restore the integrity of our welfare system and ensure available resources are used effectively and efficiently…

I thought the idea of this bill was part of a wider process of parliament, government and the community working together so that we have the best possible responsive system to give people the support they need to find employment or education, and feel valued members of our community. Silly me; I thought that was the idea of the bill!

Nonetheless, what we heard at our Community Affairs Committee hearings was some idea that this bill would ensure that people got into employment—that there was something intrinsically wrong with the system we had. In the current welfare system for the unemployed there is a clear provision for an eight-week penalty that can be imposed on people who either do not take up suitable work if it is offered to them through the system, or miss some of the expectations of engagement that are in the system.

What we have here is intense effort, focus and information being put forward to address something that is already available in the system. It is widely known. There is somehow a presumption that this is the first time that we have had this form of debate in this place. Indeed, it is not. In the past there have been significant debates in this chamber about the efficacy of imposing a penalty which determines that people will have their social welfare payments removed for a particular period of time as a punitive element of a system that is based on support.

I would just like to put on record that I worked in the system for a number of years. Those of us who have worked in the system remember that there has always been an expectation of rights and responsibilities within our social welfare system. That is not a new concept. It was in the system when it was first introduced, last century. On this issue of imposing penalties on people who are working towards obtaining employment, we had a significant discussion and review about what was then known as 'breaching'—a term which I hoped we would never hear again. I am sure some of the public sector workers feel the same way. Nonetheless, under the Howard government there was an imposition of compulsory breaching of people who did not fulfil their responsibilities under the social welfare system. At that time there was an enormous response from members of the community—from many of the same witnesses who came before us in this inquiry—who wanted to look at a genuine consideration of whether this was an effective mechanism to encourage people to look for work, to take up work and,
in many more ways, to retain work—importantly, to be part of the employment system and understand the responsibilities of being employed.

As a result of extensive work and a full inquiry and review into what was then called breaching, there was a great deal of commentary about the various pressures and the evidence base—if indeed there was any—that removing people from payment, as a punitive exercise, would have a real effect on their staying engaged in the system. It would be fair to say that the debate we are having today has been had in the past, because there is no evidence base. There is opinion and views put forward but there has been no independent assessment which shows that having a punitive element necessarily means that there will be greater compliance.

Of course we have mountains of data. In looking at some of the contributions in this place and in the other place to the debate on this bill I have seen the same statistics quoted by just about every speaker. The statistics indicate that there has been an increase in the number of people who have not met requirements in the overall job market. It is still less than two per cent of the overall number of people who are engaged in the market looking for work through the system.

I put on record, very clearly, that we never have a complete picture. If anyone in this place believes that the statistics we have give a true picture of what is happening for people seeking work across our community, they are just kidding themselves. We know that there are so many people who have completely disengaged from the system. They disengage, and that means that they do not receive social welfare, but that is not the only measure of whether someone is engaged in the system. Allowing for the proviso that any stats being cited in this debate do not reflect the whole picture, we have on record from the department that less than two per cent of people in the social welfare system on one of the unemployment payments who are looking for work through the various available networks are not meeting their requirements and are subject to waivers. So the waivers are available now.

The other set of stats that people trot out consistently shows the clearly undeniable fact that more people in that less than two per cent are subject to having their cases assessed, which means they have not taken up work or they have not engaged effectively, not turned up to training, not been involved in a Work for the Dole scheme and all the other things that are listed quite clearly to demonstrate engagement in the current process. What we do not have—and I asked particularly about this during the inquiry—is any real analysis of this data. We have data that proves that more waivers have been imposed under the current system, which actually allows the waivers to be imposed. We have data that shows that those numbers have grown. What we do not have is any qualitative information about the circumstances around each of those decisions that led to the quite detailed interaction between the person, their job provider and then the Department of Human Services, which has the delegation to impose the waiver. Committee members were provided with no information that addresses the personal, individual circumstances—because, again, there is no clear evidence.

Where people are in the system, as part of their responsibilities in receiving a payment through the social welfare system, they must commit. They have to go through a range of processes, including linking up with their job service provider and attending any of the programs that are part of their contract. Then, should suitable work be arranged, as determined by the job service provider, the expectation would be that the person would take up that job. No-one argues with that. That is the way the system works. I am always very
worried about making general statements, but I believe you will not find anyone in this place who argues with the need for there to be mutual obligation, which is an intrinsic part of our system—responsibility and obligation.

We know that, for some people, their disengagement from society and from the community, various illnesses and various life experiences mean that they face a greater barrier or struggle to fit into the structure. That is also agreed; there is no doubt about that. The current act provides that it may be decided by the job service provider—professional, well-trained people who have operated in this industry and are funded by our government to work with individuals seeking work—that the job seeker has shown a wilful or persistent failure to meet their responsibilities. And I love these terms; apart from the stats, the other thing most quoted in this debate are the terms 'wilful' and 'persistent'. If it is determined in the work that goes on—the individual support that goes on between the job seeker and the organisation—that there is wilful or persistent failure to take up their own responsibilities, the current act allows for the job seeker network, whichever organisation has that contract, to refer the matter back to the Department of Human Services. A decision is then made, through the secretary of that department, delegated down to whichever officer is in the local network, to determine whether that person should be subject to a waiver or subject to a penalty. That delegation is clearly spelt out.

Again, we have trained professionals in the system, both in the job seeker network and in the Department of Human Services. This is their job. They work with it day in, day out. They understand the system. Part of their job is to work with the person and the wider community to explain the system—to spell out clearly how it works and what your obligations are, if you are in the system, in continuing to receive a social welfare payment while you are seeking work, because we know that those payments are available while you are seeking work. In fact, if I remember correctly, the term in the act is 'actively seeking work', but I do not have the act in front of me. Nonetheless, that is what occurs. Similarly, if you do not take up a job, again, it is all provided for in the system. You are referred to a job after an extensive process.

I noticed that some of the speakers from the government side felt that there was some lack of understanding by people who oppose this bill about the way it operates or some lack of understanding about the various ways that vulnerability indexes are used and that we did not quite grasp the intricacies of the system. I can say quite strongly that the people who worked on the community affairs committee and the people I have talked with in this area who strongly oppose this bill do understand how it works. What we are saying is that the current system does the job. No system can guarantee that everyone involved in the system will automatically get employment, and that is part of another debate—the genuine lack of employment opportunities and the lack of jobs to which people can be referred. That is a subject for many more debates we will have in this place.

As Senator Brown pointed out in her contribution, to which I listened carefully, this bill is only part of a wider stream of activity going on in this area at this moment. So, while we are considering only this one bill today, senators would be aware that many people in the debate have concentrated on other things, such as the impact of the budget changes and also the impact of the changes in the way that contracts are going out at the moment into the job network. There is a lot of activity within this space at the moment, but the core principles remain the same.
This bill does nothing more than tinker with something that is already in place. In my opinion, what it does is suggest that the professional people working in the system at the moment are not doing their job. If the view from the government is that it is so important to take away any reasonable element of flexibility in the system around the eight-week penalty process, this is how you do it. It is a compulsory judgement in terms of the process: you will automatically get an eight-week penalty if you do not turn up for a suitable job and there is a limit to the number of waivers you will be able to have, as I have said, through that careful system. There is a limit to the ability of the decision maker to make a professional judgement about whether the information in front of them justifies an opportunity for people to re-engage in the system and then come back onto their payment, or whether it should just be an automatic eight-week penalty.

This is what this is all about—stronger penalties for serious failures. The government has decided that serious failures, in terms of not meeting job seeker responsibilities, should not be the subject of an individual arrangements—looking at the individual cases, working with them, understanding their processes and what is going on, and giving them the option to come back into the system. That was the balance we arrived at the last time we had this debate in this place. The balance was there; there were penalties, because you cannot have—and I quote the department and the government—'wilful and persistent neglect' of your responsibilities; that does not allow the system to operate strongly. But what was available—and what was one of the really important elements of the system—was if someone was actually in that circumstance of not turning up for something they were responsible for doing as part of their obligation to the system, or someone did not take up a job to which they were referred, then there was a discussion and a consideration of why. And if there was a reasonable reason, it would be worked with in terms of how it was going to operate into the future. It is most important, for that element of people who have not found a job, that they are in the system working with their job provider, sometimes effectively and sometimes not so well. And if they do not meet one of the requirements of that system, there was the opportunity for the people at the job service network and the human services delegates to work with that job seeker and re-engage them in the system.

My understanding is that one of the core issues is ensuring people are engaged in the system, because if we lose them—if they do become completely disengaged—not only have they lost the opportunity to improve their lives and circumstances and to work, but the community and our society has lost a valuable contribution as well. If we lose them out of the system completely, there does not seem to me to be anything in the bill before us—or indeed in the other pieces of legislation that may come before us from the budget—which looks at how we get those people re-engaged. What we find, and what the stats show, is that when someone drops out of the system there is often an extensive delay before they come back.

The people who are opposing this bill do understand the situation. They do not support people who are not meeting their responsibilities in the system. Again, I take particular insult at terms like 'dole bludgers' which we heard in this place again yesterday. I worked in a department which was then called the Department of Social Security for many years. One of our core principles was to ensure that words like that were never used—to wipe them out and ensure that people who were seeking our support were given respect and dignity as part of our system. They were, in fact, our clients and indeed, later, our customers. But yesterday we
heard in this place the words 'dole bludger'. That does not engage people. It further demonises them and pushes them away.

I strongly oppose this bill. The professionals working in the system now know the system. They know their clients. They know the best way to ensure those people fit into the system and accept their responsibilities. Should there be the need to impose a penalty, the ability to do so is there now. Should the people who are charged with the responsibility decide that a penalty should not be imposed, they can give a waiver to the individual provided they pick up their responsibilities otherwise. I think that is a fair and responsive system that makes sure our social welfare system is strong. The bill, as it currently exists, helps the integrity of our welfare system and most importantly ensures that people who are seeking employment and need support to do so will feel that they will get that support, rather than being punished without an effective mechanism to ensure they stay engaged.

**Senator LUDWIG** (Queensland) (10:50): I rise, like my colleagues, to oppose the Social Security Legislation Amendment (Stronger Penalties for Serious Failures) Bill. We now find that the coalition are back to the euphemistic naming of bills that the Howard government turned into an art form. 'Stronger penalties for serious failures': it undermines the whole import of the bill. What I think they are up to is, since they cannot do Work Choices, they are going to punish the unemployed. They cannot attack workers so on this basis they are going to attack the most vulnerable in the community. They are going to attack those people who cannot defend themselves.

Surprisingly, they are also overturning what, in essence, is a system that works. When you look at the social security committee report itself, you find—surprisingly to me but unsurprisingly, I suspect—to many—there is simply no persuasive justification for the changes. Yes, the committee—those that signed off on the majority report—went through what I call the process. They went through the motions hoping that something would follow—but nothing turned up, so they simply signed off on the report and said the bill should pass. There was no justification and no cogent argument and quite frankly, when you read the dissenting report, it is far more persuasive. It certainly persuaded me to speak on this, because of that simple reason. The existing system is set up so that if a job seeker commits a no-show, no-pay failure without a reasonable excuse such as failing to attend an activity where attendance is required, misbehaving at an activity, failing to attend a job interview, or intentionally acting in a manner that may result in an offer of employment not being made, then the consequence of a no-show, no-pay failure is a penalty equivalent to one working day of a person's payment—normally about 10 per cent of a person's 14 day instalment. In other words, it is a proportional response. It is about ensuring that the job seeker understands what their conduct has created for them, and as a consequence a bit of pain is the proportional penalty response. The main aim is about ensuring that we have a connection between the job seeker and employment opportunities. That is what the existing system does. It is a measured framework that ensures these two things: it does not provide an extraordinarily punitive penalty out of kilter with the failure and concentrates on reconnection—in other words, so that a job seeker has to undertake the activities and understands what the required compliance is. That is also proportional.

You wonder who is really driving the legislation that the coalition have put forward. The legislation seems to be a milksop, written by the hardliners who simply think the unemployed
should not be paid at all. This legislation takes away discretion from the department that is dealing with people who are unemployed and trying to reconnect them with employment in a positive way. It is not that surprising from the Abbott government, because they are trying to make life harder for lower- and middle-income earners. They have been pursuing a dogmatic, ideological agenda against the best interests of working people since the days of WorkChoices. The message that they are saying to the Australian people is simple: if you are not in the top end of town, then you are on your own, and you will want to start working a lot harder than you are already. You can then sum it up in the expression that Mr Joe Hockey said, when he talked about the 'lifters and leaners'. The Treasurer speaks about making absolutely sure where he thinks working people are. It is a disgrace to use that phrase.

The disdain that the Treasurer and the Prime Minister have for working people is a national blight. Saying poor people do not drive cars is just idiotic. I cannot think of any other way to describe it. It is deeply insulting to the people whom the Labor Party spend each and every day defending and fighting for. Upping the retirement age, cutting unemployment benefits, loading a debt sentence on students, upping the petrol tax, putting a tax on going to the doctor, and these draconian amendments all form the foundation of the Abbott government's broken promises to the Australian people. They are making life harder not easier. Mr Abbott took the script from previous prime ministers from the coalition but has taken it to a new level. They up taxes, they do not cut them. They make the lowest-income earners in the community pay to offset the tax booms for the big end of town. How unfair could you be? The handouts of the age of entitlement never ended under the Abbott government. In every single act of this government, the biggest end of town benefits. They get a windfall everywhere they go, while the workers themselves get kicked by this government. It is not fair, and the Labor Party deeply oppose the punitive measures and twisted priorities of the Liberal government.

Yesterday, we saw it taken to a new level again, when they raided workers' superannuation entitlements. It was yet another sorry example of the Abbott government's attack on working people. Let me be clear: the Abbott government do not trust workers. They do not trust them having control of their own money. They do not trust them to have proper employment and job-seeking benefits. In essence, they want to be a parent and have complete control. If the Abbott government really think that measures like this bill are the way forward and will achieve an end product, they are even more than just out-of-touch, they are, quite frankly, off the planet! I think the legislation is only about being punitive. It is only about punishing. It is a milksop to their far-right. The government have not lost touch so much as they never had any sense of the reality for hardworking Australians. The government see rising unemployment and, rather than look at how to address rising unemployment, simply blame the jobless. They say, 'It's your fault!' The government will do anything to fill the Liberal Party coffers but do nothing to help the most vulnerable in the community. If this is their new measure in their first year of government to help the unemployed get a new job and find a career, then I think it belies their true nature. This is a government that only wants to punish the unemployed.

The National Centre for Social and Economic Modelling has stated that the families in the bottom 20 per cent will have an average of five per cent reduction in disposable income. The top have a decline of only 0.3 per cent out of the budget. So it is clear that it is about saving money, and you are going to save the most from those who can least afford it. You are going
to punish those in the lower socioeconomic group because you can, and because you do not want to touch those who are wealthy and who support your Liberal causes. You want to make sure those at the bottom end of town pay for it.

When you look at the report itself, the key issues summarise where this report did not end up. It should have ended up by saying—and it might have been courageous for Senator Seselja—this bill should not have passed. When you look at it, even though the chair supported the passage of the bill, some of it crept through and you can hear it in the key issues. The committee noted:

… Brotherhood of St Laurence contended that the Bill created a high risk of unintended consequences, by impacting on jobseekers who may find themselves in breach of their obligations due to circumstances beyond their control, such as mental illness, domestic violence or homelessness.

It goes on to say that the way the system would work would not create incentives for workers and for those who are unemployed to re-engage. It ultimately creates a situation where those who are unemployed will find it harder to find employment—will find it harder to live and be able to get themselves re-engaged with work. Ultimately, the committee's view fell on this:

The committee notes the concerns raised by witnesses and submitters

But, quite frankly, I do not think that those who supported the bill listened to the submitters about their concerns. They simply noted them because they were ideologically driven to come to the outcome which they landed upon.

However—

the report went on to say—and this is the broad Abbott brush, the Mr Abbott brush where you simply brush aside the concerns of the submitters, the issues that were raised by witnesses and how it would attack those most vulnerable in our community. It did that with a 'however':

However, the committee also notes that the Bill will only impact the small proportion of jobseekers who have received but nevertheless refused an offer of suitable employment without a reasonable excuse or who have persistently and wilfully failed to comply with their participation obligations.

The grand scheme of this is that it is only a small number who are going to be hurt, so we should not bother too much about it. We should pass the legislation, notwithstanding that. The committee went on to say that it considered that it important to limit the number of eight-week penalty waivers a jobseeker can access but never really made any justification as to why. The committee was 'satisfied', apparently, that:

… appropriate safeguards exist such that no penalty will be applied for a failure that was directly attributable to a jobseeker's vulnerability.

Let's hold that phrase for a moment. In fact, we may want to revisit it again, and again and again, because what the committee have said, as the chair, is that they are 'satisfied' but make no argument as to why they should be satisfied. I am not satisfied. When you read this report, you cannot be satisfied that appropriate safeguards exist or that no penalty—not some penalty, but no penalty—will be applied for a failure that was directly attributable to a job seeker's vulnerability. Should this legislation pass, every time a vulnerable job seeker gets smacked with a penalty Senator Seselja should apologise, because he is wrong.

When you look at the dissenting Labor report, I think you can find the evidence there of why this is a harsh and punitive measure. Labor supports a just and reasonable job seeker compliance system which encourages and supports participation. Why? Because it is about
getting those who are unemployed to reconnect with the labour market. We all know that a job now for job seekers is about how they can pull themselves through and participate fully in society. They will benefit now and in the long run. That is why we do need a compliance framework in place, and that is why we do need a system that ensures that there are provisions that make and help job seekers reconnect. But it has to be flexible. It has to ensure that the job seekers receiving participation payments are both flexible and, above all, effective.

The submitters to the enquiry raised not only the real concerns that they had about the punitive nature of the bill but also the way it would operate. It would operate in such a draconian way that the potential financial impacts of the changes in this bill on vulnerable job seekers would be terrible. The removal of incentives for re-engagement of job seekers, who are in breach of their participation obligations, is also one that was completely not supported by the dissenting report, but ultimately the major report did not highlight why we should depart. That is why I oppose this bill and it is why Labor opposes this bill in its entirety. There is no saving grace contained within it; it simply seeks to make it harder and harder for those who are unemployed. You can turn to some of the key submitters, such as that from the National Welfare Rights Network, which said:

Fundamentally, the system that we have now is very effective in ensuring that people re-engage immediately and in stopping people from falling through the cracks. There are still some people who fall through the cracks, but we consider it to be likely that there will be a lot more should this bill go through. In the end, you only have less than one per cent of people incurring multiple penalties. The system as it is at the moment is actually working extremely well—certainly from our perspective and our on-the-ground casework.

These are people at the coalface; these are people who understand that there are problems in getting job seekers to re-engage, but they want them to re-engage. Why? Because they understand the long-term benefits of the job. They do support a compliance framework and they do support a system which is both tough and fair. They do not support a system that is simply tough, and so tough that it will punish those people who are unemployed.

The Labor senators said they were concerned at the proposed changes would discourage re-engagement altogether even in circumstances where a job seeker is willing and able to re-engage during the non-payment period, but the government wants to prohibit them from doing so. The government has taken the draconian to a new extreme—even where the job seeker has suffered a penalty, has worked out that they have made a mistake and wants to re-engage, the government under this piece of legislation says, 'No, stay there, you cannot re-engage. We're going to continue to punish you until you get it. Even if you say you have got it and you want to re-engage—too bad, so sad—we are going to continue to punish you for your original mistake.' I do not know any legislation that is so unfair, unjust and, of course, such a nightmare to administer.

We will have the opportunity at estimates to hold this government to account, should this legislation pass. We will have the ability to remind Senator Seselja of how satisfied he was that it would not attack those most vulnerable in our community; we will have the opportunity of looking at whether it works. I, for one, am completely convinced that it will not work; it will only provide a punitive punishment to those who are most vulnerable in our community. We will have an opportunity to test that again and again. The Australian Council of Social Services stated that:
The majority of recipients of unemployment payments have few savings, little access to credit, and many receive little or no support from—(Time expired)

**Senator LAZARUS** (Queensland—Leader of the Palmer United Party in the Senate) (11:10): The Palmer United Party does not support this bill. The Palmer United Party is the only voice in Australia prepared to stand up for all Australians. We will not be supporting many of the Abbott government's ruthless budget measures and we will not be supporting this bill.

Australians are facing very difficult and challenging times. In my home state of Queensland, we are facing an unemployment emergency. Communities are hurting, people are struggling and families are suffering. In Queensland, unemployment is at a record high level of nearly seven per cent—the highest level we have seen for some 12 years. Disturbingly, youth unemployment is at an unprecedented high level. In fact, according to the Brotherhood of St Laurence, youth unemployment has spiked in key Queensland areas, jumping 88 per cent on levels of youth unemployment two years ago. Youth unemployment has risen by 88 per cent in Cairns, 79 per cent in Moreton Bay North, 68 per cent in Brisbane West, 61 per cent in Brisbane South and 43 per cent in Ipswich. If this trend continues, youth unemployment could hit 50 per cent in parts of Queensland by the year 2016.

Clearly, we are facing an unemployment crisis in Queensland. And these figures do not even include the issue of underemployment. Many people are working, but are only able to find part-time or casual work, because there are simply not any full-time jobs available. The Newman government has systematically destroyed confidence in the economy and the job market in Queensland since coming to power in 2012—slashing jobs, cutting critical government services and eroding community spirit. The economy is so depressed that businesses are not putting people on; they are laying them off. Businesses are scared and unsure of the future because of the state of the economy and because of the potential impact of the nasty budget measures the Abbott government is trying to push through.

The role of government is to support its people to ensure they are safe, secure and provided with basic and essential services. The role of government is also to create an environment which fosters economic growth, the pursuit of opportunities and the creation of jobs. Despite this, the Abbott government is attempting to implement a budget which will hurt the most disadvantaged and vulnerable in our community and diminish their opportunity to contribute to this great country, to achieve, succeed and pursue a better life. Australians did not vote for the Abbott government's nasty budget measures at the 2013 election; Australians did not vote for higher university fees; Australians did not vote for a GP co-payment; Australians did not vote for fuel price increases—and just for your information, Joe Hockey, low-income Australians do drive.

In fact, many low income earners often drive long distances. In my home state of Queensland, which is a large and expansive state, the only way to move from place to place in many areas is by car. Because access to public transport is poor, the cost of public transport is high and the state of the rail system is such a mess and in such a dilapidated state, the most efficient way to get from A to B is by car. In fact, this is another reason that farmers are doing it so tough: our country's rail, road and port systems are in such a poor and inferior state that our farmers cannot get their products to market as quickly and efficiently as they would like; the nation's infrastructure is letting them down. This country is systematically failing our
farmers on every level and nobody seems to care. The Palmer United Party cares about our farmers. We appreciate that farmers are the lifeblood of our country and play a critical role in ensuring food security for Australia. Farmers deserve better, and the Palmer United Party is determined to ensure that Australia does more to support and assist our farmers.

In 2013, Australians voted for hope and promises of a better way of life—promises which have now been broken by the Abbott government. Australians voted for better solutions to build a better Australia. The Abbott government has failed the people of Australia miserably. Thankfully, the Palmer United Party is working hard to rebuild Australia. We are listening to the people and we are developing ideas to turn this country around.

The people of Australia have been duped by the Abbott government. They have been deceived. The Palmer United Party will not allow this rot to continue. The Palmer United Party is determined to ensure that the Abbott government's cruel, unjust and unfair budget measures are not implemented. The people of Australia want a government which will grow Australia, not cut, slash, undermine and burn.

And that's what this bill will do. It will impose harsh penalties and abolish the rights of Australians to a genuine right of appeal should they find themselves in a situation where they are hit with a non-payment penalty for refusing or failing to commence work without good reason. While we need to ensure that we have systems in place to ensure that those who do the right thing are rewarded and those who do not are appropriately dealt with, without sufficient safeguards in place which outline the nature of exhaustive and acceptable definitions of 'suitable employment' and 'reasonable excuse' we cannot possibly allow this bill to pass.

Why would the government want to impose harsher penalties on vulnerable Australians? Why would the government want to strip the departmental secretary of the power to overturn a period of penalty on any grounds? Does the government not trust their own departmental secretary to make the right decisions? Is there a breakdown in the relationship between the departmental secretary and the government? Why would the government want to remove some of the secretary's powers? Why would the government want such important and critical decisions regarding the livelihood and future of everyday Australians being managed by departmental staff without any process for review by the head of the department? These are all good questions that do not have satisfactory answers.

It seems the Abbott Government wants to penalise Australians for struggling because the government has failed to create an environment which supports the creation of opportunities and jobs. There are no jobs in many towns and communities across Australia. The government wants job seekers to apply for 40 jobs a month. Where are the jobs? Ask the unemployed youth of Queensland. The answer is there are no jobs because unemployment is at an all-time high. That means there are more people looking for jobs than there are Jobs available. Despite this, the Abbott government is still allowing foreign workers to come into Australia on 457 visas. These foreign workers are taking jobs away from Australians—Australians who are desperate to work.

Only a small number of Queensland nursing graduates are able to find work in their sector in Queensland. Life is getting harder for everyday Australians; it is not getting easier. The cost of living is increasing for everyday Australians. Basic essentials are getting more expensive. The stresses and challenges of everyday life become even greater during difficult
times. Why would we want to place greater strain on everyday Australians at a time when things are already very tough?

We will not support this bill. We will not allow the Abbott government to remove human rights and access to due process from Australians. The government needs to ensure that it enables the department to manage its programs, responsibilities and obligations appropriately, efficiently and effectively; therefore, retention of the secretary's power to overturn penalties is an imperative element of this requirement.

Australia has a new voice. Australians can rely on the Palmer United Party to listen and act to ensure the interests of all Australians are protected and progressed. Mahatma Ghandi once said:

First they ignore you, then they laugh at you, then they fight you, then you win.

The Palmer United Party is committed to being the party of the people and for the people. We hold the balance of power in the Senate. We are serious, determined and focused and intend to continue to deliver real results for Australians. As each day passes, we grow stronger in our resolve to succeed. We are overcoming challenges and attacks from the duopoly 'Bill Abbott' and biased media and, with the growing support of the Australian people, we are winning, kicking goals for everyday Australians.

We have already removed the carbon tax, resulting in the pass through of cost savings to Australian households. We have clearly stated to all Australians that we will fight to stop the Abbott government imposing a GP co-payment. We will fight to stop the deregulation of Australian universities. We will fight to stop many of the Abbott government's nasty budget measures. We will fight for all Australians.

Australia needs new ideas, better solutions and a new way forward. Abolishing the rights of Australians is not the way forward, and therefore the Palmer United Party will not be supporting this bill.

Senator XENOPHON (South Australia) (11:20): What a relief it is to hear Senator Lazarus not say, 'This is not my first speech!' I am sure Senator Lambie will be relieved not to have to say that after her first speech later today, and I wish her well in respect of that.

I will speak to this bill and say that I cannot support it. I will outline those reasons, but I think it is fair to say, after Senator Lazarus outlined his party's position very well, that—insofar as this bill relates to the job market in the sense that, if the job market is contracted, it does make a difference as senator Lazarus has said—I am concerned that yesterday with the mining tax repeal there were also repealed benefits to small businesses in terms of accelerated write-offs. I did a media conference not so long ago with Peter Strong, the COO, of the Council of Small Business of Australia, and he had genuine concerns about the chaos that will cause and confusion for small businesses, some who have claimed the write-off, thinking they could, and now will have to pay that back or really plan differently because it has disrupted their business plan. If you accept that one of the biggest drivers of employment growth in this country is the small business sector then that is something that is a real concern. That is the problem when you rush legislation through.

I am not having a go at Senator Lazarus, whom I have a lot of regard for.

Senator Lazarus: Sounds like it to me.
Senator XENOPHON: No, I am saying that, if you rush things through and do not have appropriate debate—and it happened in the previous parliament with the ALP government and the Greens with the gag on many occasions—you end up with some lousy policy outcomes. I direct this to the Liberal Party of Australia. Their great founder, Sir Robert Menzies, back in 1942 spoke of the 'forgotten people', including the small businesses of this country. I think that small business in the 21st century Liberal Party have been forgotten by this government with the changes that were announced yesterday. I say that with more sorrow than anger. I also direct it to the Leader of the Government in the Senate, Senator Abetz, who I do have a lot of regard for.

Let us go to the Social Security Legislation Amendment (Stronger Penalties for Serious Failures) Bill 2014. Serious failures can occur when a job seeker refuses a suitable job offer without a valid reason or consistently fails to comply with participation or activity requirements. The penalty is an eight-week non-payment period. These are penalties that the former government put in place. Under the current law that was introduced under the Rudd-Gillard-Rudd governments there is an option to undertake a participation requirement, similar to work experience, instead of the non-payment penalty. Under the current law the secretary of the department has the discretion to waive the penalty in certain circumstances—for example, if it causes severe financial hardship or if the person is unable to undertake the participation option. This bill removes that discretion where a job seeker has refused or failed to accept an offer of suitable employment. The bill also removes further discretion where the secretary may end the eight-week non-payment penalty early. That is also the case where there has been compliance. For whatever reason, if a person shows compliance then there can be that discretion exercised by the secretary.

The government also introduced regulations relating to the matters that the secretary must consider when determining whether or not a job seeker has a reasonable excuse for failing to meet the participation requirements. We are talking about a reasonable excuse. This was disallowed by the Senate last week, and I supported that, but as it stood, the instrument meant that the secretary would no longer need to consider: firstly, that the person did not have access to safe, secure and adequate housing or that they were using emergency or shelter accommodation; secondly, the literacy and language skills of the person; thirdly, that the person was subject to criminal violence, including domestic violence; fourthly, that the person was affected by the death of a close family member at the time; and, fifthly, if the person had previously been released from prison. That is why I commend the work of Senator Rachel Siewert in her advocacy in relation to this and that is why I supported Senator Cameron's motion to disallow, and that is why I voted with the Palmer United Party because it was the right thing to do in that context.

Research from the Social Policy Research Centre, SPRC, indicates that the eight-week non-payment period is more likely to impact on people who are already struggling. The financial strain could seriously affect access to safe and secure housing. Data from the Department of Education, Employment and Workplace Relations in 2008 shows that approximately 15 per cent of people who were subject to the non-payment lost their accommodation. A further 50 per cent of people experienced difficulty in paying their rent and were put at risk of homelessness. While there needs to be compliance measures in place for those who genuinely are not doing the right thing and are not making an effort to find
work, people should still be treated humanely and with dignity and respect. There are serious
concerns that this measure in this bill will have a harmful impact on people who are already
struggling. My fear—and I think it was reflected in the comments made by Senator Lazarus—is
that if this bill is passed it will drive more people into crime and violence in order to
survive. That is not what I think we should be doing as a society. The impact of the non-
payment period may also establish a vicious cycle where job seekers are penalised and, being
in such a bad financial position, they will be more vulnerable to further breaches. There is no
case for changing the current system. If there is a case, it is certainly not in this way.

Senator Lazarus touched on the issue of jobs in regional Queensland. Guess what, Senator
Lazarus, not only do I agree with you but there are also problems in the suburbs of Adelaide
with employment because of the decision that was made by General Motors Holden to leave
manufacturing towards the end of 2017. This will have a huge impact on the automotive
supply chain not only in South Australia but also in Victoria. There are 33,000 direct jobs in
the automotive component sector and another 12,000 or so in the original automotive
manufacturers, who will all be sadly and tragically departing by the end of 2017. There are
other tiers of that sector. There is a significant multiplier effect. It is estimated that there are
upwards of 150,00 to 200,000 jobs that rely on that sector. There will be a potential
catastrophic collapse of employment in South Australia and in Victoria if we do not ensure
that there is appropriate transition funding.

I have worked on this with Senator Ricky Muir, Senator John Madigan and Senator Di
Natale from the Australian Greens. We need to ensure that the Automotive Transformation
Scheme and the funding that was butchered—effectively $900 million and, in particular, $500
million over the next three critical calendar years—is maintained. We need to ensure that the
criteria for that funding is altered so that it gives real hope for manufacturing. We are not
talking about corporate welfare; we are talking about letting those businesses transition to
other businesses like the mining sector, in the renewable energy space, or even locally build a
car from another country where it could be assembled here or from the ground up. I have been
speaking to people about that in my home state and interstate. We need to ensure that that
funding is in place. The dairy industry was provided with significant funding to transition as a
result of the deregulation a number of years ago and this is a similar concept.

I must say, the statement made by the Treasurer, Mr Hockey, last year when he effectively
taunted Holden, 'Are you going to stay or are you going to go?' I just found reckless and
irresponsible. I say that with great sadness because I have a lot of time for Mr Hockey on a
personal level, but I think that statement was reckless and irresponsible. It was basically
giving the finger to General Motors' headquarters in Detroit and there is going to be a huge
chasm that needs to be filled in terms of those jobs.

We need to consider this piece of legislation in the context of a weakening job market. Our
manufacturing sector is collapsing. Our farming sector is struggling for a whole range of
reasons. Senator Lazarus touched on that yesterday—food labelling laws, the duopoly and a
whole range of other measures. I heard today that Coles is retrenching several hundred
people, and that is sad. I criticise Coles for their market share and some of their practices but
they are a significant employer and, from speaking to people, they are a good employer, as is
Woolworths. My complaint is not with the people who run Coles; my complaint is with their
level of market share and the consequences that flow from that.
I cannot support this legislation, particularly in the context of a weakening job market. If there is another way to deal with those who genuinely are not seeking employment, we should do that. Having said that, you, Mr Acting Deputy President Sterle, and others in the labour movement have spent a lot of effort and energy attacking me on the issue of penalty rates. I will not apologise for my position. I believe that if you want to stimulate employment in this country and open up the job market then you are not exploiting young people if you limit the casual loading rate to, say, 25 per cent on weekends. Many businesses across this country are shut on weekends and have cut back their hours because it is not economical for their survival. I defy anyone to say that a small business with 20 employees or fewer is exploiting casual workers who get 25 per cent above the award on the weekend. Those businesses make up the backbone of jobs in this country. That is a debate we need to have.

All around your wonderful home state of Western Australia, Mr Acting Deputy President Sterle, there are tourism areas that cannot be open on weekends because of penalty rates. Destroying those job opportunities does not make any sense. Unlike Senator Day—and I wish him well with his real first speech today—I do not support reducing the minimum wage. I support the award system, but I do not support the current system of penalty rates, which has been a job killer for young people and a heavy burden on small businesses across this country. That is something that needs to be considered in the context of the employment market in this nation.

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (11:32): I commence my remarks by officially congratulating Senators Ketter, Bullock and Lazarus on their first speeches. We have had a wide-ranging debate on the Social Security Legislation Amendment (Stronger Penalties for Serious Failures) Bill 2014. I thank honourable senators for their contribution. We strayed into all sorts of other areas, all of which are of interest and all of which need to be considered, but at the end of the day I invite senators, even at this late stage, to focus on what this bill is all about.

I want to first deal with the contributions of individual senators. Senator Cameron always thinks that decibels are a good substitute for logic. He shouts and screams, but I think people listening to his contributions may well come to the conclusion that the rhetorical flourishes that he engages in may be an indication of deep-seated ideology rather than a practical approach to some of the issues that this nation faces.

I want to say that I agree with Senator Anne Urquhart when she said that the vast majority of job seekers are honest, hardworking Australians. We agree with that. This bill would target, at most, one or two per cent of job seekers—and I will go into that later.

Senator Lines said that Labor just wants a just and reasonable job compliant system. We say amen to that. We fully support that. But I simply ask: what is unjust and unreasonable about asking a perfectly capable job seeker to take up an available job? Why should the Australian taxpayer continue to fund the lifestyle of the job seeker who has no good reason not to take up a job?

My colleague from Tasmania Senator Carol Brown claimed that the current system is effective. I will go through the numbers to show the huge blow-out that has occurred since Labor changed the rules. The number of people reported for refusing to work in 2008-09, which was the last part of the Howard government legacy, was 644. In 2012-13 that had
ballooned threefold to 1,718 people and the penalty was waived in over two-thirds of the cases. That was the penalties for refusing work. I now turn to penalties for serious failures. In the last part of the Howard government legacy there were 8,850. By 2012-13 that had ballooned yet again threefold to 25,268 and in that cohort 73 per cent of the penalties were waived. So in both of those cohorts there has been the virtual trebling of the cases.

I simply ask: during that period of time was there a trebling of the unemployment rate? Of course there was not. It is correct that the job market has tightened, but it has not tightened to the extent that would justify the blow-out in these figures. What is the reason for this blow-out in the figures? It was the change that Labor made to the rules. Funny that. I see Senator Cash in the chamber. This is exactly like when Labor changed the rules for illegal entrants into the country and there was a massive blow-out. Labor tried to point to anything else but the change of rules as being the cause. When we were able to basically get the rules back to where they were guess what happened? The boats stopped.

Similarly, I plead with the Senate that there is a situation here where Labor recklessly changed the rules. We have now had a trebling—a blow-out—of the figures, and Labor and Greens and others around the chamber want to blame anything and everything else other than the change in the rules. I turn to Senator Seselja's very reasoned and good contribution—that this has nothing to do with the 98 per cent of job seekers who do absolutely the right thing by themselves and the Australian people.

Senator Seselja’s was the best of all the contributions. I share a high regard for the senator but—with great respect to him—how can he assert that if these changes were to go through there would be a break-out of violence and crime around Australia because we know what would happen if the rules we are proposing were put in place? They existed before, in the Australian landscape: they existed under the Howard government.

When Labor changed the rules in 2008-09, did violence decrease? Did the crime wave decrease? Of course it did not. There is no statistic, no evidence in any way, shape or form, to assert that it did. So why on earth would Senator Xenophon assert that there would be a break-out of crime and violence if we went back to the system that existed in 2008-09? There is no evidence. It is great for a headline—and Senator Xenophon is great at that. We all admire his media savviness but, with respect, there is just no evidence to support that assertion.

He talked about penalty rates as well. As I indicated earlier, it has been a varied contribution by senators, but the government’s view—very strongly—is that all those arguments Senator Xenophon put to the chamber should actually be put to the Fair Work Commission, as they are the body responsible in the Australian workplace relations landscape to set wages and penalty rates.

The bill introduces two changes to strengthen the job-seeker compliance framework by tightening the rules regarding the waiver of penalties for serious failures. Job seekers who fail to accept or commence a suitable job will incur a mandatory eight-week non-payment period. For job seekers who are persistently non-compliant there will be provision—regrettably, nobody acknowledged that in the speeches against this bill—for a one-off waiver of the non-payment period. So there will be the opportunity for people to be reminded of the consequences. But all subsequent episodes of noncompliance will incur the eight-week non-payment penalty.
We as a government strongly believe that job seekers in receipt of taxpayer funded income support should be expected to do something in return for that support. What is more, 98 per cent of job seekers agree with us and do the right thing. The coalition’s support of the principle of mutual obligation is well known and it has overwhelming community support. As part of the mutual-obligation framework job seekers in receipt of taxpayer funded income support have participation requirements, and 98 per cent of job seekers fully embrace those participation requirements. These requirements include undertaking job searches, meeting with employment providers, undertaking training or, ultimately, accepting a job. Participation requirements are fair and taxpayers are right to expect that job seekers do their bit in order to find a job and, in the meantime, receive income support. It is not fair to get something for nothing when you can and should be doing something and you are capable of doing so.

There are existing rules surrounding job seekers and participation requirements under the current legislation. Job seekers already incur an eight-week payment penalty for refusing to take a job or failing to meet their participation requirements. However, under changes made by the previous Labor-Greens government, those penalties can now be too easily waived. Under Labor, amendments were introduced in 2009 that allowed the non-payment penalty to be waived if a job seeker engaged in an 'intensive activity', such as—guess what—an increased level of job search. They already have a 20-requirement. All of a sudden, the Labor Party is saying, 'Chances are, if you were to increase the job search to above 20—to 40, in certain cases—that's not such a bad thing after all.' If we propose that as something in a draft or discussion with the community, it is evil writ large, it is penalising people, but under Labor's scheme that was part of the alternative activity. I do digress.

Job seekers who refuse a job or are persistently non-compliant can repeatedly avoid a financial penalty by doing an alternative activity. That is the current situation. This change, not unsurprisingly, resulted in more job seekers flouting the rules and avoiding a financial penalty. As I have indicated before, in 2008-09 there were 644 penalties applied for refusing work. In 2012-13—after Labor's changes—there was a virtual tripling to 1,718 serious failures, for refusing a job—and the penalty was waived in over two-thirds of the cases. This is almost three times the number of incidents where job seekers refuse a job.

There were also the over-25,000 serious failures for repeated noncompliance, which was a threefold increase as well, and the penalty was waived in 73 per cent of the cases. What does this mean? It means that since Labor's changes job seekers—and it is a very small cohort of whom we speak—who refuse a perfectly good job or do not meet their participation requirements more often than not have no financial penalty applied. Because of that, the numbers have ballooned. It also means that this cohort of job seekers who do the wrong thing—by themselves as well as their fellow Australians—can continue to ignore their mutual obligation requirements without serious consequences. This bill will ensure that the existing penalties for serious failures are applied more rigorously, as they were in the past, in keeping with the reasonable expectation of Australian taxpayers.

Those senators who made contributions to this debate kept talking about 'the government, the government, the government'. Well, the government ain't got any money. Any money the government has comes from overseas borrowings or from taxes. If it comes from overseas borrowings, the Australian taxpayer will ultimately have to repay it with interest. So it is not government money; it is money out of the pockets of our fellow Australians. I think our
fellow Australians agree, along with the other 98 per cent of job seekers who do the right thing, that we have an obligation to them as well. The coalition stands firm in its expectation that people in receipt of income support should be asked to undertake reasonable activities in return for that support—and that, where they do not, appropriate financial penalties should be applied.

This bill ensures that there are appropriate penalties for those few—but regrettably growing number of—job seekers who deliberately do not do the right thing by the Australian taxpayer and themselves. The government knows that the majority of job seekers understand their obligations and comply with their participation requirements. This bill is not of course targeted at that vast majority of Australian job seekers. This bill is only targeted at those job seekers who deliberately refuse a job without reasonable excuse or have been deliberately, persistently and wilfully noncompliant.

During the debate on this bill, many senators have said that, in the name of social justice, these noncompliant job seekers should continue to be funded by their fellow Australians. I have a different view of social justice. I have a view that a fair country, a decent country, will assist people in tough times but that it is right for Australians to expect something in return—and 98 per cent of Australian job seekers, the overwhelming majority, are meeting that expectation. Regrettably, in the name of a perverted sense of social justice, there are senators here championing the cause of that very small cohort of two per cent who persistently and wilfully do the wrong thing. These are job seekers who do not meet their mutual obligation, not—and I stress this—because of a disability or a vulnerability but simply because they choose not to do so. Disability, vulnerability—those sorts of matters would of course be taken into account, but it is not fair that the taxpayer has to fund the lifestyle of job seekers who deliberately do not meet their obligations. This behaviour is not fair to the taxpayer or to themselves. This behaviour is also not fair to the genuine job seekers who are regrettably and undeservedly stigmatised by this very small group of job seekers who are not prepared to do their bit in return for income support.

Under this bill, job seekers who incur an eight-week non-payment penalty for refusing to accept a job without good reason will no longer be able to have that penalty waived under any circumstances. Job seekers who incur an eight-week non-payment penalty for persistently failing to meet their participation requirements will only be able to have their penalty waived once. It is important to note that job seekers will not be forced to undertake work that they are unable to do and that the personal circumstances of job seekers will be considered in all cases. I do not know why that was so deliberately ignored in the contributions of honourable senators, but it is a matter of great regret not only to me but also, I think, to the other 98 per cent of Australian job seekers and to the Australian taxpayers who shake their heads and wonder what sort of social justice is being espoused in this place. Safeguards will remain to ensure that, where a person has a reasonable excuse or a particular vulnerability, such as a medical condition, these factors are appropriately considered before the penalty is applied.

Penalties already exist for job seekers in receipt of income support who refuse a job or wilfully fail to meet their participation requirements. This bill simply ensures that these penalties are more rigorously applied. This is fair to the job seeker—because they will be doing themselves a favour—and it is also fair to the taxpayer and that vast majority of job seekers who do the right thing. The bill will only affect that relatively small group of job
seekers who either refuse a job without a reasonable excuse or are persistently and wilfully non-compliant. Safeguards will remain. Not one of the contributors to this debate has indicated why somebody that refuses a job without a reasonable excuse or is persistently and wilfully noncompliant should not be penalised. This bill will ensure that all job seekers in receipt of taxpayer funded income support meet their obligations. That is not only fair but is what Australian taxpayers expect. I commend the bill to the Senate.

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

The Senate divided. [11:56]

(The President—Senator Parry)

Ayes ................... 29
Noes ................... 35
Majority ................ 6

AYES
Abetz, E
Bernardi, C
Bushby, DC
Cash, MC
Cormann, M
Edwards, S
Fierravanti-Wells, C
Heffernan, W
Macdonald, ID
McKenzie, B
O'Sullivan, B
Payne, MA
Sculion, NG
Sinodinos, A
Williams, JR

NOES
Bilyk, CL
Bullock, J.W.
Carr, KJ
Di Natale, R
Hanson-Young, SC
Lambie, J
Lines, S
Ludwig, JW
Madigan, JJ
McLucas, J
Moore, CM
O'Neill, DM
Polley, H
Rice, J
Sterle, G
Wang, Z
Whish-Wilson, PS
Xenophon, N

Brown, CL
Cameron, DN
Dastyari, S
Gallacher, AM
Ketter, CR
Lundy, KA
Marshall, GM
Milne, C
Muir, R
Peris, N
Rhiannon, L
Siewert, R
Urquhart, AE (teller)
Waters, LJ
Wright, PL
Debate adjourned.

Migration Legislation Amendment Bill (No. 1) 2014
Second Reading

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

Senator KIM CARR (Victoria) (11:59): Australia’s migration framework underpins our economic growth and social diversity. It is a complex web of legislative provisions, judicial interpretation and policy intentions. Where confusion exists or the intention is unclear, a change is required. This is the reason for this bill, which is intended to end inconsistencies in the application of the Migration Act 1958.

Recently, at a Senate tactics committee meeting, I was quizzed on the provisions of this bill, so I will need to go to some detail of the provisions of this bill. I trust Senator Faulkner will be taking particular notice. This bill seeks, under schedule 1, to clarify restrictions on applying for further visas by amending sections 48, 48A and 501E of the act.

On the current interpretation of section 48, anyone who has had a visa or a visa application cancelled at any time cannot apply for a further visa. This is contrary to the policy intention, which is to prevent people who have done something wrong from playing the system to stay in the country.

Amendments to sections 48A and 501E seek to extend the operation of section 48 to people who may have had a valid application lodged on their behalf—for example, family members, or persons who are mentally impaired. This is a result of a recent Federal Court decision challenging the application of section 48 to a minor on whose behalf an application had been made. In Kim v Minister for Immigration [2013] FCCA 1526, it was argued that section 48 would not limit further applications by minors who did not know about, or understand, the nature of visa applications that were made on their behalf and subsequently refused.
This could result in families being separated due to inconsistent decision-making. For example, the family may be subject to the bar under section 48 but the children who were part of that refusal would not be prevented from making further visa applications. This amendment makes clear that the bar will apply even if the applicant was unaware an application had been made.

Difficulties may arise where there is a child involved who was old enough to understand what was happening but is still under 18, and so considered as part of the family unit. But the fundamental point is that the system will assume a parent is acting in the best interests of a child for whom a visa application has been made. This legislation makes that point.

Schedule 2 proposes that the department must remove a detainee who was entitled to apply for a substantive visa or revocation of the cancellation of a substantive visa, but did not do so. The obligation to remove in such circumstances will apply irrespective of whether the detainee has a made a valid application for a bridging visa. And, despite the power of removal in subsection 198(5) of the act, the department must not remove a non-citizen whose valid application for a protection visa has not been refused or finally determined, even if the application was made outside the time limit.

Under the current subsection, detainees may be held in indefinite detention while applications for bridging visas are pending, as the department does not have the power to remove a person who has applied for a bridging visa. There is also no limit to the number of bridging visa applications that a person can submit. A bridging visa application also takes away the removal powers of the department, which can result in detainees continuing to apply for bridging visas after all avenues have been exhausted.

It is important to note that this amendment legislation does not impinge on an individual's right to apply for a substantive visa. To address potential concerns regarding Australia's human rights obligations, a provision has been added to the legislation after subsection 198(5) that ensures, despite the powers set out in the legislation, that protection-visa applicants will not be considered for removal until either the visa application has been refused or the application has been 'finally determined'.

Schedule 3 proposes amendments to section 262 to allow debt recovery from people who have been detained for people-smuggling and illegal foreign fishing. Under the current provisions of the act, a person is not liable for costs arising from their detention and removal when they are no longer detained because of section 250, or because they were granted a visa, or because they were not in immigration detention at the time of their conviction.

The amendments empower the Australian government to recover detention debts from people smugglers and illegal foreign fishers but not asylum seekers. These amendments are consistent with Labor's policy of providing financial disincentives to engage in people-smuggling and illegal foreign fishing.

Schedule 4 amends section 379G of the act to clarify that the role of an authorised recipient is to receive documents from the minister or tribunals on behalf of a visa applicant, but not to act on the applicant's behalf. This amendment clarifies the decision of the Federal Court in MZZDJ v Minister for Immigration and Border Protection [2013] FCAFFC 156, which suggested an authorised recipient was effectively an agent of the applicant and therefore able to act on the applicant's behalf. People engage authorised recipients for several reasons, such
as ease of communication where language barriers exist or where applicants have no fixed address, but it is important to note the difference between an authorised recipient and a migration agent. A migration agent will act on someone's behalf and may also act as an authorised recipient.

These amendments also address the finding of the Full Federal Court in SZJDS v Minister for Immigration and Citizenship [2012], known as FCAFC 27, that the term 'applies for review' in subsection 279G(1) of the act means that an application must have been properly made under section 347 for a tribunal to be obliged to give documents to an authorised recipient. The amendments make clear that technicalities will not make an application to have an authorised recipient invalid—that is, as long as the person has expressed a desire to have an authorised recipient, it will not matter if the application itself is valid.

I turn to schedule 5. This provision inserts a new section, 51A, in the Australian Citizenship Act 2007 which will provide administrative access to, and use of, material and information obtained under a search warrant issued under the Crimes Act 1914 for certain purposes of the Migration Act and the Citizenship Act. These include making or assisting to make a decision to grant, cancel, revoke or refuse a visa or Australian citizenship; or to cancel approval of citizenship; or concerning the detention, removal or deportation of noncitizens from Australia. These provisions also insert a new section, 488AA, in the act, which provides administrative access to, and use of, material and information obtained under a search warrant issued under the Crimes Act 1914 for certain purposes, including making or assisting to make a decision regarding a grant or revocation; cancellation of revocation of a visa; or the detention, removal or deportation of a noncitizen from Australia.

In several cases the department, operating with the Australian Federal Police, has uncovered sophisticated criminal networks engaged in fraudulent migration applications. However, at present the information cannot be shared with the department's administrative officers, so the information cannot be used to question applicants. At present, only the department's law enforcement officers have access to information obtained under search warrants. The Crimes Act 1914 allows for information sharing with other agencies, but it must be enabled through the Migration Act 1958 to be legal. If the information is to be shared, it will not have any effect upon an applicant's right to review or explain the anomaly. It is important that the minister, the secretary of the department and administrative decision makers should have access to the full range of information when deciding on citizenship applications, visa applications or other circumstances relating to detention, removal or deportation.

With these matters, Labor is satisfied that the amendments will not adversely affect an applicant's ability to have decisions reviewed, and that procedural fairness and natural justice will continue to apply when Crimes Act warrants are used in administrative decision making.

Finally, on schedule 6, the amendment will bring all visa applications under the code of procedure—section 57 of the act, a statutory embodiment of the common-law hearing rule. At present, section 57 applies only to visa applications made onshore, and common-law procedural fairness applies to applications made offshore. The definition of procedural fairness should be consistent for all visa applications, whether they are made onshore or offshore. A higher standard of procedural fairness should not be applied to offshore applications. The amendment will significantly reduce the risk of jurisdictional error arising
from the failure to apply the common-law test appropriately. For these reasons, Labor supports this proposed legislation.

Upon the advice that I have received, following departmental briefings, the Labor Party is satisfied that these are non-controversial changes to the immigration law and that they regulate administrative procedures and provide a more consistent application of the law. As a consequence, we see nothing particularly exceptional in these provisions. I have had to go to some detail to explain the technical provisions, which I am sure was immensely interesting to all those listening to these proceedings. However, it is important to explain that these are not controversial matters and are consistent with a proper and fair application of the law.

Senator HANSON-YOUNG (South Australia) (12:13): I rise to speak to the Migration Legislation Amendment Bill (No. 1) 2014 and to put on the record that the Australian Greens will not be supporting this bill. While a number of the amendments to various schedules do relate to administrative issues, they are amendments that have been brought forward by the government to circumvent rulings by court decisions that have happened over the last little while. We are concerned that these measures put a number of vulnerable people at potential risk, whereas it may have been better for the department to work out a way of managing its bureaucracy rather than pushing the burden onto the individual applicant. As we know, many people who apply for asylum in Australia, if they come by boat, are found to be in genuine need of protection, so they are already in a high-vulnerability group.

We believe that this bill will have significant implications for people seeking to engage Australia's protection obligations. It will undermine access to fair, just and due process. We are concerned in particular by the changes in relation to the new application measures, particularly for minors. We believe this may put refugee children at higher risk of not being given protection; also, women are at risk of abuse at the hands of former partners. We are concerned that those women may not now be able to apply for protection simply because of these changes.

This bill will prevent individuals with genuine claims lodging further protection applications, limit a migration assistant's ability to act on behalf of their client—we know that this is really important, particularly for the many people who have been in detention for a long time—and increase the likelihood of Australia breaching its non-refoulement obligations. That is in relation to the schedule allowing somebody to be forcibly returned even if they have a bridging visa application on foot.

Australia has obligations under the refugee convention and international law not to return people to places where they would be at risk of significant harm. These obligations simply cannot be dismissed just because the government and the department want a way of circumventing their own bureaucracy. It is not just an administrative issue, when you are looking at people's applications. For people who are applying for protection it is a matter of life and death. It cannot simply be 'Oh well, administratively that's too cumbersome so we'll try and short-circuit it.' Come up with a smoother way, rather than a way of trying to avoid giving people a fair go.

Despite the experts telling a parliamentary inquiry they had serious concerns about the amendments proposed in this bill, the government and the opposition are clearly both in support of this piece of legislation and so it will pass the Senate today. I again put on the record the Greens' concerns in relation to this. We would have preferred to have seen a more
protection focused piece of legislation that still dealt with the administrative issues without putting people at further risk.

The Australian Greens do not support this bill. We believe it is another step by this government, which we know is relentless, in their attempt to limit protection avenues for refugees who are in genuine need of protection. This government is headstrong in doing everything they possibly can to limit the ability of people who need protection to get it. Every piece of migration legislation or regulation that has come before this place since this government took office a year ago has been to punish those who are most vulnerable—to punish refugees and asylum seekers. Rather than dealing with the administrative issues in a humane way, this government has again used it as an opportunity to kick refugees at a moment when applications are on foot. Children who need help with putting forward new applications and women who are at risk of further abuse from former partners will now have no avenue to reapply for protection. We think that is a fundamental problem with this piece of legislation. We will not be supporting it.

Senator IAN MACDONALD (Queensland) (12:18): I have an interest in this particular bill, the Migration Legislation Amendment Bill (No. 1) 2014, as all senators will have. As an Australian citizen I am very keen to ensure that Australia continues to have a very beneficial and worthwhile immigration program, one that is well-ordered, fair, open and accountable, and one that allows people who fit with Australian law to come into our country. I have a keen interest in this subject.

In passing, I must say that Mr Morrison has done an absolutely magnificent job as migration minister and has put the Australian immigration process back on track so that we are able to bring in properly qualified people who apply for immigration to Australia in the appropriate way and meet the rules. Also, under Mr Morrison, now, we have come back to an ordered arrangement whereby those 13,000-odd refugees we take every year are chosen on the basis of their status under the United Nations High Commissioner for Refugees. They are genuine refugees and we take them in an ordered fashion. Under the Labor regime, you were able to push in. If you had the money to pay someone to put you at the front of the queue you got in; but those who have been waiting for their turn to get to the promised land for years back yet another year. I give all credit to Mr—

Senator Hanson-Young: There are more refugees in northern Iraq right now—do you want them to just wait? You want them to just wait in line?

Senator IAN MACDONALD: I will not take all of that interjection, but I will say to Senator Hanson-Young with, perhaps, not a lot of respect: you are the people smuggler's friend. The people smugglers did their trade in Australia because the Australian Greens kept encouraging them. They kept saying to them, 'Come here and we'll look after your people. We'll give you a product to sell. Charge the $15,000 per person, put it in your pocket and we'll support you when you get to Australia.' It is absolutely disgusting. I have never been more disgusted about a policy issue in the Australian parliament than I am about the way the Labor
Party and the Greens support the people smugglers taking $20,000 off supposed ‘poor’ refugees to come into Australia because they knew that once you got here you would be fine; whereas genuine refugees, who have been living in squalid refugee camps around the world for years are still waiting because people were allowed to jump the queue, thanks to the Greens and the Labor Party. I do not blame anyone trying to get to Australia. We are the promised land. We are a wonderful country. We are a very rich country. I can understand why people anywhere in the world would want to get into Australia, but we have rules. As John Howard said many years ago, 'We will decide who comes to our country and way in which they come here.'

Opposition senators interjecting—

The ACTING DEPUTY PRESIDENT: Order! Senator Macdonald has the right to be heard in silence.

Senator IAN MACDONALD: As I said, I congratulate Mr Morrison, who, I might say, was ably assisted by the Assistant Minister for Immigration and Border Protection, Senator Cash, who is doing an equally sensational job in bringing our immigration system back to order.

I chaired the Senate Legal and Constitutional Affairs Legislation Committee, which looked into this bill in some depth. I note in Senator Carr's opening statement that his colleague Senator Faulkner did not have much confidence in Senator Carr's ability to handle this immigration question, and Senator Carr had to reply to Senator Faulkner: 'I have read the bill. I can now explain to you what it is about.' Apparently he could not do that in caucus yesterday. Good on you, Senator Carr. I hope Senator Faulkner is now happy with your management of the portfolio on behalf of the opposition. I must say I am always confused about who in the Labor Party is dealing with this. At estimates Senator Singh seems to take the lead role, and she seems to know a little bit about it and is reasonably confident. Senator Jacinta Collins seems to know quite a lot about it and makes some very intelligent and worthwhile contributions to the deliberations of the Senate Legal and Constitutional Affairs Committee, which deals with all of these immigration matters. Whether it is Senator Singh, Senator Collins or Senator Carr, I do not know. I do not really care, though it is important. The most important part of Senator Carr's speech was that he, as the shadow minister, and his party will be supporting this bill, and I am pleased about that.

I want to refer very briefly to a couple of issues. Senator Carr has gone through some of the technical details. The second reading speech goes through them in some detail as well.

Senator Kim Carr: At length!

Senator IAN MACDONALD: Senator Carr says he went through it at length. Yes, I sat here and listened to you, Senator Carr. I would not like to give you a test on it afterwards. You seemed to be reading someone else's work, but that is fine. Good on you!

Senator Polley: I rise on a point of order, Madam Acting Deputy President. All comments should be made through the chair not across the chamber.

The ACTING DEPUTY PRESIDENT: Thank you. Please continue Senator Macdonald.

Senator IAN MACDONALD: I am most contrite at referring directly to Senator Carr and I will not be tempted again. The application for further visas was the most substantial part of the bill, though there were a number of technical issues that Senator Carr mentioned. By
majority the committee thought that processes like giving the minister the power to remove noncitizens in certain circumstances were good. The committee concluded that the department has the proper processes in place for ensuring that noncitizens with legitimate grounds are not returned in breach of Australia's international obligations. We supported the department's view that people should not remain on indefinite detention. They should be removed if they are not going to come here.

The committee accepted amendments set out in schedule 4 of the bill, because the committee thought that they were aimed mainly at retaining the interpretation of the act that Senator Carr meant prior to MZZDJ v Minister for Immigration and Border Protection. A number of parts of this legislation simply return the interpretation to what everybody thought it was before the High Court made its ruling. The previous government worked on the basis that the interpretation we are implementing through this legislation is the right one. The previous government worked on that interpretation. It was in their time that this case went to the court. The court determined that the interpretation everyone thought it had did not apply. This legislation puts it back to what everyone always thought it was and intended it to be.

The committee recommended that the bill be passed but had a concern about individuals for whom someone else had applied for a visa when they were mentally incapable or too young to know what was happening. A particular case was brought out in evidence, where a young girl's family applied for a visa. She knew nothing about it. Later on, she married in Australia and applied for a visa but was told that she could not get one because of the one her family had applied for on her behalf years ago. The committee was concerned about that. The first recommendation of the committee's report recommended that:

… the Commonwealth government consider whether additional safeguards are necessary to ensure that children and people with a mental impairment are not unfairly prevented from making a subsequent visa application in circumstances where they are unaware of a previous application having been made on their behalf.

I am pleased to say, the committee having alerted the minister to that issue, that the minister has written to the committee indicating that:

I confirm that there are existing safeguards in place to address the concerns of the committee. These include my personal powers to intervene under Section 48B of the Migration Act to lift the legislative bar and allow further application for a protection visa. I also have powers under the act to intervene and grant visas to non-citizens if I believe it to be in the public interest. I am of the view that these safeguards are appropriate to deal with the very small number of genuine cases that may arise where a child or a person with a mental impairment has been significantly disadvantaged as envisaged by the committee.

And Mr Morrison—and I appreciate this and I am sure the committee do as well—indicated that Senator Cash, in her summing up, would be putting those words onto the record on behalf of Mr Morrison, so that they will be there for those who may have had a concern about this. With that, I certainly support the bill and I appreciate the Labor Party's support for it as well.

**Senator CASH** (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (12:31): I thank senators for their contributions to this important debate. As has been stated, the Migration Legislation Amendment Bill (No. 1) 2014 amends the Migration Act and the Australian Citizenship Act to clarify various provisions in those acts resulting from recent court and tribunal decisions that significantly affect the operations of the Department of Immigration and Border
Protection. The bill also makes a number of technical amendments. In relation to the first schedule of the bill it will put beyond doubt the department's longstanding position which has been in place since 1994 that a person who has been refused or held a visa that was cancelled since last entering Australia will be prohibited from making a further valid visa application whilst they remain in Australia. This is irrespective of whether the person knew about or understood the nature of the application.

To address Senator Ian Macdonald's comments, I do note the recommendation of the report of the Legal and Constitutional Affairs Legislation Committee into this bill that:

…the … government consider whether additional safeguards are necessary to ensure that children and people with a mental impairment are not unfairly prevented from making a subsequent visa application in circumstances where they are unaware of a previous application having been made on their behalf.

In response, these amendments do not deny children and people with a mental impairment the right to be heard in a judicial or administrative proceeding. Where valid protection claims are raised by a child or a mentally impaired person following a visa refusal, Minister Morrison or I can intervene under section 48B of the act to enable a further protection visa application to be made so that any personal protection claims which were not properly or fully articulated on their behalf in the previous application may be assessed.

Seeking judicial review is another option for a child or mentally impaired person who believes that the decision to refuse was incorrectly made because their claims were not properly considered by the decision maker. This provides a robust safeguard against the concerns raised regarding the perceived inadequacies of ministerial intervention powers under section 48B. In addition, before a person is made available for removal, a rigorous preremoval assessment process is undertaken in relation to the person to ensure that the person is not returned if there is a risk of serious harm occurring. This provides an opportunity for people to raise those issues with the department before any removal takes place.

To reiterate, the government's position is that additional safeguards are unnecessary because the availability of ministerial intervention powers under section 48B—the right to seek judicial review, the right to be heard in a judicial proceeding, and preremoval clearance—cumulatively provide appropriate and adequate safeguards for children and mentally impaired people who may be unaware of the previous protection application. By restoring the intended operation of the statutory bar, the amendments will preserve the integrity of Australia's visa program and avoid its abuse by preventing noncitizens from repeatedly making, or having made, on their behalf unmeritorious visa applications in order to prolong their stay in Australia.

The second schedule to the bill clarifies that a bridging visa application is not an impediment to the removal of a person. The amendments also make clear that a person cannot be removed if they have applied for a protection visa and the visa has not been refused or the application has not been finally determined. The third schedule to the bill ensures that the debt liability provisions of the Migration Act apply to all convicted people smugglers and illegal foreign fishers. The fourth schedule to the bill clarifies the obligation of the Migration Review Tribunal and Refugee Review Tribunal to give documents to an authorised recipient where one has been appointed. The amendments also clarify the role of the authorised recipient and the extent of the obligation to notify an authorised recipient of direct communications made with the person who appointed them. In relation to the fifth schedule to the bill, this will allow
for material obtained by way of a search warrant issued under the Crimes Act to be used for the purpose of making certain administrative decisions either under the Migration Act or the Australian Citizenship Act.

As Senator Carr stated—and I thank the Labor Party for their support of the bill—the bill actually makes a number of technical amendments. However, I do want to make a number of comments in relation to the issues that have been raised by Senator Hanson-Young. In relation to the interjections that Senator Hanson-Young was making while Senator Macdonald was speaking, I believe it is appropriate to say that on 8 September 2013 Senator Hanson-Young clearly found her conscience. She clearly found her moral compass because she had clearly lost it in relation to the Labor Party and the Greens unholy alliance over the last six years. Senator Hanson-Young referred to refugees currently in Iraq and Syria and asked what this government was doing. Well let me tell you that it is because this government has restored integrity to our borders that we have been able to announce that we will be quarantining 4,400 places specifically for those people displaced in the Iraq and Syria conflicts. This is something that Senator Hanson-Young was unable to do as part of the previous government because the policies that she supported ensured that in excess of 14,500 people, who have been waiting in camps for five, 10, 15 or 20 years, were denied places in our refugee resettlement program because of Senator Hanson-Young's policies. She also forgets the 1200 people who died at sea as a direct result of the policies that she supported.

So, Senator Hanson-Young, when you come into this place and you start to criticise the government's policies, can you at least put a caveat on your comments? Put your hand up and say: 'I found my moral compass; I found my conscience the day after we lost office, because I lost it whilst we were in government and there were disastrous results to our border protection policies. Because I am such a hypocrite, the day that the Abbott government was elected, I suddenly found my voice in relation to those who had died and those who had been displaced.'

I will deal with Senator Hanson-Young's concerns with the bill. Senator Hanson-Young has expressed concern that amendments in schedule 1 to the bill will place vulnerable people in grave danger of being returned to persecution. That is completely unfounded. It should be noted that a person whose protection visa application is refused, because they are found not to engage Australia's protection obligations, cannot by definition be in danger of being returned to persecution. Secondly, the objective of the amendments is merely to restore the long-standing operations of sections 48, 48A and 501E to the interpretation that they have had since 1994. Australia remains committed to adhering to our protection obligations under the refugee convention and any other international human rights instruments. Anyone who is found to engage Australia's protection obligations will not be removed from Australia in breach of these obligations.

In relation to schedule 2, Senator Hanson-Young has expressed concerns that the amendments could potentially lead to Australia breaching its non-refoulement obligations. The amendments specifically provide that a non-citizen cannot be removed where they have made a valid application for a protection visa and the visa has not been refused or the application has not been finally determined. I also clarified earlier that people are not removed if there is a likelihood of serious harm arising from their removal. In relation to the fourth schedule, Senator Hanson-Young raised concerns that the amendments will limit an agent's
ability to act on behalf of their client. To clarify: the amendments in no way an agent's ability to act on behalf of their client. This is because the role of an authorised recipient is separate to, and distinct from, the role of a solicitor or a migration agent.

In relation to the fifth schedule, Senator Hanson-Young expressed concerns that the amendment would result in information being used for the purposes that extend well beyond preventing, investigating or prosecuting a criminal offence as intended under the crimes Act. She also expressed concern over whether the amendments would put asylum seekers and refugees at risk, given the confidential nature of a person's case where they are fleeing persecution. To re-iterate the explanatory memorandum:

The amendments would not further extend coercive powers or administrative responsibilities, [they would] simply to provide further information to administrative officers for more effective decision making. This will enhance decision-making and as a result, will enhance the integrity of the migration and citizenship programmes. This enhancement will be particularly prevalent where persons have provided false, misleading or fraudulent information to the Department and have acquired, or will acquire, a visa or citizenship as a result.

An individual's right to privacy in Australia is governed by the Privacy Act. The amendments seek only to use legitimately-obtained information for legitimate policy objectives—namely, the making of certain decisions under the Migration Act and the Citizenship Act. So, once again, Senator Hanson-Young clearly has not read the bill and does not understand the amendments or has come in here once again claiming to have found a moral conscience, which she clearly forgot during the time they were in government. With those comments, I commend the bill to the chamber.

**The ACTING DEPUTY PRESIDENT (Senator Lines):** The question is that the bill be read a second time.

The Senate divided. [12:45]

(The Acting Deputy President—Senator Lines)

Ayes ..................42
Noes ..................9
Majority...............33

**AYES**

Back, CJ
Bilyk, CL
Bullock, J.W.
Cameron, DN
Cash, MC
Day, R.J.
Fawcett, DJ
Ketter, CR
Lazarus, GP
Lines, S
Lundy, KA
Mcelwraith, A
McKenzie, B
Moore, CM
Nash, F
O'Sullivan, B (teller)
Reynolds, L

Bernardi, C
Brown, CL
Bushby, DC
Canavan, M.J.
Colbeck, R
Edwards, S
Gallacher, AM
Lambie, J
Leyonhjelm, DE
Ludwig, JW
Macdonald, ID
McGrath, J
McLucas, J
Muir, R
O'neill, DM
Peris, N
Ruston, A
AYES

Seselja, Z
Sinodinos, A
Sterle, G
Wang, Z
Singh, LM
Smith, D
Urquhart, AE
Xenophon, N

NOES

Di Natale, R
Hanson-Young, SC
Ludlam, S (teller)
Milne, C
Rhiannon, L
Rice, J
Waters, LJ
Whish-Wilson, PS
Wright, PL

Question agreed to.
Bill read a second time.

Third Reading

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

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (12:49): I move:

That this bill be now read a third time.

Question agreed to.
Bill read a third time.

MATTERS OF PUBLIC INTEREST

The ACTING DEPUTY PRESIDENT (Senator Lines) (12:50): Order! It being 12.50 pm, I call on matters of public interest.

Defence Procurement

Senator XENOPHON (South Australia) (12:50): I note that there will be an urgency motion later today in relation to submarines. Because I will not be here, I now indicate my support for that motion moved by the opposition. I will not make a long contribution, but I want to make it clear that I support the opposition's motion. This is of critical importance, and we need to put this in perspective. On 8 May 2013, the then shadow minister for defence, Senator David Johnston, said during a visit to Adelaide:

We will deliver those submarines from right here at ASC in South Australia. Now why ASC? Right across Australia there is only one place that has all of the expertise that’s necessary to complete one of the most complex, difficult and costly capital works projects that Australian can undertake. It’s ASC here in Adelaide.

He went on to say:

The Coalition today is committed to building 12 new submarines here in Adelaide, we will get that task done, and it is a really important task, not just for the Navy but for the nation. And we are going to see
the project through, and put it very close after force protection, as our number priority if we win the next Federal Election.

Fast forward to today, and we seem to be in a parallel universe in relation to those previous statements. I have said before that I actually have enormous regard for Senator Johnston. He is a decent and capable man. I believe he wants to do the right thing by the nation, but we are hearing all sorts of inconsistent messages from the government as a whole in relation to this. This motion that will be moved by the opposition later this afternoon is even more important and timely given what is happening to manufacturing in this country with the impending departure of General Motors-Holden, Ford and Toyota as original equipment manufacturers—as car makers in this country. I hasten to add that those three companies—particularly General Motors—will still have a strong dealer presence, so it is important that they are supported through their dealerships as well.

I have here a list from the Parliamentary Library of 16 separate public statements that now Prime Minister Abbott and the defence minister, Senator Johnston, made between September 2012 and September 2013 about building submarines in Adelaide. My concern is that there has been ambiguity and, perhaps, backsliding since June in relation to naval shipbuilding in Australia in general and to the Future Submarine project in particular. The Prime Minister last week refused to rule out a foreign build for the Future Submarine project—and that concerns me. There is one way that this can be fixed up. It can be clarified very quickly as to what needs to be done to make good the commitment that was made before the last election.

In June the government made a fundamentally wrong decision to excluding the entire Australian shipbuilding industry from the tender for the Navy's two new supply ships. The work is worth up to $2 billion, but the decision means that the Australian government will send that money offshore to firms either in South Korea or Spain. It is an insult that Australian manufacturers and Australian shipbuilders—the ASC and others—did not even have an opportunity to be part of that tender process. Instead of spending the money in Australia employing skilled Australian workers in their thousands, we are exporting jobs overseas in terms of a key national strategic issue—our shipbuilding. It does not make sense to me that Australian companies did not even have a chance to be part of a competitive tender process. It was a gobsmackingly stupid decision by the government and it must be reversed. It was also a very, very concerning decision that I hope will not act as a precedent.

Media speculation, bolstered by the government's public statements, has only increased fears that the Future Submarine project will be shipped offshore to Japan, for instance, which recently signed a military technology sharing agreement with the government. The Future Submarine project could cost between $12 billion and $36 billion depending on which design option is chosen. It is a crucial project to sustain the employment of thousands of South Australians and, indeed, nationally and it is, just as importantly, of national and strategic significance.

South Australia is suffering a historic deindustrialisation that requires a proper policy response from the federal government. The Productivity Commission last month predicted that the end of Australian car making will lead to the loss of 40,000 jobs nationally. I believe that is conservative. About half of these job losses will be felt in South Australia. You can add more than 10,000 further manufacturing job losses to the scrap heap nationally if the federal government does not include Australian industry in its future naval shipbuilding plans. That is
why I will work with all of my colleagues in the Senate: the opposition; the government, including the Nationals; the Australian Greens; the Palmer United Party; Senator Madigan; Senator Ricky Muir from the Australian Motoring Enthusiast Party; and, of course, the man right in front of me, Senator Bob Day from Family First, a fellow South Australian. Can I say on the record, I know that Premier Jay Weatherill accused Senator Day of being an enemy of the state. He does not look anything like Will Smith to me. Senator Day and I will have our policy disagreements but we will deal with them genuinely and in a civil manner. I am convinced that Senator Day shares these concerns about jobs in South Australia and that is why I regard him as a friend that I can work with for jobs in South Australia.

Having made those remarks, I support what the opposition will be doing this afternoon and I commend them and the work of Senator Kim Carr and the shadow defence spokesperson, Senator Stephen Conroy. We need to get a result for South Australia and the motion that will be moved this afternoon is both timely and warranted and we must heed the warnings inherent in that motion.

Taxation

Senator CANAVAN (Queensland) (12:56): I do agree with the previous speaker that I do not think Senator Day is an enemy of the state, but he often is a man in black, Senator Xenophon. It is better than being an enemy of the state. I am sure we are all looking forward to Senator Day's speech later tonight, which I am sure will be thought provoking and very erudite.

There is an old joke in economics about the country that gets rich by doing each other's washing. If I do my own washing, it is work and it is economic output but it does not count in a country's GDP. However, if I pay Bill to do it, suddenly the measured GDP of this economy will increase even though no more work or wealth has been created. A nation that did just each other's washing would not be a rich country; indeed, it would have no wealth at all. Too many fall for this fallacy. It is most evident at the moment in the desire for some to maximise workforce participation. Maximising work should never be an end in itself. Work is a means towards getting things: food, a car, a house. Work makes you give up things, primarily spending time at home with family or friends. These opportunity costs are not counted in GDP and are too often ignored by those who simply wish to maximise our tax revenue, not our overall wealth or wellbeing.

It is ironic that the most valuable thing in life, family time, is not valued in our economic statistics at all. The very word 'economics' comes from the Greek term 'for household management', yet the household is ignored in so much of our economic commentary. But I am not here to complain about the limitations of our bean counters. There is no way to reliably measure the value of family time, but even more reason that it should not be ignored when thinking about policy.

I am here to complain about the unfairness of our tax system as it relates to those who seek to spend more time at home with their families. The most widely accepted principle underpinning tax design is the goal of horizontal equity—that people should be taxed according to their capacity to pay. In other words, people should only pay the same amount of tax if their capacity to pay is the same. Our tax system fails to achieve horizontal equity when comparing double-income families to single-income families. To paraphrase Tolstoy: each family fills out the same tax return, but every taxed family is taxed in its own way.
I mentioned this in my first speech. A single-income household with an income of $120,000 pays $10,000 more tax in Australia than a double-income family with the same joint income of $120,000. To put it another way: a double-income family could potentially earn up to $215,000 a year before they pay the same average tax rate as a single-income family on just $120,000. This is unfair. People with similar ways and means should pay similar amounts of tax. Each family, regardless of the way in which its income is earned, has the same costs—the same bills to pay, mouths to feed and spending obligations to meet.

Australia has one of the most hostile tax systems in the world for single-income families. The OECD released a report in 2012 that compared the tax burden of families with different incomes across countries. The report used a range of different income levels but the results between countries were similar regardless of the income level chosen. Take the case of a couple earning 133 per cent of the average wage in different countries. Australia's tax system discriminated against single-income earner families to a much larger extent than average. In Australia single-income families paid 38 per cent more tax than dual-income families. Compare that to the OECD average of 21 per cent. So Australian single-income families paid almost double the average tax paid by double-income families.

Overall the OECD report found that, of the 37 countries examined in 2010, Australia had the fifth most discriminatory tax system against single-income families behind Finland, Ireland, Mexico and New Zealand. Australia is out of step on the treatment of single-income families. As the OECD stated, 'at the given levels of household income, the Australian tax/benefit system favours dual-earner couples over single-earner families'.

Many countries that have similar income levels to Australia, such as the US, Germany, France and Japan either treat single- and double-income couples in a neutral manner or have very low levels of discrimination. Currently half of the OECD countries that treat spouses separately for tax purposes have joint taxation or some joint elements that provide tax relief and tax credits that are transferable between partners. Some 18 OECD countries provide joint taxation cover including the Czech Republic, which covers couples with children, France which covers families, Germany which covers married couples, Ireland which covers married couples, Luxembourg which covers married couples, Norway where it is optional, Poland which covers married couples, Portugal which covers families, Spain where it is optional, Switzerland which covers married couples and the US which covers married couples.

All of these comparisons were done using three- to four-year-old data and things have only gotten worse since for Australian single-income families. Australia has lifted its tax-free threshold from $6,000 to $18,000. Of course, single-income families by definition have access to only one tax-free threshold and therefore now suffer an even greater tax disadvantage than families that can access two tax-free thresholds. I firmly believe we must move our tax system to one based on the family not the individual. We should do that because it is a good idea here, not just because it is being done overseas. It is a good idea here because families make decisions as a family and therefore we should tax them as a family. It is a good idea here because maximising the number of people that work should not be our core objective. It is a good idea here because there are clear and identifiable benefits of parents staying home and looking after their children.

The great Nobel Prize winning economist Gary Becker did path-finding work on household decision making. In A Treatise on the Family he noted that families make economic decisions
as a unit. Families share paid and non-paid work between themselves and substitute leisure and work time to maximise the total welfare of the family as a unit. When we tax different family members differently we introduce distortions into family decision making. A family may need, let us say, $100,000 for its annual budget. If both parents faced the same tax rates they would make the decision jointly and may decide that one will specialise in paid work while the other stays home. However, when the marginal tax rate is lower or often zero, as it is in our system, for a parent that stays home, more families will make the decision for both parents to work rather than just one. This will happen even though in the absence of a tax system many more families would choose to have one parent stay home for all or some of the time. Our tax system is therefore not giving people what they want. It is changing parental and family behaviour to match the priorities of the workplace not the priorities of the home.

There is no reason why we should want to see the greatest number of people as possible in paid work. Work is important and work is great but it is not as important as family. There are more hours outside nine to five than between nine to five, and what we achieve in the non-work parts of our lives, with our friends and our family, will be our most important achievements and legacies. As the old story of the Roman matron goes, she scorned the ostentatious wealth of a nouveau riche socialite by turning to her children and declaring, 'These are my jewels!'

There are powerful interests within government that would seek to reverse this natural order of things. Naturally some in government, especially those responsible for budgetary matters—and I recognise the Minister for Finance is in the chamber—would like more human interactions to occur with the intervention of an EFTPOS machine. We pay GST on those transactions and we pay PAYG when we go to work and all of that ends up at the ATO. What we forget when we make all human behaviour occur through the formal market economy is love. The family is the ultimate black market economy. There is no tax in the family. Even worse for people like the honourable senator for Western Australia there are not even any cash transactions. There are those who do not like the fact that this all happens outside of the supervision of government. Well those interests should be resisted in favour of the family and in favour of the privacy and sanctity of the household and household decisions.

The best teacher for a child, particularly those of a young age, is their mum or their dad. Most mums and dads do not have degrees or certificates on child behaviour or learning but they instinctively know what to do. Two weeks ago tomorrow my wife and I had our fourth child, our fourth boy. Our boys were very happy that they have a baby brother not a baby sister. For whatever reason, the birth this time affected me a little more than other times. Perhaps I am just more comfortable in the delivery suite, having done it all before. Straight after the birth the midwives made me take my shirt off and have some chest to chest time with my new son. He was as comfortable with me immediately as he was with his mum. I find it miraculous that a newborn, who does not know how to walk or talk and can barely see, can know smells and is settled by the smell of his mum or his dad. You cannot teach smells in an early childhood development class. A degree hanging on the wall means nothing to a child and will not do anything to make them feel more comfortable or safe in your care.

There is no substitute for a good mum or a good dad. As the Productivity Commission said in its Paid Parental Leave inquiry:
Most of the more recent evidence tends to support the view that the use of non-parental care/child care (usually necessitated by maternal employment) when initiated within the first year of a child’s life can contribute to behavioural problems and, in some contexts, delayed cognitive development.

The OECD recently said, in a similar vein:

Taking stock of the evidence, it seems that child development is negatively affected when an infant does not receive full-time personal care (breastfeeding issues aside…) for at least the first 6 to 12 months of his/her life.

But our tax system right now actively encourages—indeed subsidises—mums and dads to go to work and let someone else look after their children. We have this the wrong way around. If anything, we should be encouraging mothers and fathers to spend more time with their children not less.

Some say that single-income families are subsidised because the work is provided before tax. Those who make such arguments are welcome to them but, of course, they should take them to their logical conclusion. For practical reasons, we do not tax the work or leisure that occurs in the family home. If we were to do so, we should do it for all those who live at home—the sick, the disabled and the old. All receive such forms of implicit income, but there is no way we can adjust our tax system to reflect that.

As Terry Dwyer has pointed out, the notion that home activities represent some form of untaxed production is tantamount to saying that our entire lives—waking, sleeping and working—should be at the disposal of the Treasury. Such an idea is an affront to our free and liberal society and the separation of Caesar's world from our own. We can design a better tax system. Australia's social security system, family law and child-support arrangements all assume that family income and assets are shared between family members. However, as it is presently structured, Australia's tax system does not recognise this economic reality. There are a number of approaches that could be taken to achieve horizontal equity, based on a wide range of international models.

One option is that proposed by the government of Canada, which pledged that once its budget has returned to surplus it will allow couples with a dependent child under the age of 18 to split up to $50,000 of their incomes, each year, for tax purposes. This is a proposal the current Prime Minister of Canada, Stephen Harper, took to the last election. He made the promise that he will do this after a surplus has been achieved. It met with great popularity and is now something the Canadian government is progressing. They add to the list of countries I mentioned before, that already have such systems in place, and is even further evidence that we are falling behind the rest of the world in the treatment of single-income families.

This or other initiatives that involve joint or family based taxation would help bring about a greater level of neutrality in our tax system so that it does not discriminate against, or favour, families that choose to organise their work and lives in different ways. At the heart of any family based tax reform should be choice. If we went with something along the lines of the Canada, the US or France we should ensure that couples always had the option to choose whether they wished to file their tax individually or jointly. If couples did not wish to, they could continue to file as they currently do.

That said, international evidence suggests that when family based tax treatment is made available, married couples generally choose to take it up with enthusiasm. When you look around the world—and there are other countries, as I said, that provide such joint filing for
families—the evidence clearly is that when there is a choice for joint or individual filing families predominantly take up the option to joint filing, and generally take it up with enthusiasm. Reforms are needed that recognise the reality of family economics, including family based taxation. This would remove the problem of so-called 'middle-class welfare' by encouraging family self-provision, and letting people take care of their own families, which is how it should be.

I compliment the government for putting in place a wide-ranging taxation white-paper process and I hope they will consider such elements that were ignored, unfortunately, by the previous Henry tax review. If we are serious about helping families in this country we should look at what happen overseas and how successful it is there. We should consider it in our taxation white-paper process, to provide a system that does not discriminate between families and gives the best form of care for our young children.

Liquefied Natural Gas

Senator STERLE (Western Australia) (13:11): After that contribution, it sounds like a job interview for Senator Sinodinos's vacant position. On that, I would like to make a contribution in regard to the Chevron Gorgon LNG project in the north-west of WA.

During the approvals process for the Gorgon project Chevron made promises to the community of Western Australia and its workers that it would work to employ local businesses and workers as a priority. Chevron claimed that the project would create 3,500 direct construction jobs and 10,000 direct and indirect jobs at peak construction, 300 ongoing jobs during the operational phase and an increase to the state's gross product of no less than four per cent. They also claimed an increase to Australia's GDP of more than $60 billion and the creation of new industries based around CO2 injection and subsea development.

Now that it is facing a budget blow-out on the project—of no less than $15 billion—and delays, Chevron is now reneging on these undertakings and blaming, would you believe, the workers and the local industrial-relations environment rather than, as many have suggested, poor management decisions. Chevron is attempting also to bully and intimidate workers by suing the Maritime Union of Australia, the MUA, and putting pressure on government to reduce regulations on wages and conditions. The MUA is simply attempting to look after the interests of the workers and its members and secure an appropriate agreement for them—which it should be doing; no argument.

I want to share with the chamber a few quick facts about Gorgon. The Gorgon project is the single largest foreign-resource project in Australia. For Chevron it is the largest LNG project ever. At present, it is the company's single largest upstream project and could add somewhere between US$40 billion and US$60 billion a year in revenue. In each of the past two Decembers Chevron has released new information about Gorgon increasing the projected cost of the project and delaying the timing of the first gas delivery. Originally scheduled to have first gas in 2014 there are growing concerns about the delay, with 2015 the most optimistic start-up date.

Shell, one of the project's joint-venture partners, believes the date could be at least 2016 and possibly as late as 2018. The Gorgon project is more than $15 billion over budget and is, so far, 18 months delayed. Chevron continues to blame Australian workers, regulations and the political environment—despite significant project management missteps. Originally
costed at US$37 billion, the budget is now running at US$54 billion. Not only is the project over budget and delayed but Australian companies that were working on the project have, sadly, gone bankrupt; infrastructure that was expected in surrounding communities has not been delivered; and the quality and quantity of jobs produced has been nowhere near sufficient. The Gorgon project is quickly becoming synonymous with the tag: 'the white elephant megaproject'. Some analysis shows it as the most delayed and over budget LNG project in Australia, yet Chevron has given its shareholders extremely rosy projections and has only slowly revised costs and delay estimates.

Other Gorgon project owners, Shell and the Japanese utilities, who are not as closely associated with the project's management—or should I say mismanagement—have different projections and timetables for completion. Despite extensive negotiations with and commitments from Chevron, the company is now reporting that it is having trouble getting commitments from customers for as much as one-third of the LNG that will be produced. Apache, one of Chevron's co-owners on Wheatstone, is pulling out of the project, seemingly less optimistic about its operations and prospects. Local company management and business lobby groups have unfairly blamed workers for the problems on the Gorgon project as they and their representative unions seek to negotiate, as they should, new enterprise bargaining agreements—in particular for maritime workers working in the offshore oil and gas sector, a very tough, harsh job which these guys and girls do fantastically well.

A report undertaken by Bradon Ellem, Professor of Employment Relations at the University of Sydney Business School, found the Gorgon delays and cost blowouts are due to a range of logistical factors and poor management decisions, with unions, wages and IR playing a negligible role overall. I want to emphasise this, because there is a sting in the tail here. The report is the first and only thorough analysis of the project's issues to date and its findings run contrary to commentary about the project from local Chevron management and business lobby groups, which has suggested that changes to IR laws could relieve the problems Chevron is facing. The report, entitled What is happening on Chevron's Gorgon project?, has found not only that wages are only a small part of the costs but that most of the figures used in the public debate have been misleading. It finds that the massive blowout in costs is mainly due to logistical delays and that such delays are common with megaprojects that do not have easy precedent. The report's findings are consistent with research undertaken by BIS Shrapnel which found that the wages of maritime workers make up less than one per cent of the US$54 billion cost of building Gorgon. The University of Sydney report also found that workers on the project have been frustrated by lack of consultation from management, which potentially could have prevented many of the delays. The report presented numerous examples of how time and money could have been saved through closer engagement with the workforce.

There is a lesson in this not just for Chevron but also for media commentators pushing for IR deregulation as some sort of economic panacea. The real key to unlocking Australian workplace productivity is through engagement and consultation between management and workers, not through screwing down wages and conditions in an adversarial environment. This is just so basic. Gorgon is an important project for Chevron and its development of nationally owned resources is in Australia's national interest. Gorgon is one of the largest LNG projects in the world and it is seeing Australian national assets being developed in an
Australian national park. It is imperative that Chevron develops a good industrial relationship with those working on the project.

Chevron is responsible for ensuring compliance with the Gorgon Gas Processing and Infrastructure Project Agreement. This includes ensuring that contractors and subcontractors also meet the agreement's obligations. Rather than attempting to operate within these obligations or to engage with its workforce—heaven forbid—Chevron has stigmatized Australia as an overregulated, high-cost jurisdiction. They have subsequently sought to extract more benefits from Australian institutions, reneged on commitments and failed to operate according to Australian industry norms.

A recent example of poor management of the project by Chevron can be found in the 10-day shutdown of Gorgon's main load-out facility, Subsea 7, in May of this year. The shutdown was caused by several significant safety incidents, including no fewer than two crane rollovers and a man overboard. Despite these very serious incidents and continued requests from union members for extra safety precautions at the site, contractors and subcontractors continued to force workers to operate in an unsafe environment until the Maritime Union made direct contact with the CEO of Chevron Australia, Roy Krzywosinski, about its grave concerns about work safety. Can you believe that this has happened in 2014 on a major infrastructure project in Australia?

I have not made it up. This is fair dinkum. And for the Maritime Union to have to contact the CEO himself is an absolute indictment of those contractors and subcontractors who are employed on that site. This is just one example—only one—of the poor management provided by Chevron's Australian headquarters.

As a Western Australian senator, I am so concerned about the failure of Chevron to live up to its obligations to the people of Western Australia that I have written to the U.S. Securities and Exchange Commission to ask for a full accounting of the Gorgon Project's risks and prospects, so that we can have an open examination of how Chevron has, sadly, mismanaged this project, rather than excuses. Instead of using workers and the Maritime Union of Australia as scapegoats for delays and cost blow-outs that were, in fact, caused by poor management decisions and a softening of the LNG market, Chevron should engage with its workforce. Its workforce is as committed to the success of the Gorgon Project as the Chevron management. Chevron should be held accountable for the overblown promises it made during the approvals process and should be required to fulfil its obligations to the Western Australia community and, most importantly, to its workforce.

Asylum Seekers

Senator HANSON-YOUNG (South Australia) (13:23): I rise today to speak on a matter of public interest. Earlier this week, a group of dedicated and compassionate Australians arrived here in Canberra. They had been at the end of what was a long journey for them. The group had originally left from Villawood Immigration Detention Centre almost two weeks ago and had walked all the way to Parliament House. It took them nine days to march the 300 kilometres. They walked in complete silence for the entire journey. They marched in silence to represent the thousands of refugees who are currently locked in Villawood, Darwin, Christmas Island, Manus Island, Nauru and many more places of detention around this country. They are detention prisons.
While they walked, they invited people who they met to write a letter to our Prime Minister. They collected over 100 letters. They were all written by concerned Australians who simply want to see refugees treated with care and basic decency. When they arrived at Parliament House on Monday morning, I was there to welcome them; the Prime Minister, however, was not. They spent the day in parliament, attempting to meet with members of the government. They were not given an opportunity to sit down and speak and share their stories with members of the government's frontbench. They were not able to hand over the letters from concerned Australians that had been collected and requested to be handed to the Prime Minister. I have them here with me today, because these proud, courageous and compassionate Australians deserve to be heard.

I am going to read out some of the excerpts from their letters in this chamber, because I think it is important. They were letters that were written to our Prime Minister. They are an important record that show there are many Australians who care deeply about refugees in this time of unprecedented government cruelty. I want to start with a letter from a teacher at the Mary MacKillop College, Nundah, named Mary. She writes:

I write on behalf of the students to plead to your sense of compassion and care for the most vulnerable in our world. Surely your heart is touched by the images of those who have had to flee terror and persecution; have had to flee without loved ones.

As Australians, we are ashamed that we cannot give from what we have; that we cannot open our doors with a welcome; that we are not providing the care that prevents emotional, mental and physical distress.

We pray daily that those in leadership positions in our country will have the courage to lead with compassion, a sense of justice and equality.

We try to live by the message of Mary MacKillop and Jesus. You know that message. We plead with you to bring it to life.

Another woman from Queensland wrote a letter to the Prime Minister, and she said that she expected more from her government. She writes:

The secrecy worries me, and makes me wonder why there is not openness. I have heard harrowing stories of conditions in detention centres and I request that as a matter of urgency, the conditions under which the detained people have to live, are improved to a standard that would be acceptable to the Australian community as a whole.

I was a boat person, arriving in 1954 at the age of 7 with my family from England. I am also a proud Australian citizen.

Anne Hilton, who has previously worked inside Australia's detention centres and who worked tirelessly to organise the walk, also wrote to the Prime Minister. She says in her letter:

No government has the right to inflict deliberate harm and suffering on any asylum seeker, but this is what you are doing. This is the example and the leadership that you are imposing on my children and grandchildren. You are showing them that cruelty, bullying and injustice prevail over kindness, care and generosity. You are showing them how to divide a nation and how to instil prejudice, hate and fear.

This is not the Australia that I desire for my grandchildren. They do not deserve to inherit the consequences of your wrong and immoral actions towards asylum seekers. Your policies are leaving a disturbing legacy.

My heartfelt plea, my very serious demand as an Australian citizen is simple: Just stop the cruelty. Stop the harm and suffering.
Australia will never be a great country while we continue to leave the burden of dark legacies of suffering for future generations to carry.

Ann from South Australia also wrote to the Prime Minister. She says in her letter:

You have the power, skills and knowledge to lead all Australians in changing their attitudes and beliefs about people seeking asylum in Australia.

You have the power, skills and knowledge to lead Australians in our understanding of, and our respect for, human rights.

I expect more and I expect you to end the policy of indefinite detention of people who have not been charged with, or found guilty of, committing any crime.

She completes her letter by writing:

I look forward to hearing from you soon.

Some people decided to keep their letters short. Michael, from here in the ACT, simply wrote: 'Dear Mr Abbott, your despair factories on Manus and Nauru shame Australia.' Well said, Michael. I could not agree more. There is one more letter I want to share with the chamber today. It is from Jennifer. Jennifer is a young woman who met the walkers when they arrived here in Canberra. Her letter reads: 'Yesterday I stood in a crowd and was introduced to the silent walkers. I felt both pride that people could commit in this way and shame that it was necessary.'

These Australians have spoken up because they know that when it comes to cruelty towards other people, particularly those who are significantly vulnerable, such as refugees, this government has gone too far. Many Australians are saying, 'Not in my name, Mr Abbott. Not in my name.' I would like to table the letters that were collected along the walk and to urge the Prime Minister to read these letters and consider the words of concerned Australians.

As I stand here today with the pleas of open-hearted, caring Australians wanting a better way, I also reflect on the fact that there is a young man currently lying brain dead in a hospital in Brisbane. He is an asylum seeker who contracted an infection while in immigration detention on Manus Island. He was not given the medical help that he needed or the medical care that was necessary in any timely manner. He now lies brain dead in a hospital bed in the Brisbane hospital. I understand that as I stand here today his family back in Tehran are having to make an awful decision about when that machine will be switched off. That young man will never recover. He came to Australia seeking our help, our protection and our care—and our government has failed him. This will now be the second person who has died at the hands of this cruel policy after being detained in this Manus Island detention centre.

It is time that these factories of despair, as Michael from the ACT called them in his letter, were closed. It is time for a rethink of how we manage the humanitarian needs of those who are so desperate that they sell everything to board a leaky boat to get to Australia. Let's give people a safer option. Let's not put people in harm's way. Let's not do further harm to them once they have arrived. Let's increase the humanitarian intake, as I heard the other day even Senator O'Sullivan was advocating for in his own party. Let's increase the humanitarian intake so we can offer people safer places and safer ways to reach Australia. Let's let the children out of immigration detention so we can stop damaging and hurting them every single day. Every day that a child is left in an immigration prison is another day that they are hurt and damaged. Let's give hope to the people from whom we have stripped all decency. Let's give people a
sense of purpose and understand that the only crime many of these people have ever committed is to desire freedom for their families and safety for themselves.

It is not illegal to arrive in Australia and ask to be assessed as a refugee. It does no matter how many times Mr Morrison, as our immigration minister, wishes to use the word 'illegal', people in immigration prisons have done nothing wrong. They are not illegals. They are not boat people. They are people who deserve proper care, proper protection and a little more decency and compassion. Thank God there are compassionate Australians out there willing not just to walk in silence but to put pen to paper and urge better of our Prime Minister. I seek leave to table the letters I referred to in my speech.

The ACTING DEPUTY PRESIDENT (Senator Seselja): Is leave granted?

Senator Cormann: No.

Senator Hanson-Young: Come on! So you are going to shut down—

Senator Cormann: There is a usual courtesy in the chamber that is observed with the tabling of documents, and that is that advanced copies are circulated to all parties represented in the Senate before such a request is made. If Senator Hanson-Young, rather than just trying to do a stunt, applies the usual courtesies that are longstanding in this chamber then the government will consider the request at a later stage today.

Senator Hanson-Young: I am not going to argue the point. I will just give notice to the chamber that I will circulate the letters and seek leave to have them tabled later in the day.

Leave not granted.

Renewable Energy Target

Senator BACK (Western Australia) (13:36): I wish to discuss the renewable energy target review and its report, now that it has actually been handed to the government by the independent panel, chaired by Mr Dick Warburton. I want to make some comments about the review itself. The first point I want to put to bed is around some allegations that have been bandied about in this place during the week to do with the apparent incompetence of the panellists to review the RET. I just want to point out that, in addition to Mr Warburton, the other panellists include the eminent Mr Brian Fisher AO, PSM, a previous executive director of the Australian Bureau of Agricultural and Resource Economics and Sciences. He is a renowned economist. Another panellist is Ms Shirley In't Veld. As a Western Australian, she was the managing director of Verve Energy in WA from 2007 to 2012. Verve was the energy instrumentality that used more renewable energy sources than any other in Western Australia, so I do not know how she could not be regarded as credible. The other panellist is Mr Matt Zema, managing director of the Australian Energy Market Operator. So I want to dispel the myth that this group was not competent to undertake the work.

For those who might be interested, I will review what the RET is all about. The RET is a government intervention designed to mandate the proportion of electricity generated from selected sources. It is designed to support a policy of at least 20 per cent of Australia's energy coming from renewable sources by 2020; as such, the policy taxes electricity users and, in some cases, non-renewable generators. How does it work? The renewable energy certificate market emerges from the energy targets. Renewable energy certificates, or RECs, are issued to power station generators classified as renewable under the act. They are a form of energy currency as electricity retailers must purchase the RECs to cover their liability. Costs are
passed on to consumers through purchase of mandatory certificates by electricity retailers. That, of course, is where it becomes a tax on energy consumers.

The first point I make about the target is that the objectives of the act have not been met, principally because there has not been to any extent a reduction of greenhouse gases in the time the target has been in place. The second point is that whatever achievements the renewable energy sector has made have largely come from hydroelectricity. Hydroelectricity, as we all know, was around for a long time before the renewable energy target was formed. Having lived and worked in Tasmania and having even had to declare an interest because a company of which I was the managing director actually supplied lubricants and fuels to the hydroelectricity scheme in Tasmania, I place on record that it is a wonderful scheme.

Senator Singh interjecting—

Senator BACK: I want to place on record that I, for one, want to make sure that—whatever outcome is eventually decided by government—the hydroelectricity scheme is enhanced, protected and encouraged independent of the RET system, because it preceded RETs by so many years, as Senator Singh herself indeed knows.

At the time it was suggested that to achieve a 20 per cent contribution of renewable energy by 2020 would require some 41 gigawatt hours to be generated by renewable sources. We know that two things have happened. First of all, there has been a drop in demand—Senator Singh: Mr Acting Deputy President, I rise on a point of order. I offer a correction to Senator Back; it is 41,000 gigawatt hours, not 41 gigawatt hours.

The ACTING DEPUTY PRESIDENT (Senator Seselja): Order! Senator Singh, there is no point of order.

Senator BACK: Senator Singh's contribution is quite right, for which I thank her. It is 41,000 gigawatt hours. I will check the Hansard to see what I did say. Indeed, as a result of a reduction in demand, we now realise that to achieve that 20 per cent target the figure is probably closer to 23,000 gigawatt hours. I do appreciate Senator Singh's keen attention in listening to my contribution. That is the background of the RET.

The RET comes under two broad categories: the small-scale renewable energy target and large-scale renewable energy targets. The small renewable targets, which are probably 10 per cent or less, are mainly to do with photovoltaics and solar hot water systems. In relation to the small-scale RETs, the recommendation of the panel is that there is probably little if any need for further support at this time. This is because power charges have gone up—somewhat because of the carbon tax, which has now been repealed through the excellent work of Senator Cormann and others—and costs in the solar sector have come down considerably. Nevertheless, power charges have gone up while the costs of putting photovoltaics on roofs have come down. It is arguable that photovoltaics are now cost neutral. I was the chief executive of an organisation that introduced seven or eight different forms of solar energy many years ago on an island that I had the pleasure of being responsible for and I am a great supporter of solar energy. If indeed there needs to be some continued support for a limited period of time then I would not violently object to that. However, market forces have applied and the costs of photovoltaic installations have come down while electricity charges have come up, and I hope that we are now at the point of cost-neutrality. The panel has said that we
are probably already at that point and that, if we are not there currently, we will probably be there reasonably soon.

I want to move to the issue of the large-scale renewable energy targets. I have spoken in this place before of how concerned I am with regard to the wind energy sector. This report and others support the fact that there is an enormous amount of misinformation out there in the wider community about the large-scale RETs, particularly those relating to the wind industry. The industry have employed very effective tricks to—I believe—mislead the public into believing that paying them billions of dollars in subsidies will lower power prices. Of course, it will not; there is no evidence to say that it will. The reason that the public is not outraged about this, as I said earlier, is that the public do not pay this money in taxes; rather, they pay it as part of their energy consumption. The modelling has shown that it is possible that some $37 billion over the next 15 years—or $2.5 billion per year—may be wasted on wind farms. Again, because the costs are concealed, they will not be picked up.

Comment was made that currently the RET is responsible for only around four per cent of household electricity bills. I have to say to you that other evidence refutes that. I will quote this document from AGL Energy and then seek the authorisation of the chamber to table it. I have passed the document to others in the chamber seeking authorisation. The interesting point in the document is that AGL estimate that, in their commitment to buy 1.3 terawatt hours per year through the various wind associated organisations, it will cost them some $32 per megawatt hour above the 2015 wholesale market. They say that as a headline figure that will cost them some $40 million a year more for electricity than would have been the case without the wind strategy in place. I seek leave to table the document.

Leave granted.

Senator BACK: We are seeing the possibility that the estimated cost of the REC scheme could add some $50 billion to power bills over the next 17 years, with some 600 million renewable energy certificates being issued at a unit cost of about $90. So, in other words, we are looking at having $50 billion added to consumers' power bills, transferred to wind-power companies. I think this is unacceptable.

I know that Senator Polley wishes to follow me and I am anxious to make sure that she is given adequate time to do so, but first I would like to comment on emissions reductions, because I think this is important. The arguments regarding the long-term effect of the RET on price are fundamentally flawed, simply because the energy generated by wind farms does not reduce greenhouse gas emissions in the electricity sector. I challenge the wind energy sector to produce the evidence relied upon to assert that wind power has reduced GHG emissions in the electricity sector. Wind power is delivered intermittently, on repeated occasions not all, meaning of course that the entire installed capacity from wind power has to be matched with equal capacity of fossil fuel generation. I challenge that industry to produce evidence to this chamber to say that what I am indicating is not correct.

Once awareness of the existence of the RET, let alone the magnitude of its cost impact, becomes more widespread in the public arena, support for it will evaporate. Renewable energy is not free. It is high cost compared to alternative forms of generation. It is not commercially viable without large subsidies, which ultimately come out of the consumer's pocket.
Dementia

Senator POLLEY (Tasmania) (13:47): Can I place on record my thanks to the government’s deputy whip for allowing me to incorporate the remainder of my speech if I do not get through it, due to earlier speakers going over their time.

I rise again today to speak about how the Abbott government has abandoned vulnerable Australians living with severe symptoms of dementia. As I have outlined before, on 26 June this year the Assistant Minister for Social Services, Senator Mitch Fifield, rose in this chamber and announced that the dementia and severe behaviours supplement would be unceremoniously scrapped. This $16 supplement paid to approved aged-care providers was designed to assist with the additional costs of caring for people with severe behavioural and psychological symptoms associated with dementia. But, from 31 July this year, aged-care providers have had to shoulder the load without this precious assistance, because it has gone. It was scrapped without warning and without due consideration for what this would mean for aged-care providers. It was scrapped without any thought as to how this would affect people who suffer from this insidious disease.

I think it is clear that I am not going to give up on this issue. I am not going to sit down and allow the Abbott government to escape from the consequences of scrapping this important supplement. I am going to attack Senator Fifield like a honey badger on this so that we get answers. People with severe symptoms of dementia deserve better. Workers who care for them every day deserve better.

The key question that I have for Senator Fifield is: what on earth were you doing between assuming power in September last year up until 26 June this year? It would have been clear early on, from initial projections, that the number of Australians who require extra assistance due to severe symptoms of dementia had been underestimated. In fact, aged-care experts in the field have advised the shadow minister for ageing, the member for Blair, Shane Neumann, and I that the Department of Social Services would have noticed a pronounced spike in the take-up in the first month in August last year.

In February this year, following Senate supplementary estimates, I asked a question on notice about the uptake of the supplement. The answer more or less avoided answering the question, and the future of this supplement lingered. Senator Fifield, you had options. You could have acted. You could have been working with the department as well as aged-care stakeholders to address issues around the original design. You could have analysed compliance with and validation of the assessment instrument. Your Treasurer, ‘Mr Popularity’, Mr Joe Hockey, could have addressed this in the MYEFO late last year. It goes without saying that you should have addressed this in the budget in May. Instead, you waited over eight months, until after the budget, and simply cut the supplement, with no consultation, no alternatives and no solutions. The Aged Care Sector Committee was left in the dark, providers were left in the dark and the families and loved ones of people with dementia were left in the dark. You walked away without looking over your shoulder, Senator Fifield. By the first quarter you obviously knew it was overblown.

So, Senator Fifield, when exactly did the government learn it had blown out? Is there a working relationship with the department? If not, what processes are in place to ensure better reporting practices between the department and the minister? When are you going to take responsibility? Just what on earth is going on here? You had every opportunity to act before it
reached this level and before the budget was announced, but you did not. You waited, you dithered, you maybe even panicked, and then you ripped up this supplement and plunged the aged-care sector into a state of chaos and confusion. We had the head of Leading Age Services Australia, Patrick Reid, saying publicly that your decision represents a government 'turning its back on Australia's most vulnerable people'. We had the CEO of Aged and Community Services, Adjunct Professor John Kelly, labelling the move to axe this supplement a 'travesty'. More recently, Marcus Riley, Acting Chairman of Leading Age Services Australia has said that: 'This funding withdrawal will have a devastating impact on individuals who need extra support. Our research shows that it will also damage industry's ability to invest in training and dementia-specific care environments.'

This government has abandoned aged-care providers who care for people with dementia. This government has imperilled investment in dementia care. It has plunged the aged-care sector into a state of uncertainty and it has abandoned some of the nation's most vulnerable citizens. The Abbott government needs to take responsibility for allowing the supplement funding to spiral out of control by refusing to address the situation earlier. Inaction has led to the problems we face today. It is not good enough to simply blame the previous Labor government and hide under the doona covers. Providers are worried that this government is out of touch and unconcerned about the future of aged care in this country. You are, in fact, so out of touch—and it is good to see you in the chamber, Minister—that when the news came through that the member for Blair and I had spoken to workers and residents at IRT Kangara Waters yesterday, you accused us of 'skulking around' aged-care facilities. You should visit these facilities yourself, Senator Fifield, and listen to what they have to say. Many providers have acquired extra specialist staff, planned for new buildings and facilities, and invested in other support resources—to ensure that those suffering from dementia are not going to miss out. These providers are angry. They need to be listened to, Minister. Their advice must be heeded. Are they expected to just desert the people with dementia who have severe behavioural and psychological problems? When we have asked you about this issue, you and your government have avoided responsibility again and again. On 10 July, you said in this chamber: 'This was not a situation of my creation. This was a situation I inherited.' Well, that is not good enough—and that is not going down well with the sector.

The Abbott government needs to realise that the oversubscription to the supplement highlights the extent of the dementia crisis in Australia. It really is sad that the only response from Tony Abbott's team has been to blame providers—and blame Labor—and try to get political mileage out of the situation. Dementia is not a political football. People suffering from dementia are not political pawns. Aged-care providers are not the playthings of disinterested ministers. The response from Senator Fifield has inevitably been to recently announce new funding for dementia research and say that dementia is a priority. But that is not good enough. You cannot just give with one hand and take with the other. It is baldly hypocritical and shameless, to proudly announce funding for dementia research whilst leaving people who are actually suffering from dementia out in the cold. As the member for Blair has said, this funding announcement is just a smokescreen designed to distract everyone from the heartless decision to axe the supplement. I remind the government, and those in the chamber: there are aged-care workers out there on the front line, caring for people at risk of hurting themselves and others; caring for people who are lost; and caring for people who are confused—people who can no longer look after themselves. This workforce, just like the
Labor Party and indeed everyone in this chamber, will welcome new investment in dementia research. But these people need assistance now. The aged-care sector desperately needs that little bit of extra help in caring for people with severe symptoms of dementia.

As I mentioned a moment ago, on Monday I was fortunate enough to join the Leader of the Opposition and the member for Blair in visiting the Kangara Waters aged-care facility in Belconnen. The visit coincided with the first day of September, which is National Dementia Awareness Month. We took some time to talk to the staff members who work at this facility, and to the people that they care for at this facility. We learnt that at Kangara Waters there are some 16 people who qualify under the Dementia and Severe Behaviours Supplement. Now the hardworking staff at this facility will no longer have the assistance of the supplement to provide those people with the extra care and attention that they require—and those 16 people are out of a pool of some 29,000 in residential aged care.

Dementia is not a challenge that is going to go away. Right now, 330,000 people live with dementia, and by the year 2050 that number will have risen to one million people. Our population is ageing and the pressures on the aged-care sector are only going to grow. In 2011, one in 10 Australians aged over 65 had dementia. This increases to three in 10 for those aged 85 and over. The numbers are stark, and the economic costs are considerable. Half of the permanent residents in Commonwealth-funded aged-care facilities have a diagnosis of dementia. The total direct, health and aged-care systems expenditure on people with dementia was at least $4.9 billion in 2009-10—

Senator Fifield interjecting—

The PRESIDENT: Order!

Senator POLLEY: I know you do not want to listen to the sector, Senator Fifield, so I do not expect you to listen to my contribution. But the stories that I have heard from aged care providers about the people with severe symptoms of dementia that they care for are disheartening, to say the least. One particular facility in Canberra has shared some of the most heartbreaking stories with me recently. The story of one man, who we will for today call Jack, was one of many that I found confronting and sad. Jack was a loving husband and father before dementia took hold, and not long after that he began displaying severe psychological and behavioural problems. He was no longer the person that his family, friends and loved ones remembered. After entering the residential facility he would harass the aged-care staff—slapping one across the face, putting his hand up the skirt of another—and abusing many people who came to see him. Sadly, those visits became fewer and fewer as his behaviour deteriorated. He just was not the same person anymore.

The PRESIDENT: Order! Senator Polley, the time for this debate has expired.

Senator POLLEY: As agreed earlier, I seek leave to incorporate the remainder of my speech in Hansard.

Leave granted.

The remainder of the speech read as follows—

He would refuse to shower; he began to look increasingly frail but was capable of acts of surprising strength. Like many people with severe symptoms of dementia, Jack needed extensive care and support from hardworking staff. Properly looking after people with severe symptoms of dementia is not something that we can shy away from, but that is clearly what
this government is doing—it has been over two months since Senator Fifield announced the cessation of the supplement, and we still do not know what his plans are. The member for Blair and I stand ready for this government to act and to work with us to find a solution.

QUESTIONS WITHOUT NOTICE

Superannuation

Senator LUNDY (Australian Capital Territory) (14:00): My question is to the Minister representing the Treasurer, Senator Cormann. Can the minister confirm that, as a result of the government's deal to freeze the superannuation guarantee, a worker who is 40 on an average salary of $70,000 could lose almost $20,000 in retirement savings by the time they retire?

Senator CORMANN (Western Australia—Minister for Finance) (14:00): I thank Senator Lundy for the question. What I can confirm is that workers will be better off because they will have more money in their pocket. I can confirm that workers will be better off as a result of the decision made by the Senate yesterday because we will have a stronger economy with more investment, more jobs and more capacity for more people to earn a living and of course accumulate more in superannuation savings. I can confirm that a stronger economy also means better superannuation returns, which means that the retirement savings of people across Australia will deliver a better outcome in retirement. I can also confirm that the Labor Party is jumping up and down and complaining, but they were completely irrelevant yesterday. And guess what? When the Leader of the Opposition was asked whether he would roll it back, whether he would and accelerate the proportion of superannuation back to 12 per cent—

Senator Wong: Mr President, I rise on a point of order on direct relevance. The minister was only asked one question, which was about the effect, as a result of the deal yesterday, on a worker who is now 40, on an average salary, who would lose almost $20,000 in retirement savings. If the minister does not agree with the loss in retirement savings he is entitled to call it something else, but his answer is entirely at odds with the question that was asked.

The PRESIDENT: The minister was asked whether he was aware of an issue concerning income and about the financial aspects of a particular hypothetical question. The minister has been directly relevant by indicating the financial implications in his answer.

Senator CORMANN: I completely reject the assertion in the question by Senator Lundy. Workers across Australia are better off as a result of the decision the Senate made yesterday. Workers across Australia will have more job opportunities and they will have more money available either to spend to relieve cost of living pressures or to pay off their mortgage more quickly or to save it as superannuation and attract the tax benefits that come with that. They will have the choice. The Labor Party cannot get used to the fact that yesterday the Senate, with the support of the Palmer United Party, with the support of the Australian Motoring Enthusiast Party and with the support of Family First and the Liberal Democrats, decided to support stronger growth and more jobs, to put workers first—it made a decision in the national interest. The Labor Party and the Greens were completely irrelevant, and today when Mr Shorten was asked whether he would roll it back, he said, 'We're not going to tell you.'

(Time expired)

Senator Kim Carr: That's not what he said at all. I was there. It's not what he said at all.
Senator LUNDY (Australian Capital Territory) (14:04): Mr President, I ask a supplementary question. Far from people being better off, can the minister confirm that with the government's deal to freeze the superannuation guarantee an average income earner aged 25 today will receive around $100,000 less in retirement savings by the time they retire?

Senator CORMANN (Western Australia—Minister for Finance) (14:05): No, I cannot confirm that. The Labor Party seem to think that increases in compulsory super come out of thin air. Do you know what? Increases in compulsory super do not come out of thin air—they come out of people's pockets. They come out of people's wages. That is what Mr Shorten used to say when he was the Minister for Financial Services and Superannuation. The decision that the Senate made yesterday leaves people with more of their own money now so that they can spend it or save it as they see fit. That is what we decided to do yesterday, and of course that was part of an overall deal in the national interest which saw the abolition of the mining tax, which saw the abolition in time of a whole range of unfunded promises, which will help us bring a stronger economy and create more jobs, which will help us repair the budget and which will leave workers across Australia better off. Mr Shorten was not prepared to say today that he would roll back these changes.

Senator LUNDY (Australian Capital Territory) (14:06): Mr President, I ask a further supplementary question. Minister, won't national contributions to superannuation be $128 billion lower by 2025 as a result of the government's deal to freeze the superannuation guarantee?

Senator CORMANN (Western Australia—Minister for Finance) (14:06): Senator Lundy is the voice of the Financial Services Council. I talk to the Financial Services Council too. They have some good views, but guess what—they are not representatives of workers; they are representatives of financial services institutions. What I am telling you now is that the Senate yesterday put the interests of workers first. You can come in here any day you like and talk up the interests of financial services institutions—that is fine—but we are in here standing up for the best interests of Australia and the best interests of Australian workers. Senator Carr objected to my characterisation of what the Leader of the Opposition said, so why will those opposite not promise that in government they will roll back the decision we made yesterday, why will they not promise that they will accelerate the increase to 12 per cent again, and then show us how they are going to pay for it. (Time expired)

Iraq and Syria

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (14:07): My question is to the Acting Minister for Defence and the Acting Minister for Foreign Affairs, Senator Brandis. I refer to the government's commitment to provide assistance in relation to the current dire situation in Iraq. Will the minister indicate to the Senate the attitude of the government to the comments made overnight by the UN Secretary-General, Ban Ki-moon, regarding the situation in Iraq?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:08): The Australian government has carefully considered the statement overnight by Secretary-General Ban Ki-moon regarding the importance of international action to combat the spread of ISIL in Iraq. As the secretary-general stated, the situation in Iraq is very worrisome, and the terrorist activities by ISIL are totally unacceptable. The international community must show solidarity.
The Australian government agrees with the secretary-general that a failure to act by the international community will result in a continuation of ISIL's unacceptable activities. The secretary-general also said:

It is about people, very innocent people, young people, women and girls and old people who do not have much capacity. …

… without addressing this issue through certain means, including military and counter-terrorism actions, we will just end up allowing these terrorist activities to continue. … we have to be firm and address the issue.

The Australian government supports the secretary-general's remarks, including his call for international action, to deal with the threats posed by ISIL. It is important that all senators heed the comments and warning of the secretary-general and his calls for the international community to show solidarity in response to ISIL.

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (14:09):

Mr President, I ask a supplementary question. Will the minister update the Senate on the Royal Australian Air Force's delivery of military stores to Northern Iraq as part of the Australian government's contribution to help confront the threat of ISIL extremists and to help protect a number of ethnic and religious minorities?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:10):

Overnight an Australian C-17 Globemaster aircraft delivered military stores to Erbil in Northern Iraq. The military stores comprised ammunition that was inspected and cleared by Iraqi officials in Baghdad prior to being delivered to Erbil. The C-17 then returned safely to Al Minhad Air Base in the UAE. Australia's contribution in Iraq will continue to be coordinated with the Iraqi government, regional countries and our international partners. Our mission is similar to assistance being provided by other nations, including the United States, Albania, Canada, Croatia, Denmark, Italy, France and the United Kingdom. The ADF is standing by to provide further support to conduct further humanitarian aid and stores drops as required.

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (14:10):

Mr President, I ask a further supplementary question. In light of developments overnight and renewed outrage about ISIL brutality, will the minister advise the Senate why it is important that Australia remains committed to doing what it can to protect the lives of men, women and children in Iraq, who in recent weeks have seen thousands of their neighbours and families butchered in gruesome acts of genocide?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:11): It is very, very important that Australia maintains this commitment. Honourable senators will have seen reports of the brutal murder of the American journalist Steven Sotloff overnight at the hands of an ISIL militant. But our concerns run deeper than the shocking murder of one individual. We condemn in the strongest possible terms the actions of ISIL and its atrocities against all of the men, women and children who have fallen victim to it. We will continue to work with our partners and to contribute to international efforts. But this problem does not exist only on the other side of the world. The government is deeply concerned about the
involvement of Australians in terrorist organisations. That is why we have committed an additional $630 million to ensure that our national security agencies have the tools they need to protect Australia and our interests. In closing, may I thank the opposition for its bipartisan support on this issue.

**Budget**

**Senator DASTYARI** (New South Wales) (14:12): My question is to the Minister representing the Treasurer, Senator Cormann. Can the minister confirm that yesterday's deal with the Palmer United Party reduces the retirement income of Australians and repeals the Schoolkids Bonus, the Income Support Bonus and the low-income superannuation contribution?

**Senator CORMANN** (Western Australia—Minister for Finance) (14:12): I see that those opposite are so keen to answer questions. They should work a bit harder to come over to this side if they want to answer questions. Yesterday the Senate worked with the government to put the national interest first. Yesterday the Senate worked with the government to help build a stronger economy to create more jobs. Yesterday the Senate worked with the government in order to ensure that working families across Australia have more money in their pockets now. What we did in the Senate yesterday—and this was not our preferred course of action—was that we agreed as a government to keep the Schoolkids Bonus in place on a means tested basis until after the next election. The question is, what will Labor do? Will you keep the Schoolkids Bonus going beyond that? And how will you pay for it?

Yesterday in the Senate the government also agreed that we would keep the low-income super contribution going until 30 June 2017—after the next election. What will the Labor Party do? Will you keep it going? And how will you pay for it? We will also keep the low-income support bonus going until after the election. What will Labor do? Will you keep it going beyond that? How will you pay for it? When Mr Shorten, the Leader of the Opposition, was asked that question this morning, he said, 'We are not going to tell you what our policies are.' Mr Shorten is just playing politics. He is putting politics ahead of the national interest, which is why he has made the Labor Party completely irrelevant. The national public policy consensus is now being built between the coalition, the Palmer United Party, the Australian Motoring Enthusiast Party, the Liberal Democrats and the Family First Party. And of course we thank Senator Madigan from the Democratic Labor Party for supporting the course of action the government initiated in the parliament yesterday. The Labor Party cannot handle the fact that they are the opposition and that we are the government. Well, they had better get used to it.

**Senator DASTYARI** (New South Wales) (14:14): Can the minister explain why his letter to the Palmer United Party with the terms of the deal does not mention ongoing support for children of veterans.

**Senator CORMANN** (Western Australia—Minister for Finance) (14:15): The cunning Senator Dastyari; he has got us! Guess what? It is actually preserved until after the election because it is part of the low-income support bonus. The Labor Party will have the opportunity, in the lead-up to the next election, to tell the Australian people what they will do.

Will you keep the low-income support bonus going past 31 December 2016? How will you pay for it? Will you keep the low-income super contribution going past 30 June 2017?
will you pay for it? Will you keep the schoolkids bonus going and remove the means test past 31 December 2015? How will you pay for it? This budget that we have inherited from you is not a magic pudding. We inherited $123 billion in projected deficits, and debt headed for $667 billion. We are working to build a stronger economy and to repair your budget mess. It is time that— (Time expired)

 Senator DASTYARI (New South Wales) (14:16): I have a further supplementary question. I refer to the Prime Minister's pre-election promise last year, 'There will be no unexpected adverse changes to people's superannuation.' How is less superannuation for more than eight million Australians anything but an adverse change?

 Senator CORMANN (Western Australia—Minister for Finance) (14:16): We stand by that commitment. We are delivering on that commitment in full. The changes that were endorsed by the Senate yesterday are beneficial changes for working families across Australia. They leave people with more money in their pockets. Guess what? There was to be a 0.5 per cent increase in compulsory super from 1 July 2015. Do you know how that was going to be paid for? It was not going to be paid by the government; it was going to be paid for through pay cuts for working families across Australia. The Labor Party should read Peter Martin's piece in the Fairfax papers today. They should read the comments that Bill Shorten made when he was the Minister for Financial Services. You are trying to create this illusion that somehow the big miners were going to pay for people's increases in superannuation savings. That was always false. That was always a deceit. This stops increases in compulsory super from out of people's pockets, and you are— (Time expired)

 Iraq

 Senator MILNE (Tasmania—Leader of the Australian Greens) (14:17): My question without notice is to the Minister representing the Prime Minister, Senator Abetz. Is the Prime Minister aware that the Iraqi government of Nouri al-Maliki is fighting alongside Shia militias accused of ethnic cleansing, beheadings and death squads against the Sunnis in the fight against the Islamic State, which is committing the same gruesome crimes against the Shias? If so, what guarantee can you provide that the weapons Australia is delivering into northern Iraq will not end up in the hands of Shia militias and be turned on the new Iraqi government if it is a unity government including Sunnis?

 Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:18): Regrettably, day after day, we get questions from the Leader of the Australian Greens, basically saying that Australia should not be part and parcel of the deal that has been done by democratic, peace-loving countries, now even endorsed by the Secretary-General of the United Nations. It really beggars belief that the Leader of the Greens would come into this place and ask the sorts of questions that she has—

 Senator Milne: I rise on a point of order. I ask the minister to answer the question, not engage in a rhetorical attack.

 The PRESIDENT: Senator Milne, the minister has not even completed a quarter of his answer.

 Senator ABETZ: I do find it a bit strange that the honourable senator should complain about rhetorical attacks, really. But setting that aside, the reality is that the world is facing a
gruesome situation in Iraq. Sometimes when you are faced with those circumstances, very tough decisions need to be made.

Senator Di Natale: You can make it worse.

Senator ABETZ: I accept Senator Di Natale's interjection, and put it on the record, that our involvement could make it worse. That is a possibility. But the Secretary-General of the United Nations does not agree with you. The United States does not agree with you. The United Kingdom does not. France does not. Italy does not, and the European Union does not—and the list goes on.

It begs the question: what would the Australian Greens do? They would say, 'Don't be involved at all. Don't provide the wherewithal for minority ethnic groupings and minority religious groupings to be able to protect themselves from the barbarity of ISIL. As a government, we will do all we can, in lock-step with the international community, to protect these minorities from what would otherwise be an absolute slaughter. (Time expired)

Senator MILNE (Tasmania—Leader of the Australian Greens) (14:21): I have a supplementary question. Will the minister detail the direct contact the Prime Minister has had with the Iraqi government to date and say whether Australia has exerted diplomatic pressure to ensure that it will be inclusive of Sunnis and other minorities in the new government of Dr al-Abadi, or are we leaving that to the United States?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:21): Of course I am not going to indicate to the Australian Greens—or indeed anybody else—the direct contact that may or may not have been held in these very difficult circumstances, where it may well stand to reason that logistical and operational matters may have been discussed. Of course we are not going to divulge anything of that nature.

But I think what the Australian people can be absolutely assured of is that the Australian government—and, if I might say, especially through the leadership of our Prime Minister—has shown international leadership in relation to this issue, and we have seen support from diverse administrations from the United States, the United Kingdom and the other countries I previously mentioned, saying this is the right thing to do. What is more, it is supported by the European Union and the United Nations. It seems the only ones not supportive are the Australian Greens. (Time expired)

Senator MILNE (Tasmania—Leader of the Australian Greens) (14:22): Mr President, I ask a further supplementary question. I was not asking for operational details: I was asking what direct contact the Prime Minister has had with the Iraqi government. I ask now: what contact have we had with the Turkish government regarding sealing its borders to prevent the movement of jihadists through Turkey to Syria? Have we had direct contact with them?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:23): That nearly sounds like a question about border protection for Turkey, but we will not get into border protection with this one. Can I simply indicate to the Australian Greens that, when we are dealing with sensitive issues such as this, it behoves all of us to put the national and, indeed, the international interests of people first. When you have got the Australian Labor Party taking a bipartisan approach, and the United Nations, the European Union and a smattering of
democratic, peace-loving countries all on board, one wonders in what parallel universe the Australian Greens are actually residing. It really is very disappointing that we have got a cohort of senators in this place that cannot for once put politics aside on such a very important issue, when all the other senators and parties in this place can. (Time expired)

Indigenous Affairs

Senator O'SULLIVAN (Queensland—Nationals Whip in the Senate) (14:24): My question is to the Minister for Indigenous Affairs, Senator Scullion. Can the minister update the Senate on the government's commitment to pursue reforms to land tenure arrangements in remote Aboriginal communities and report what progress has been made in negotiations for township leases in the Northern Territory?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:24): I thank Senator O'Sullivan for the question. This government went to the last election with a commitment to work with local communities to ensure that Aboriginal and Torres Strait Islander landowners can pursue economic development on their own land. We did this because Aboriginal and Torres Strait Islander people were telling us that they wanted to make better use of their land and make the decisions themselves, to be able to use their land to pursue homeownership and commercial development and, particularly, in their words, to create job opportunities for their own.

For too long, Aboriginal and Torres Strait Islander landowners have been land rich but dirt poor. That is why I have reinvigorated township leasing as the government's preferred leasing model to support economic development on Aboriginal land in the Northern Territory, and we are making good progress. Last month, I travelled to Gunbalanya to sit down and talk again with the traditional owners. Together, the traditional owners and I signed an agreement in principle on the key terms of a township lease. This is a significant milestone in the negotiations and, I have to say, is a credit to the persistence of traditional owners, who have been asking to negotiate a township lease for many years.

I am also pleased to be able to report that negotiations with traditional owners at Pirlangimpi and Yirrkala are progressing apace, and I am looking forward to working closely with these communities in the coming months.

Senator O'SULLIVAN (Queensland—Nationals Whip in the Senate) (14:26): Mr President, I ask a supplementary question. Thank you, Minister, for that comprehensive answer. Will the minister also advise the Senate what opportunities those reforms will deliver for remote Aboriginal communities? How will these reforms lead to more Indigenous economic development and homeownership?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:26): The township lease model has actually proven that it can support the aspirations of Aboriginal people in the context of business development and homeownership. On the Tiwi Islands, where they have a township lease, 15 families are buying their own homes. Traditional owners have built a fantastic shopping complex that they own, and they did not get this on some dodgy loan from the government. The loan for that shopping centre came from a commercial bank, as every other Australian business would expect it to happen.
We have made sure that local people can get leases in commercial time frames so they can use their assets to engage the mainstream economy and create jobs. Township leases deliver this as they can go ahead and at the same time traditional owners can be paid rent. These are voluntary leases that are the decisions of traditional owners. Governments and land councils should not be the gatekeepers on development. It is time that local peoples were the drivers at the seat for economic development in their local communities.

Senator O’SULLIVAN (Queensland—Nationals Whip in the Senate) (14:27): Mr President, I ask a further supplementary question. Can the minister outline to the Senate how these government initiatives compare to previous efforts aimed at enabling Aboriginal people to better use their land and to develop economically?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:27): It was the Howard coalition government that introduced township leasing reforms, delivered the township lease at Wurrumiyanga in 2007 and laid the foundation for the township leases on Groote Eylandt.

Sadly, under the former Labor government, township leasing was obviously not considered a priority and progress stalled. Labor stated they supported the policy, but in terms of the outcomes they clearly dropped the ball on any negotiations. Traditional owners in communities like Gunbalanya and Pirlangimpi were waiting on the former government to come out and talk to them about land rights and leasing, and it simply never happened.

I would like to also at this stage acknowledge the work of the Queensland government and Premier Newman on the introduction of freehold reforms in Aboriginal communities. They are to be commended. These reforms build on other reforms like the Doggett reforms, introduced by Mr Katter.

Governments across Australia must ensure that land rights support Aboriginal and Torres Strait Islander communities, and this Commonwealth government is committed to do that job.

(Time expired)

Budget

Senator STERLE (Western Australia) (14:28): My question is to the Minister representing the Minister for Small Business, Senator Cormann. I refer to the government's deal with the Palmer United Party to cut small business tax concessions. Can the minister confirm that the government has legislated a $5 billion hike for small businesses over the next four years?

Senator CORMANN (Western Australia—Minister for Finance) (14:29): What I can confirm for Senator Sterle is that yesterday we implemented the policy we took to the last election. On this side of the chamber we understand that the budget is not a magic pudding. The Labor Party waltzed around the countryside for six years and they made promises left, right and centre, unfunded. We said to the Australian people very openly and transparently in the lead-up to the last election that we would scrap the mining tax, because it is a bad tax for the economy. It has hurt Australia; it has particularly hurt our home state of Western Australia, Senator Sterle. It has cost jobs. We said we would get rid of the mining tax and we also said we would get rid of all of the unfunded promises that Labor recklessly and irresponsibly attached to that tax. Yesterday, the Senate voted to support our election
commitment to scrap the mining tax. Thank you very much to the senators, particularly in the Palmer United Party—

Senator Moore: Mr President, I rise on a point of order to do with relevance. The question was quite direct; it was about small business tax concessions, and we have not got to that yet.

The PRESIDENT: The minister has 59 seconds left to answer the question. I refer the minister to the question.

Senator CORMANN: The reason the previous government made a complete mess of the budget is that they kept walking the countryside making promises left, right and centre without showing how it was going to be paid for, including to small business. The most cruel thing you can do is make a promise that costs money and imposes cost burdens on the budget, without actually showing how you are going to pay for it. We had this tax that was supposed to raise $4 billion in year one. Guess what? It raised 95 per cent less than that, and the five per cent it raised is being refunded—

Senator Moore: Mr President, I rise on a point of order, again on direct relevance. The question was on small business tax concessions.

The PRESIDENT: Minister, I remind you of the question. You have 26 seconds.

Senator CORMANN: This government was so incompetent they spent all the money they thought would be raised by the mining tax before it had raised a zack. Then it did not raise any money. The mining tax is like the pub without beer—

Senator Moore: Again, I raise a point of order on relevance. Regarding the small business tax concessions, a simple yes or no may be the answer.

The PRESIDENT: The question asked for the minister to ‘confirm’—and I am aware of the content of the question. The minister does not have to answer yes or no. The minister can answer in any way he likes, as long as he remains relevant.

Senator CORMANN: Unlike the Labor Party, before the last election we were honest with the Australian people. We said that we would scrap the unfunded promises that Labor attached to their failed tax. We have done so, including in relation to the measure that Senator Sterle just referenced. (Time expired)

Senator STERLE (Western Australia) (14:32): Mr President, I ask a supplementary question. I will try my luck again. Can the minister confirm that the reduction of the instant asset write-off will deliver a $3.2 billion hit to small business? Knock yourself out, Senator!

Senator CORMANN (Western Australia—Minister for Finance) (14:32): What I can confirm is that small business will be the winner from a stronger mining industry and a stronger economy. Small business will have more opportunities to employ people. Small business will be the winner from our decision to delay further increases in compulsory superannuation. Small business will be able to employ more people, because we have reduced the cost burden that Labor in government imposed on small business. And do you know what? Small business will be the winner—

Senator Wong: I rise on a point of order to do with relevance. Perhaps to assist the minister I could seek leave to table an extract from the EM that shows a $3.2 billion saving on the back of small business, if he is unable to answer this question—

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CHAMBER
The PRESIDENT: Order, Senator Wong. A part of your point of order was totally out of order. Senator Cormann, I remind you of the question. You have 29 seconds remaining.

Senator CORMANN: Senator Sterle was trying to suggest that we were doing things that were not good for small business. The best thing we can do for small business is ensure that we build a stronger, more prosperous economy. A strong mining industry will create opportunities for small business. You might not understand this, but on this side of the chamber and on the cross bench we do understand this. As far as the various unfunded promises that you attached to the mining tax are concerned, we have always said that we will get rid of them, and we have done so. (Time expired)

Honourable senators interjecting—

The PRESIDENT: Order on my left and on my right. Senator Back and Senator Lines.

Senator STERLE (Western Australia) (14:34): Mr President, I ask a further supplementary question. I refer to the Prime Minister's promise on 15 August last year:

I am absolutely determined not to increase the overall tax burden on anyone. Why has the Prime Minister broken his promise to small business? I will lend you a white hanky if you just want to wave that!

Senator CORMANN (Western Australia—Minister for Finance) (14:35): Let me make the point right up front that under the coalition, after our budget, the tax burden in Australia is lower than it would have been under the Labor Party. We got rid of the carbon tax, we got rid of the mining tax, and later this year we will be initiating a company tax cut. Let's start with that.

Secondly, in relation to the unfunded promises that Labor attached to their failed mining tax, including in relation to small business, we said transparently before the last election that we would get rid of them. We transparently said before the last election that the various promises Labor attached to their failed mining tax were not affordable at the moment. There are a lot of meritorious cases that you can pursue when you have your budget under control. But you left a debt and deficit disaster behind. One of the worst finance ministers in the history of Australia presided over a $107 billion blowout in the budget deficit in three short years. You left behind $191 billion in cumulative deficits in your first five budgets— (Time expired)

Veterans' Affairs

Senator REYNOLDS (Western Australia) (14:36): My question is to the Minister for Veterans' Affairs, Senator Ronaldson. Will the minister advise the Senate what steps the government is taking with respect to the mental health of our veterans?

Senator RONALDSON (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (14:36): With your leave, Mr President, I notice that we have various members of the ADF parliamentary program in the chamber today, and on behalf of the Senate I thank you for your service, as the Senate does thank those within the Senate, like Senator Reynolds, who have served.

Today, I was joined by Senator Conroy at the Australian War Memorial. It is Battle for Australia Day today—the seventh anniversary. It is also Merchant Navy Day and Australian National Flag Day. I also note that today is the 75th anniversary of the start of the Second
World War. The commemorations that I was talking about are very important to this nation, but the future mental health of our serving men and women is equally important. This government and my department are determined to ensure that we respond to the changing face of the veteran community in this nature, which Senator Reynolds would be acutely aware of. It is important to remember that all mental health services provided by my department are not capped; they are uncapped. They are there to meet demand. At the moment, it costs about $166 million per year. We have recently expanded access arrangements so that the DVA will pay for mental health treatment for veterans without the need for it to be related to service. We also provide online mental health information and support, including GP services, psychologists, social work services, special psychiatric services, pharmaceuticals, trauma and recovery programs, and more. We have also just increased access to the Veterans and Veterans Families Counselling Service and introduced a post-discharge health assessment for all former ADF members.

Senator REYNOLDS (Western Australia) (14:38): Mr President, I ask a supplementary question. Will the minister inform the Senate of the role played by the internet and social media in delivering services and support to our veterans on mental health issues?

Senator RONALDSON (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (14:38): I thank Senator Reynolds for her question. Honourable senators will be acutely aware that the face of the DVA is changing. We have had 71,000 men and women who have served this nation since 1999, which is more than who served in the whole of the Vietnam War, and their needs are different. We have therefore introduced a new dedicated website and Facebook page for the Veterans and Veterans Families Counselling Service, which will provide an additional pathway for members of the veteran community and their families to connect to this important service. A new YouTube video, launched on 2 July, titled Start the Journey back to Good Health highlights the help available to veterans from my department and, in particular, the arrangements where DVA will pay for treatment for diagnosed post-traumatic stress disorder, anxiety and depression for veterans and some personnel with peacetime service. We have also developed a new training program—(Time expired)

Senator REYNOLDS (Western Australia) (14:39): Mr President, I ask a further supplementary question. Can the minister also advise senators of any research activity that is being undertaken into the wellbeing of contemporary service personnel and veterans?

Senator RONALDSON (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (14:40): I again thank Senator Reynolds. As I was saying before, we and the Australian Centre for Posttraumatic Mental Health have also developed a case formulation program, which is assisting mental health service providers who are treating veterans with complex problems. Some months ago, I launched the Transition and Wellbeing Research Programme. It is a $5 million partnership between the Department of Defence and my department. This will be auspicated by the University of Adelaide's Centre for Traumatic Stress Studies and will involve a large number of institutions around this country.

We cannot afford to repeat the mistakes of the past. It is incumbent upon this nation to accept our responsibilities in relation to recently returning men and women. Their needs are
different and can be more complex. My department is going to meet their mental health needs, understanding the changing nature of the— (Time expired)

**National Security**

**Senator LEYONHJELM** (New South Wales) (14:41): My question is to the Attorney-General. It is currently an offence to fight for non-government armed forces in another country, including the Islamic State. National security agencies can cancel passports, enter premises, use listening and tracking devices, and access computers and communications data. Non-suspects can be detained for up to a week and obliged to answer questions. There are preventative detention orders with secret detention for up to a fortnight and control orders which can equate to house arrest for people not convicted of an offence. Those convicted can be sentenced to 25 years imprisonment. Intelligence operations are protected by offences against disclosure and exclusions from whistleblower laws. Given this, can the minister advise what specific deficiencies exist in current legislation that impede security agencies from dealing with a terrorist threat arising from Middle East conflicts?

**Senator BRANDIS** (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:42): Thank you very much indeed, Senator Leyonhjelm, and thank you for your courtesy in giving me some advanced notice of the question that you were proposing to ask. May I say, Senator Leyonhjelm, that I am aware that you take a deeply principled interest in this area of policy, informed by your liberal and libertarian convictions, which I greatly respect.

May I also remind you, Senator Leyonhjelm, that, when the Prime Minister and I announced a new suite of measures on 5 August, I did make the point that I would approach the necessary law reform task with a very strong prejudice against expanding the power of the state and protecting the liberties of the individual, which would only be displaced in the face of clear necessity to do so to protect the public interest. That being said, Senator Leyonhjelm, although we have a strong statutory framework, the fact is that the risk of returning foreign fighters does present the greatest threat to national security that Australia has faced in many years, and we are up against identified limitations in our national security legislation, many of which were identified in the bipartisan report of the Joint Parliamentary Committee on Intelligence and Security. For instance, Senator Leyonhjelm, the legislation governing ASIO is an act of 1979, which, although amended, has not been significantly reformed since. The foreign incursions and recruitment act is an act of 1978, which has never been amended since, and terrorism takes new forms, it has pervasive new techniques— (Time expired)

**Senator LEYONHJELM** (New South Wales) (14:44): Mr President, I ask a supplementary question. ASIO's real spending has grown consistently in recent years to reach $414 million in 2012-13. I assume this will be boosted by the government's $630 million counter-terrorism funding announcement. Given that an independent efficiency review is considered valuable in the case of the ABC and SBS, will the minister commission an independent efficiency review of ASIO?

**Senator BRANDIS** (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:44): The government has concluded that the $630 million of additional funding is a necessary response to the current national security environment and to the fact that dedicated counter-terrorism funding provided to agencies with key counter-terrorism roles declined from $790 million in...
2007-08 in the last year of the Howard government to $498 million, a reduction during the life of the previous government of some 37 per cent, and more in real terms.

Senator Leyonhjelm, you may think, given the threats that Australia faces, that it was not wise to reduce by 37 per cent the resources available to counter-terrorism agencies. We certainly do, and that is a deficiency this government is determined to repair.

Senator LEYONHJELM (New South Wales) (14:46): Mr President, I ask a further supplementary question. In the process of updating national security legislation, which you have said you consider necessary, will you give an unqualified guarantee that the rights of ordinary Australians will not be infringed in the name of security?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:46): Senator Leyonhjelm, what I can give you is my absolute assurance that in approaching the law reform task, in order to keep Australians safe, the government will be ever mindful of the importance of protecting privacy, protecting the rights of individual citizens and protecting civil liberty. Senator Leyonhjelm, we on this side of the chamber have in our DNA a preference for smaller government rather than larger government and for limiting the power of the state rather than expanding the power of the state. That is a set of principles that I know you share. But I think you would also understand that in certain circumstances it is necessary to give the policing and national security agencies certain additional powers in order to keep the community safe in the face of a new and unprecedented threat.

Budget

Senator KETTER (Queensland) (14:47): My question is to the Minister representing the Minister for Health, Senator Nash. I refer the minister to the 2013 National's election platform, which states that there will be increased financial support for doctors who provide health services in regional and remote communities through increased Medicare rebates. How is this consistent with this year's budget papers, which state:... the rebate for most GP and out-of-hospital pathology and diagnostic imaging services will be reduced by $5.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:47): I can say at the outset that people in regional areas know that it is the National Party and the Liberal Party who are sticking up for them and doing the right thing by them, particularly when it comes to fixing the economy, rather than those on the other side.

We have been very clear on this side of the chamber that the best thing that we can do for regional Australia is to fix the economic mess that the previous Labor government left us. It is about time that those opposite took some responsibility for the mess that they have left us. If we were not paying $1 billion a month on the interest on the debt that the previous Labor government left us, we could actually do more for regional Australia.

Honourable senators interjecting—

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

Senator Sterle interjecting—

The PRESIDENT: Order, Senator Sterle. Senator Moore on a point of order?
Senator Moore: Mr President, I rise on a point of order on direct relevance. It may even be to get somewhere near the health portfolio in the answer, but it is particularly about Medicare rebates and the difference between the policy and the budget papers, which say the rebate has been reduced by $5.

The PRESIDENT: The minister was asked about consistency relating to the budget papers. The minister has one minute and seven seconds left to answer the question. Minister, you have the call.

Senator NASH: If those opposite paid a little more attention, they would realise that that is National Party policy. We then go on to form coalition policy for the election campaign and that immediately addresses the issue.

Opposition senators interjecting—

The PRESIDENT: Order on my left.

Senator NASH: There is no way that those opposite can do anything—

Honourable senators interjecting—

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

Senator Kim Carr: Disposable policy!

The PRESIDENT: Senator Carr!

Senator Ludwig interjecting—

The PRESIDENT: And Senator Ludwig!

Government senators interjecting—

The PRESIDENT: Order on my right!

Senator Fifield interjecting—

The PRESIDENT: Senator Fifield!

Senator Ronaldson interjecting—

The PRESIDENT: Senator Ronaldson! Minister, you have the call.

Senator NASH: In response to the comment from those opposite about not being relevant: we are being absolutely relevant, because the health budget is one of the biggest drains on the nation's finances which those opposite may fail to take into account. There is absolutely a commitment from this side of the chamber to regional Australia, unlike those opposite.

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

Senator Moore: Mr President, I am one of those opposite and I am making a point of order on direct relevance. The question specifically relates to Medicare rebates. If we could actually do that.

The PRESIDENT: Thank you, Senator Moore. Again, the question did ask about consistencies in comparing the budget. Senator Nash has been answering the question and for the parts that I can hear—

Senator Kim Carr interjecting—

The PRESIDENT: Senator Carr! Minister, you have 16 seconds left to answer the question.
Senator NASH: It is this government that is going to address the fact that the best things that we can do for regional Australia is address the economic mess that you left us.

Senator KETTER (Queensland) (14:52): Mr President, I ask a supplementary question. Can the minister guarantee that no regional hospitals will close as a result of the government ripping more than $50 billion from hospital funding over the next decade?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:52): In answering the question, I disagree with the premise of the question. We are not ripping funding out of hospitals.

Opposition senators interjecting—

Senator NASH: Indeed, funding is going up by nine per cent this year. It is going up by nine per cent the year after, and it is going up by nine per cent the year after that and six per cent the year after that. Indeed, we are giving $70 billion to the states over the next four years. We are hardly taking money away. We are increasing it from $14 billion to $18.9 billion. So, far from ripping money out, it is increasing. When we contrast this to Labor, which in 2012 actually cut $1.6 billion from hospitals. It is those on the other side who do not focus on hospitals.

Senator KETTER (Queensland) (14:53): Mr President, I ask a further supplementary question. Can the minister confirm evidence from Medicare that the top 12 electorates to pay the highest out-of-pocket costs in increased PBS fees will be in rural and regional Australia? Has the minister satisfied herself that this evidence is accurate?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:53): I acknowledge there has been some data provided around those electorates. I and my department would welcome the underpinning of that methodology from those opposite, because there is some concern around the methodology used for that.

Opposition senators interjecting—

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

Senator NASH: We on this side will focus on a better economy for regional Australia, unlike the previous failed finance minister, under whom nett debt tripled from $42 billion to $153 billion. If we are going to talk about responsibility and health delivery, it is this side of the chamber that will deliver—and not those opposite.

Broadband

Senator WILLIAMS (New South Wales) (14:54): My question is to the Assistant Minister for Social Services, Senator Fifield, representing the Minister for Communications. Will the minister update the Senate on the government's progress in getting the National Broadband Network back on track?

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (14:55): I am pleased to report to the Senate that the coalition government is getting the NBN back on track. Colleagues will recall, I know, that by adopting a multi-technology mix—

Opposition senators interjecting—

The PRESIDENT: Order on my left.
Senator FIFIELD: to deliver super-fast broadband services we will save taxpayers $32 billion—

Senator Conroy: One year, five people!

The PRESIDENT: Senator Conroy!

Senator FIFIELD: getting the NBN finished four years sooner and ensuring that nine out of 10 Australians in the fixed-line footprint receive speeds of 50 megabits per second or more by 2019. I am very pleased to report that the first customers are now active on NBN Co.’s pilot of fast broadband via fibre-to-the-node technology. In the past fortnight the Minister for Communications, Mr Turnbull, visited Umina on the Central Coast of New South Wales and met with residents who, from his reports, were thrilled with the new super-fast broadband connections that they have. One of those is Mr Martin McGuinness, who recently connected to the NBN via fibre to the node. Results from his connections show download speeds of 96 megabits per second and upload speeds of 30 megabits per second were his experience. These are speeds far in excess that the typical user needs, and they demonstrate that fibre-to-the-node fast broadband will come sooner and at far less cost to taxpayers. This is a great result for Central Coast communities and communities around Australia who are crying out for better and faster broadband. We can do it and we can deliver it more affordably and sooner than those opposite.

Senator WILLIAMS (New South Wales) (14:57): Mr President, I ask a supplementary question. Will the minister inform the Senate about what local residents are saying about their super-fast fibre-to-the-node connections?

Opposition senators interjecting—

The PRESIDENT: Senator Conroy and Senator Bilyk and, on my right, order! Senator Conroy and Senator Carr!

Senator Cormann: Kevin Rudd is still singing your praises, Stephen.

The PRESIDENT: Senator Cormann and Senator Birmingham, order!

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (14:58): Let me share with colleagues what Mr McGuinness had to say about his new super-fast fibre-to-the-node NBN connection. As I mentioned before, he is a resident of Umina, who recently connected to the network. He runs a small business that rents out boats on the Central Coast and often works from home. This is what Mr McGuinness has to say: ‘Since connecting to my Telstra NBN service, the faster download times have helped me save 10 to 15 minutes off my daily work schedule. This roughly gives me an extra day off each month.’ He went on the say that the NBN is also bringing us closer to the opportunities of other Australians.

The PRESIDENT: Pause the clock. Senator Abetz, do you have a point of order?

Senator Abetz: As close as I am sitting to Minister Fifield, I am unable to hear what he is saying because of the noise opposite. I would invite those opposite to abide by the standing orders.

The PRESIDENT: Order on both sides. The noise has been intolerable. Senator Conroy, you are the worst offender.
Senator FIFIELD: It is clear that those opposite have no interest in the experience of Mr McGuinness and other Australians on the Central Coast and regional Australia. Those opposite want Mr McGuinness to have to wait longer. We want people to get connections sooner. (Time expired)

Senator WILLIAMS (New South Wales) (15:00): Mr President, I ask a further supplementary question. I realise this is really embarrassing for Senator Conroy, but will the minister advise the Senate how NBN Co plans to ramp up the rollout of superfast broadband to Australians?

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (15:00): Clearly, we are fixing the mess of those opposite. The NBN have already announced plans to build 1,000 nodes across Queensland and New South Wales, covering in excess of 200,000 premises—for those opposite who want to hear. Last fortnight NBN Co confirmed that it will build an additional 300 nodes within Woy Woy in New South Wales and Warana in Queensland. The coalition's plan to get superfast broadband to Australians will happen far sooner than the plan of those opposite. Labor wants Australians to have to wait for the best part of a decade. Under the coalition, Australians will enjoy economic opportunities facilitated by the NBN sooner, cheaper and faster. (Time expired)

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Superannuation

Senator LUDWIG (Queensland) (15:02): I move:

That the Senate take note of the answers given by the Minister for Finance (Senator Cormann) to questions without notice asked by Opposition senators today relating to measures contained in the Minerals Resource Rent Tax Repeal and Other Measures Bill 2014.

What happened yesterday and today was we heard from ministers who made it absolutely clear that the Liberal Party never supported workers getting superannuation and still do not today. Twenty years ago the Liberal Prime Minister said: Compulsory superannuation is one of the biggest con jobs ever foisted by government on the Australian people.

The only con that is happening here today from the Prime Minister, the Treasurer and the Minister for Finance is just that: the removal and freeze of superannuation. The absurd claim that workers will get more money in their pay packets because of a delay in superannuation increases is ludicrous in the extreme. It shows yet again that the party of markets has absolutely no sense of how markets operate. Do they really, seriously think that an employer will pass on the equivalent superannuation increase in wages, or are they just that naive?

Even Kate Carnell, head of the Australian Chamber of Commerce and Industry, has come out and hosed down this outlandish spin and deception by the Prime Minister. She said a long freeze on super will not guarantee pay increases of equivalent value. Bell the cat. They want people to work longer and harder and not to have access to their own pool of savings. The Liberal Party believes that capital is only for the bosses. They want it to remain a secret locked box not for workers. They hate industry funds as well. They hate working people in control of serious investment and serious capital accumulation.
We all remember it was employer groups that took to the High Court the industrial issue in the late nineties to try to prevent superannuation being included in awards. It was the employers who did not want superannuation in awards to be paid to workers. They wanted to keep it to themselves in defined benefit schemes so they did not have to pay workers when they retired. These are people who also line the Liberal Party pockets. The biggest employer groups and businesses never, ever supported superannuation, and those opposite have got their script from them. They still do not support superannuation, and every opportunity they get they demonstrate why they do not support superannuation for workers.

The Liberal Party are the economic vandals, the socially irresponsible, the party of idiotic cruelty which always will dance to the tune of those who do not believe in workers controlling their own destinies through managed retirement funds. The Liberal Party wants superannuation gone, and there is no doubt about that. Given half a chance of another dodgy backroom deal, they would repeal superannuation overnight. They would ram it through the parliament just like they rammed the raid on super funds yesterday. Of course, Labor will not stand for it. We will continue to campaign for workers' retirement savings just as we always have and always will.

It does not take much for the Liberals to lash out at super. They did it again yesterday and today in saying that super is an impost borne by employers. If you look at the record and the statistics, it is untrue. As former Prime Minister Paul Keating demonstrated at the macro level from 1992 to 2002, compulsory super went up, labour unit costs went down, profit share of the economy went up and productivity went up as well. As the national economic tide went up and productivity increased, it paid for generous wage settlements including superannuation. Yesterday, as the government attacked workers' superannuation, it also attacked mums and dads, small business and, in particular, working women, who are amongst the greatest beneficiaries of compulsory superannuation. A freeze on super takes away from mums and dads and especially from women.

As the government's own documents showed, they did not leave it at that; they then traded the schoolkids bonus. It is gone as well. It is not hanging around. The dodgy, dirty deal they did yesterday took that as well. (Time expired)

**Senator FIERRAVANTI-WELLS** (New South Wales—Parliamentary Secretary to the Minister for Social Services) (15:07): I would remind Senator Ludwig that the dodgy deal was done in the shadow of the 2010 election by Julia Gillard and Wayne Swan, when they designed one of the worst taxes in Australia's history. What sort of a tax raises no revenue? At the end of the day, nobody paid the mining tax. I would remind those opposite that we were told that in year one the mining tax would raise $4 billion. The pre-payments raised $200 million—95 per cent less than Wayne Swan told us it would raise—and that now has to be refunded because of the dodgy deal that Julia Gillard and Wayne Swan did in the shadow of the 2010 election. This was a terrible tax. It was bad for us internationally in terms of attracting investment into Australia and it was also bad for us in terms of costing us jobs.

Can I remind those opposite that it is understandable that Senator Wong and her colleagues are now upset and it is understandable that they are angry. However, Senator Wong, whilst ever you sit there in denial about what happened at the last federal election you will continue to put yourself outside the process. You have become irrelevant. That is why the deal was done yesterday. Is it perfect? No, it is not. But, in the end, when you deal yourself out of the
process, Senator Wong, there is no point coming in here and shouting across the chamber at us, venting your frustration. It is your job as the opposition to be a constructive alternative, but you have chosen to forfeit that role.

The government has delivered on two key commitments: we have repealed both the carbon tax and the mining tax. I would remind those opposite that we took this to both the 2010 election and the 2013 election. Along with scrapping the failed mining tax, we are also abolishing or rephasing all the unfunded promises that you irresponsibly and recklessly attached to this tax. Indeed, this was a tax that was so poorly designed that it was, in fact, costing us billions of dollars each year. Had the mining tax not been abolished it was expected to raise $668 million in total over the forward estimates, compared to the $3.3 billion in revenue that you continued to claim as part of your so-called budget savings strategy. But, despite all of this, you actually locked in more than $17 billion of spending over the forward estimates.

When you look at the number of taxpayers who are actually contributing to the mining tax, fewer than 20 miners have contributed to the net $340 million raised by the mining tax to date. Further, 125 other miners had been required to submit the mining tax instalment notices even though they were not making net payments. So here you have fewer than 20 paying the tax and 125 required to comply with the paperwork for this tax.

The mining repeal tax package will deliver a significant improvement to the budget of around $10 billion over the current forward estimates and it will remain budget neutral over the medium term.

Senator LINES (Western Australia) (15:12): Isn't it interesting that here we have the government, as usual, completely unable to defend the dirty deal they did yesterday. There is no mention of the brand new dirty deal on super, there is no mention of taking billions of dollars out of retirement incomes—but that is what we expect from the government. They are a government of no fact and all fiction. As long as they are hurting someone else other than their rich mining mates and those in the big end of town, they are pretty happy.

No matter how the Abbott government tries to dress it up, there is no getting away from the fact that they have stolen superannuation entitlements from 8.5 million Australian workers. They have reduced 8.5 million Australian workers' retirement incomes by their seven-year freeze on superannuation contributions. Despite the many questions we asked them today in question time, they were not able to defend their actions and they were not able to truthfully explain what they had actually done. But Australian workers will not be fooled.

They have done this dirty deal in partnership with the Palmer United Party and on the back of the Prime Minister's clear promise on 6 April 2013, which I am going to quote from, because it is worth reminding the chamber. The Prime Minister said:

Our clear categoric commitment to the Australian people is that we are not going to make unexpected, adverse changes to superannuation.

Let us be very clear—what the Abbott government did yesterday in its dirty deal, assisted by the Palmer United Party, was betray 8.5 million Australian workers by freezing increases to their super. That is both unexpected and adverse. Abolishing the low-income superannuation contribution is an adverse outcome. No matter how they try to dress it up and no matter how they say they support super, they do not. Mr Abbott is on the record calling super 'a con job'.

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CHAMBER
So what does the freeze mean for 8.5 million Australian workers? With the compounding effect it will mean the loss of $100,000 over a lifetime. On ABC radio we heard another blunder by a senior minister. Mr Pyne said this morning that the 2.5 per cent difference—the difference between the frozen super contribution of 9.5 per cent and the 12 per cent—would somehow end up in the pockets of workers and that workers would somehow be better off. If that is the government's view, they need to guarantee that the 8.5 million Australian workers will receive from every boss in the country in addition to their next wage increase an extra 2.5 per cent that compensates them for their stolen super. Just like the so-called carbon tax on electricity bills, the pay packets of 8.5 million workers should clearly show, according to the logic of Mr Pyne, this extra 2.5 per cent as the stolen super levy. Are the government going to guarantee that? No, of course they are not because they know that is not the truth.

I can say as an experienced and proud union official that when I sat down with workers to negotiate no employer ever said that there was this much for super and this much for the wage increase. That is a complete furphy. If the government are going to stick to that line, it is time they passed legislation that says that the 2.5 per cent additional levy that workers lost on their super will be in their pay packets. That is the only way Australian workers can be guaranteed. But the government will not do that because they have done a dirty deal, are embarrassed and do not really care about the 8.5 million Australian workers who will be worse off under the dirty deal that they did yesterday. It will be on their conscience when they look workers in the face and pretend they are somehow better off.

**Senator McKENZIE** (Victoria) (15:17): My conscience is absolutely clear, as is the conscience of every single government member, about the negotiated outcome that passed the Senate yesterday. I am very happy to look the 8.5 million workers in the eye and say: 'We got rid of the carbon tax. This government got rid of the carbon tax. We are ensuring that our higher education system will be sustainable for your grandchildren to be able to achieve and attend.' There are a whole range of measures that the government have brought forward that will mean the 8.5 million workers of Australia will be better off both now and in their retirement.

What we see today, about a year later, is so much denial in this place. There has been a year of promises delivered by the Abbott-Truss government. Yesterday we saw once again another promise being delivered. It has been a year of strong budgetary reforms that deal with the economic malaise left by the ALP-Greens government, yet the denial continues. A year is quite a long time actually, FYI.

The majority of voters, the majority of Australians, voted for the platform of the Liberal-National Party at the last election. I know it hurts a lot—and it must because it is a year later and we are still hearing denial—but that resounding, convincing result at the last election was based on commitments by our side of politics to: one, repeal the carbon tax—check; two, stop the boats—check; three, get the budget back on track—and, hello, yesterday's result starts to do that in the long term; and, four, repeal the mining tax. You would have thought everyone would have been on board for repealing that tax because it actually raised no money. Despite your best attempt at arithmetic, the innumeracy and illogical perspective of the ALP government resulted in a tax that could not raise a brass razoo. In fact, it actually cost us money. It hurts most because the negotiation yesterday ensured that our track back to surplus
remains focussed going forward. We will save over $50 billion over the next decade, and that has to hurt.

The low-income superannuation guarantee is money in the pay packet. Senator Lundy in her question spoke about a worker on $40,000 a year. I know that a worker on $40,000 a year would rather put the $83 a month that this actually represents toward their kids’ excursions, because you do not have a lot of disposable income when you are on $40,000 a year. You may want to put that amount on your mortgage so you can access equity in your house. We know that the best form of retirement savings for most people is owning their own home. If you are on $40,000 a year it is pretty tough to make those mortgage repayments.

Let us not forget the ALP’s track record on focusing on the retirement savings of Australians. They cut $3.3 billion and they increased taxes on superannuation by $9 billion. Ken Henry and Bill Shorten conceded that this issue would affect people’s wages. A slower path to 12 per cent means more money in people’s pockets right now, and that is exactly what low-income Australians need. The ALP sells it as a cut but, like so much of the ALP’s rhetoric, that is so unlike the Australian people's conversation, because Australian people do not spend money before they get it. They actually do not plan what they are going to do with it before it is guaranteed and in their pocket. That is so unlike the ALP’s approach.

In terms of meeting our commitments, the government were very up-front—and people still voted for us—that we would abolish this measure, and we will come 1 July 2017. We will revisit incentives for lower-income earners once the budget is back in strong surplus. In terms of the income support bonus, the government was up-front at the last election that we would abolish this measure, as it is funded by a tax that does not raise any money.

We are keeping our promises. Start backing the Australian people's vote. (Time expired)

Senator BULLOCK (Western Australia) (15:22): I am grateful for the opportunity to take note of Senator Cormann's answer to Senator Lundy's question. As I indicated in my first speech, when issues come before the Senate my instinct will be to examine them from the perspective of their effects upon shop assistants.

Superannuation is an issue of great interest to shop assistants. In the early 1980s I was the national industrial officer of the SDA, charged with the responsibility of developing our superannuation policy. Back then, few shop assistants had access to superannuation funds, which were then run by their employers and which therefore offered no portability from job to job and in which the vesting of employer contributions was deferred, often for many years.

At the time, I proposed an accumulation fund with full vesting of contributions immediately to the employee and with portability to allow employees to move around the industry without forfeiting their superannuation. I was pleased to find that Garry Weaven of the ACTU was advocating the same idea and, from this idea, developed industry superannuation funds.

In the retail industry we have developed the Retail Employees Superannuation Trust, REST, and CARE, two of Australia's leading industry superannuation funds. Today, shop assistants have almost universal access to superannuation, and REST has over $32 billion in shop assistants’ retirement savings and is consistently among the best-performing funds in the country.
Initial claims for superannuation were modest but, under the wage-fixing principles of the time, were offset against wage increases. Superannuation has always been opposed by the Liberals. First, the Liberals joined with employers to argue that superannuation was not an industrial matter. Then in 1992 they opposed then Prime Minister Paul Keating when he increased the superannuation contribution. Then Prime Minister Howard reneged on a promise to increase superannuation, after he was elected in 1996.

Now they propose the freezing of superannuation contributions of 9½ per cent for seven years—yes, seven years. July 2014 to July 2021 is seven years, not six as Senator Cormann tried to tell me yesterday. It will not reach 12 per cent until 2025.

Senator Abetz: You'll still be here!

Senator Bullock: Hopefully.

The ACTING DEPUTY PRESIDENT: Ignore the interjections.

Senator BULLOCK: This government could not be trusted out of sight on superannuation, let alone until 2025. They sought to defer the first increase for a year, then two and now for a seven-year freeze. Heaven knows what their position will be in 2025.

What is this going to cost Australian workers? The Financial Services Council calculates working Australians will have $128 billion less in their accounts by 2025—that is, $128 billion less—and this from a government in which Prime Minister Abbott repeatedly promised there would be no adverse changes to superannuation. This is the Prime Minister's $128 billion broken promise to the workers of Australia. This no-surprises government has this vision for Australian workers in their retirement: work until you are 70, accumulate less superannuation and when thrown onto the pension subsist on a pension which increases at a rate lower than your working-neighbours' wages. It is $128 billion—and Senator Cormann says this is not an adverse change!

I have negotiated wage increases for shop assistants for 37 years and I have never heard an employer say, 'Well Joe, there's no superannuation increase this year, so we're going to top-up our wages offer by half a per cent.' In my experience employers negotiate hard, to limit wage increases to the lowest amount possible. Arising from the super freeze, there will be no increase in wages, no lift in spending, no lift in consumer confidence and no increase in tax receipts. What will this do to the government's proposed budget improvement of $1.23 billion? I will leave it to you to find out. (Time expired)

Question agreed to.

Iraq and Syria

Senator MILNE (Tasmania—Leader of the Australian Greens) (15:27): I move:

That the Senate take note of the answer given by the Minister for Employment (Senator Abetz) to a question without notice asked by Senator Milne today relating to Australia’s involvement in Iraq.

The Greens want to see—as do all people—an end to the atrocities being carried out in Iraq and Syria. We want to see an end to the killings, beheadings and torture that is going on. We want to support an inclusive government in Iraq, which is the only hope of actually securing a long-term peace for the people there and a sustainable life for them.

The question then is: is the current engagement of the Abbott government, in helping to move arms into Northern Iraq, the best way of securing that outcome? Is it in the national
interest for Australia to be involved in that military activity, and will that military activity actually help to secure a unified Iraq? We have a situation where the current government, led by Prime Minister al-Maliki, has not been inclusive. In fact, his government has secured the spoils of victory for the Shias, which has led to a hardening of tension with the Sunnis. It is not surprising, therefore, that you see the Sunnis going to the Islamic State—or at least not fighting, as the Islamic State comes through Sunni dominated areas of Iraq.

The Prime Minister has said that you cannot stand by and watch these atrocities, that you have to move in. But standing by and watching atrocities is what we have been doing. From 2005 to 2007, while Iraq teetered on the brink of sectarian civil war, Shia militias ran death squads that targeted the Sunnis. They were accused of ethnic cleansing, driving members of the rival sect out of entire suburbs of Baghdad and other cities. At exactly the same time, the Sunnis who formed the backbone of the insurgency blew up Shia shrines and carried out a campaign of violence against Shiites. Those are the tensions in Iraq.

The question I asked today went specifically to that point. I asked: given that the government of al-Maliki is fighting alongside Shia militias who have been accused of all these crimes, are we not in the position of providing armaments to Shia militias who, if we get an inclusive government in Iraq, will then turn those weapons against that inclusive government for daring to include the Sunnis? That is why you have to think this through. If you want an inclusive government, are you making things worse? Are you hardening the resolve of the Islamic State and the Sunnis against an inclusive government? If young jihadists around the world see a western alliance going into Iraq, is it going to encourage them to come and join the fight, making the situation even worse?

It is for these reasons that the Greens have said, firstly, that we have to look at diplomatic solutions and tell the new Iraqi government about to take office that they must be inclusive. Secondly, the Greens have said that it is extremely important that the Turkish border is closed. As an expert has said, if it is closed, it will cut three things—funding, an entrance for the foreign fighters and links to Europe, links they are trying to open. If their plans to open links to Europe through Turkey are destroyed, they could perhaps try to open another gate to Lebanon. But the point is that we need to be talking to Turkey about closing the borders and we need to be talking to the new Iraqi government about making sure it is inclusive. We need to be taking these actions.

How is arming one side of a conflict in an area where there has been sectarian violence going on for hundreds of years going to lead to peace? What is going on in Iraq has been described by al-Maliki as ‘the second Karbala’—a battle fought in 680 AD. That shows just how many centuries this fighting has been going on for and how deep the sectarian violence and hatred is. We are not going to get to long-term peace in Iraq if we do not think this through. We need to pursue the opportunity of a new, inclusive government in Iraq and to recognise that atrocities have been committed by both sides—the Shias and the Sunnis.

Question agreed to.

**BUSINESS**

**Leave of Absence**

**Senator BUSHBY** (Tasmania—Chief Government Whip in the Senate) (15:33): by leave—I move:
That leave of absence be granted to the following senators: Senator Ryan from 1 September to 4 September 2014 for personal reasons; Senator Mason from 1 September to 4 September 2014 on account of ministerial business; and Senator Johnston from 2 September to 4 September 2014 on account of ministerial business.

Question agreed to.

NOTICES
Postponement

The following items of business were postponed:

Business of the Senate notice of motion no. 1 standing in the name of Senator Rice for today, proposing the disallowance of the Fair Work Amendment (Protected Industrial Action) Regulation 2014, postponed till 22 September 2014.

Business of the Senate notice of motion no. 2 standing in the name of Senator Dastyari for today, proposing the disallowance of items 1 to 27 inclusive and item 30 of the Corporations Amendment (Streamlining Future of Financial Advice) Regulation 2014, postponed till 4 September 2014.

General business notice of motion no. 414 standing in the name of Senator Conroy for today, relating to the Australian shipbuilding industry, postponed till 23 September 2014.

General business notice of motion no. 418 standing in the name of the Leader of the Palmer United Party in the Senate (Senator Lazarus) for today, proposing the establishment of a select committee into certain aspects of Queensland Government administration related to Commonwealth Government affairs, postponed till 23 September 2014.

COMMITTEES

Rural and Regional Affairs and Transport References Committee
Reference

Senator MADIGAN (Victoria) (15:34): I, and also on behalf of Senators Muir, Xenophon, Lambie, Bullock, Canavan and Heffernan, move:

That the following matter be referred to the Rural and Regional Affairs and Transport References Committee for inquiry and report by the last sitting day in March 2015:

Australia’s transport energy resilience and sustainability, with particular reference to:

(a) options for introducing mandatory oil stockholdings;

(b) the role of Government in ensuring Australian energy for Australians, including maintaining refinery capability; and

(c) Australia’s role and responsibility regarding energy security as a member of various multilateral fora.

Question agreed to.

Community Affairs Legislation Committee
Reporting Date

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (15:35): I move:

That the time for the presentation of the report of the Community Affairs Legislation Committee on the provisions of the Social Services and Other Legislation Amendment (2014 Budget Measures No. 1) Bill 2014 and a related bill be extended to 10 September 2014.

Question agreed to.
MOTIONS

Australian National Flag Day

Senator SMITH (Western Australia) (15:36): I, and also on behalf of Senator McKenzie, move:

That the Senate notes:
(a) that 3 September is Australian National Flag Day which commemorates the first time the Australian national flag was flown in 1901;
(b) that Australian National Flag Day is an opportunity for Australians to express their pride in our national flag; and
(c) the continuing community support for the values the Australian national flag has come to represent.

Senator MADIGAN (Victoria) (15:36): I seek leave to make a short statement.

The ACTING DEPUTY PRESIDENT (Senator Bernardi): Leave is granted for one minute.

Senator MADIGAN: Although I strongly support the motion and all its sentiments, I wish to express my extreme disappointment that the government has not put in place measures to ensure that the flag flown above this building, or any other Commonwealth building or installation, is made in Australia.

Question agreed to.

Australian Red Cross Centenary

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (15:37): I, and also on behalf of Senators McLucas, Milne, Lambie, Day, Leyonhjelm, Madigan and Xenophon, move:

That the Senate—
(a) notes that:
(i) 2014 is the centenary year of Red Cross in Australia – a significant milestone in the history of our nation – commemorating 100 years of humanitarian service to the people of Australia,
(ii) for 100 years the Australian Red Cross has enjoyed a unique auxiliary status to the public authorities in the humanitarian field, working in partnership with governments of all political persuasions, both in Australia and internationally, to alleviate human suffering while adhering to the principles of independence, neutrality and impartiality,
(iii) many Australians have a personal connection with the Red Cross: from its humanitarian role during two World Wars and other significant conflicts; to preparing, responding to, and recovering from natural disasters; to helping vulnerable people and communities overcome difficulties; or, through the world class national blood service,
(iv) today, the Red Cross has a network of over one million volunteers, members, staff, donors, aid workers and supporters in Australia,
(v) through this network, the Australian Red Cross mobilises the power of humanity to help transform the lives of people in need right across the country, and
(vi) the Australian Red Cross is part of the world's largest humanitarian movement, with tens of millions of volunteers working in 189 countries, united by the fundamental principle of preventing and alleviating human suffering wherever it may be found, without discrimination;
(b) joins with the Australian Red Cross in celebrating the 100th anniversary of its founding on 13 August 1914, nine days after the outbreak of World War One;
(c) congratulates generations of Australians for their extraordinary contribution to the everyday work of the Red Cross; and
(d) recognises the independent humanitarian mission of the Red Cross to work with and assist the most vulnerable people in need, both in Australia and internationally.

Question agreed to.

**Rail Infrastructure**

**Senator RICE** (Victoria) (15:38): I move:
That the Senate supports the building of a high speed rail network in eastern Australia.

Question agreed to.

**World Ranger Day**

**Senator RHIANNON** (New South Wales) (15:38): I move:
That the Senate—

(a) notes that:
   (i) 31 July was World Ranger Day, which celebrates the work of park rangers around the world and commemorates those who have died in the line of duty,
   (ii) park rangers, their ranger associations, and the International Ranger Federation ensure the world's terrestrial and marine parks, and the flora and fauna that live in them, are protected from vandalism, poaching, theft, exploitation or destruction,
   (iii) over 1,000 rangers worldwide have lost their lives over the past 10 years, 80 per cent of whom have been murdered by poachers and armed militias, and
   (iv) the International Ranger Federation raises awareness of, and support for, the critical work that the world's park rangers do in conserving our natural and cultural heritage;

(b) calls on the Government to consider:
   (i) providing practical support to The Thin Green Line Foundation's work in protecting park rangers and supporting the families of those who have lost their lives in the line of duty, and
   (ii) assisting international efforts to control poaching and the illegal trade in wildlife and timber products; and

(c) expresses its condolences to the family, friends and work colleagues of Mr Glen Turner, a park ranger killed in northern New South Wales in July 2014.

Question agreed to.

**National Body Image and Eating Disorders Awareness Week**

**Senator WRIGHT** (South Australia) (15:39): I move:
That the Senate—

(a) recognises that 1 September to 7 September 2014 is National Body Image and Eating Disorders Awareness Week;
(b) notes that in 2012 there were more than 913,000 people in Australia living with a clinical eating disorder, and that more than 1,800 people die each year because of these deadly mental illnesses;
(c) recognises the significant social and economic costs of eating disorders and the strength and contribution of those who care for people experiencing eating disorders; and
(d) calls on the Federal Government to take a lead in prioritising eating disorders as an urgent mainstream health issue in Australia, and to work with all state and territory governments to:

(i) support the development and education of a health workforce proportional to the need, which is able to identify and treat eating disorders,

(ii) fund integrated treatment facilities and programs in hospitals and the community, with appropriate specialist care,

(iii) ensure an appropriate proportion of the health budget is available for the development and establishment of community based recovery support and prevention services, and

(iv) provide funding and support for the necessary education and prevention programs for young people.

Question agreed to.

Asylum Seekers

Senator HANSON-YOUNG (South Australia) (15:40): I move:

That the Senate—

(a) expresses its concern over the Federal Government's budget cuts to the Red Cross Migrant Support Program that will result in 500 job losses across South Australia, Western Australia, Queensland and Victoria;

(b) notes the negative impacts that these job losses will have on the welfare and health services available to refugee and asylum seeker families living in the community; and

(c) calls on the Government to reverse these cuts.

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (15:40): I seek leave to make a short statement.

The ACTING DEPUTY PRESIDENT (Senator Bernardi): Leave is granted for one minute.

Senator CASH: Either Senator Hanson-Young is being disingenuous here or she is, again, yet misinformed. There has been a competitive tender process for the provision of existing services in a new integrated and streamlined service delivery framework. There is no diminution of services. The government has put in place a new team of service providers, including the Australian Red Cross, to ensure that we are getting better value for money. Some IMAs have been allocated to new service providers, which has meant a change to the number of IMAs being supported by the Red Cross. To imply that there will be a negative impact on the welfare and health services available to refugee and asylum seeker families that are living in the community is a slur on the reputation of these service providers.

I do note that this motion was amended overnight to remove reference to granting work rights to BVE holders, as I assume Senator Hanson-Young obviously realised that, had she supported the introduction of temporary protection visas, those IMAs found to be owed protection would already have work rights. The government will not be supporting this motion.

The ACTING DEPUTY PRESIDENT (Senator Bernardi) (15:41): The question is that the motion moved by Senator Hanson-Young be agreed to.

The Senate divided. [15:45]
(The Acting Deputy President—Senator Bernardi)

Ayes ...................... 31
Noes ...................... 28
Majority ............... 3

AYES

Bullock, J.W.
Collins, JMA
Dastyari, S
Hanson-Young, SC
Lambie, J
Lines, S
Ludwig, JW
McEwen, A (teller)
Milne, C
Muir, R
Peris, N
Rhiannon, L
Siewert, R
Urquhart, AE
Waters, LJ
Wright, PL

Cameron, DN
Conroy, SM
Di Natale, R
Ketter, CR
Lazarus, GP
Ludlam, S
Lundy, KA
McLucas, J
Moore, CM
O’Neill, DM
Polley, H
Rice, J
Sterle, G
Wang, Z
Whish-Wilson, PS

NOES

Back, CJ
Birmingham, SJ
Canavan, M.J.
Colbeck, R
Edwards, S
Fierravanti-Wells, C
Heffernan, W
Macdonald, ID
McKenzie, B
O’Sullivan, B
Reynolds, L
Ruston, A
Seseja, Z
Smith, D

Bernardi, C
Bushby, DC (teller)
Cash, MC
Day, R.J.
Fawcett, DJ
Fifield, MP
Leyonhjelm, DE
McGrath, J
Nash, F
Payne, MA
Ronaldson, M
Scullion, NG
Sinodinos, A
Williams, JR

PAIRS

Bilyk, CL
Brown, CL
Carr, KJ
Faulkner, J
Marshall, GM
Singh, LM
Wong, P

Cormann, M
Mason, B
Ryan, SM
Abetz, E
Johnston, D
Brandis, GH

Question agreed to.
Uranium

Senator LUDLAM (Western Australia) (15:47): I ask general that general business notice of motion No. 408, which relates to Russian uranium exports, be taken as a formal motion.

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

Senator Fifield: Yes.

The ACTING DEPUTY PRESIDENT: There is an objection.


Leave granted.

Senator FIFIELD: In relation to the motion for which formality was denied, I want to make clear that the Australian government is deeply concerned about the deteriorating security situation in eastern Ukraine brought about by Russia's sustained and deliberate violation of Ukrainian sovereignty. In announcing increased sanctions against Russia to the level of the United States, the European Union and Canada, the government has shown that it is prepared to act in defence of freedom, international law and the Ukrainian people's democratic right to decide their own future free from intimidation.

The government believes that complex foreign policy issues, however, should not be addressed through simple motions such as Senator Ludlam's. The Greens have consistently shown themselves to be unable to deal with important foreign policy matters such as the provision of humanitarian assistance and military equipment to the Kurdish regional government in Iraq.

I can advise the Senate that Australia is not currently exploring uranium to Russia and the government will not approve any new contracts for the export of uranium to Russia while the Russian government continues to violate Ukraine's territorial sovereignty. (Time expired)

Senator LUDLAM (Western Australia) (15:49): I seek leave to make a brief statement in response.

Leave granted.

Senator LUDLAM: I fail to understand why the Labor Party and the Liberal-National coalition have come up with this gentleman's agreement to not debate issues that they might find inconvenient. I think that is precisely what this chamber is for. Why you have singled out motions like this as things you would not want to talk about I find, frankly, baffling. Nonetheless, I want to acknowledge that the Australian government has set a policy position that they will not allow uranium shipments to the Russian federation. We do not know what the criteria are. I do not know whether Senator Fifield can explain whether uranium has gone on the formal sanctions list. This underlines the danger of having entered into these agreements in the first place. Uranium is not like other minerals. Supplying uranium to a nuclear weapon state, with President Putin now effectively implying the threat to use these weapons, underlies precisely why we should never have entered into these agreements in the first place.
MATTERS OF URGENCY

Defence: Submarines

The ACTING DEPUTY PRESIDENT (15:51): I inform the Senate that the President has received the following letter, from Senator Moore:

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

"The need for the Abbott Government to keep its pre-election promise to design and build Australia's Future Submarine Fleet in Adelaide and to justify why it's planning to destroy Australia's strategically vital shipbuilding capability."

Is the proposal supported?

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

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

Senator WONG (South Australia—Leader of the Opposition in the Senate) (15:51): I move:

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

The need for the Abbott Government to keep its pre-election promise to design and build Australia's Future Submarine Fleet in Adelaide and to justify why it's planning to destroy Australia's strategically vital shipbuilding capability.

This motion deals with the need for the Abbott government to keep an election promise. I know that might sound like a novel idea, but this is an election promise that every South Australian would say should be kept—that is, the promise to build Australia's future submarine fleet in Adelaide.

We know that asking this government to keep an election promise is an exercise in futility. After all, Mr Abbott has broken so many promises and told so many lies to the Australian people. His promise of no new takes was broken. His promise of no cuts to schools was broken. His promises of no cuts to health were broken. His promises of no changes to pensions were also broken

And just yesterday we saw another new broken promise from a dishonest government, its Prime Minister and his arrogant Treasurer, and that was the promise not to make any adverse changes to superannuation. We know what happened: a freezing of the superannuation guarantee contribution for over eight million Australians.

What we see from this Prime Minister, with absolute clarity, is that all of these promises were made, including the one before the chamber, with one aim only, and that was to get himself elected. Now that Mr Abbott is in power, the promises have all been ripped up—trashed, discarded like litter along the wayside of his first 12 months in power. Twelve months after this election, what Australians know is that this Prime Minister and this government won the election by lying to Australians, and now we are paying for their broken promises.
I raise this track record because it is now clear that this Abbott government is preparing to break yet another promise. This latest broken promise would inflict deep and lasting economic damage on Australia's shipbuilding industry and especially on South Australia. Last year, the current Minister for Defence went to Adelaide, called a press conference in front of ASC and said:

… I want to confirm that the 12 submarines as set out in the 2009 Defence White Paper and then again in last Friday's Defence White Paper are what the Coalition accepts and will deliver.

We will deliver those submarines from right here at ASC in South Australia.

Just before the election, the Prime Minister told the Adelaide Advertiser:

… work on the next generation of submarines should focus here on the South Australian ship yards.

What is occurring now? This government is walking away from its promises to build 12 submarines in Adelaide. It is looking at acquiring submarines from overseas and it has also barred Australian shipbuilders from even tendering to build new naval supply ships, a decision which will simply ensure fewer Australian jobs in this important industry.

The Abbott government is abandoning South Australia's defence manufacturing industry, and we have seen it before. It is abandoning South Australia's defence manufacturing industry, just as it turned its back on South Australia's automotive industry. This decision, if the government proceeds with it, will jeopardise thousands of jobs in South Australia. It will jeopardise small and medium-sized businesses in South Australia, which rely on defence contracts for economic opportunities and rely on defence contracts for jobs. It will also damage the viability of the naval shipbuilding industry nationally. This is a strategically important part of Australia's advanced manufacturing industry.

We also know that defence shipbuilding is an important source of jobs in this country, an important source of advanced technical and engineering skills and an important source of sophisticated technological management and organisational capabilities. All of these things are essential for any nation that aspires to have an advanced, sophisticated and competitive manufacturing industry. They are all at risk from this government's short-sighted approach to the submarine project and to naval shipbuilding.

But there is another matter, and I look forward to senators on the other side telling us the answer to it. You really have to ask, 'What has Tony Abbott got against South Australia? What has the Abbott government got against South Australia?' What we also have to ask is this: where are the government's South Australian ministers and backbenchers? Where are the South Australian ministers and backbenchers from the Liberal Party? Why are they failing to stand up for their state? Why are they failing to represent the people who elected them?

**Senator Edwards:** Failing? You were the minister for finance!

**Senator WONG:** There is a lot of noise on that side. They are very noisy in here, aren't they, but I am sure South Australians will hear absolute silence when it comes to public statements backing in the shipbuilding industry in South Australia.

**Senator Edwards interjecting**—

**The ACTING DEPUTY PRESIDENT (Senator Bernardi):** Order!
Senator WONG: Senator Edwards is yelling a lot in here, but he is a mouse in the party room, and he is completely mute in the South Australian media when it comes to standing up for South Australia. You are quiet now, aren’t you?

To paraphrase Oscar Wilde, for the Abbott government to slug South Australia once might be explained away as misfortune; when it slugs South Australia a second time it looks like perhaps carelessness. But when the Abbott government slugs our state a third time, we can only conclude it is part of a deliberate campaign of anti-South Australian policies—and that is what it has done.

The first hit to South Australia was last year's decision by the Liberal Party to slash support for the automotive industry. What happened? Holden decided it would stop making cars at Elizabeth, a hammer blow to the local workforce. We had a South Australian minister, Mr Briggs, backgrounding the media against Holden, and that was followed by the spectacle of the nation’s Treasurer on the floor of the parliament goading Holden to pull out of Australia. The second hit to South Australia came with the government's budget, an unprecedented assault on South Australia's hospitals and schools. Six hundred and fifty five million dollars—

Senator Edwards interjecting—

The ACTING DEPUTY PRESIDENT (Senator Williams): Order! Senator Edwards, you will cease your interjections, please.

Senator WONG: Thank you, Mr Acting Deputy President. The budget will cut $655 million from hospitals over four years, the equivalent of removing 600 hospital beds or the entire Flinders Medical Centre. The budget cuts $335 million from South Australian school funding over six years, and what does that mean? It means Mr Pyne is presiding over cuts in his home state equivalent to removing 3,000 teachers.

The budget singled out South Australia in other ways too. We have one of the most extensive networks of regional roads of any state or territory, and when I was finance minister in the former government—

Senator Edwards: Oh, now you're owning up!

The ACTING DEPUTY PRESIDENT: Senator Edwards!

Senator WONG: I supported local government funding arrangements which recognised South Australia faced a higher cost burden to maintain these roads. I acknowledge my Liberal predecessor Senator Minchin. He introduced them; we maintained them. They have been scrapped by the Abbott government. This will hurt local government—local and regional councils. It will lead to the deterioration of our state's road network. Mr Briggs has cheered it on, and you opposite are being completely silent.

And now we have a third hit to South Australia: the government's move to abandon its promise to build 12 submarines in Adelaide—a brazen betrayal of our state. It will cost jobs and it will hurt the state's economy. What is up with the Liberal frontbenchers in this government. In the past South Australia has had passionate advocates in federal governments of both persuasions. But there are no Amanda Vanstones or Nick Minchins in this government—only a new generation of South Australia Liberal frontbenchers and backbenchers so spineless, or so ambitious, that they will not stand up for their home state. We see Mr Pyne cutting schools in his home state. We see Mr Briggs acting as cheerleader for his factional mate the Treasurer in his decision to abandon Holden and its workers. We see
Senator Birmingham completely silent while the government threatens to dismantle the renewable energy target—another broken promise that would have a negative impact on South Australia's renewable energy industry. I never thought I would say this, but bring back Senator Minchin. Because all the fight has gone out of the South Australian Liberals. They might be too intimidated by the Prime Minister's office or perhaps too interested in personal ambition to stand up for their state.

But Labor will not stop fighting on this issue. We will hold this government to account and we will stand up for South Australia. We will stand up for our state and we will stand up for our fellow South Australians.

Senator EDWARDS (South Australia) (16:01): I rise on this important issue and the references to promises. I remember the cruellest hoax of all, back in August last year. Senator Wong might be interested to know that the member for Wakefield, Mr Champion, wrote a letter to the constituents of Wakefield in which he stated, three-quarters of the way down from the top of the letter, 'I have secured the future of General Motors Holden until 2022.' What a cruel hoax that turned out to be. Talk about shrill. He is either incompetent—which I suspect—or downright dishonest, because that was not within his remit or his power and he clearly could not say it. But he did trick the voters of Wakefield by suggesting that he had saved Holden. He clearly had not. He has still offered no reason why he would say that.

Senator McEwen: Are you going to talk about submarines?

Senator EDWARDS: I am quite happy to talk about all these issues.

Senator Gallacher interjecting—

The ACTING DEPUTY PRESIDENT: Order on my left. You will cease interjections.

Senator EDWARDS: But if you are going to misrepresent the issues, if you do not want to know the truth about some of your colleagues and the representations that have been made, you should know at least what they are writing to their constituents, misrepresenting the facts, because Mr Champion, the member for Wakefield, certainly did not save Holden. Senator Gallacher must surely acknowledge that Holden were not saved, as was promised, by Mr Champion.

We have fulfilled the promises that we went to the election with. We went to the election in 2013, and indeed in 2010, saying that we would repeal the carbon tax, and for that matter the minerals resource rent tax, and we did. We went to the election saying that we would stop the boats, and within 12 months it is down to one boat in that period of time.

Then we said that we would build the roads of the 21st century. You on the other side are in complete denial. You missed the turning of the sod by the Prime Minister last week on the billion dollar south road extension of the Torrens to Torrens.

Senator McEwen: I rise on a point of order on the matter of relevance. The senator is talking about roads. The urgency motion before us is about Australia's future submarine fleet. The last time I looked submarines do not travel on roads, so perhaps you could bring the senator's attention to the topic before the chamber.

The DEPUTY PRESIDENT: There is no point of order. The tradition is to debate under broad terms.
**Senator EDWARDS:** What a nonsense. Senator Wong spoke in here about promises. I am just telling the people in this chamber about the promises we have delivered on. We said we would get rid of the carbon tax. We said we would stop the boats—we are nearly there, 12 months after your six years of indifference to border security led to a tsunami of boats and a tsunami of deaths on the sea.

Now we are talking about the other promise of building roads. We are building them, and we are building them in your home state, Senators McEwen and Gallacher. We are building the roads of the 21st century.

And what else did we promise? We promised to repair the budget, because that is what is done by people who are responsible and understand the driver of an economy—they rebuild a budget, and we always have to. We had to repair the $96 billion in 1996, and we had to repair the blowout that occurred under your reign. All of you over there should hang your heads in shame. And now we have to fix the budget. Part of the budget is health, education and the military. This is where we obviously get to talk about submarines. Submarines are singularly—

**Senator McEwen:** Boats.

**Senator EDWARDS:** They are not boats. Can I assure Senator McEwen that submarines are not boats. That might be part of the problem that we have here in this chamber. I guess when the issue was raised, 'We need to spend more money on boats,' they left out submarines, because that is exactly what happened under Labor's reign. They cut more money out of this program, because it was over allocated.

**Senator Conroy** interjecting—

**The ACTING DEPUTY PRESIDENT (Senator Williams):** Order! Senator Conroy, I will not tolerate interjections. I was very firm on Senator Edwards when Senator Wong was speaking, and I expect the same from your side.

**Senator EDWARDS:** It is very nice of Senator Conroy to join us. Let us get to him. Ours is an approach to defence based on sound economic principles, on value for money, on economic accountability and on the responsible expenditure of public money. Our approach to defence acquisitions is no different. The coalition government is committed to a viable shipbuilding industry that provides value for money while adhering to world's best practice. Decisions in this space are made on the basis of the needs of the services and the responsible expenditure of taxpayers' money—there is no back-of-the-serviette or Coke-drink coaster accounting anywhere in our budget costing rooms, through you Mr Acting Deputy President to Senator Conroy.

Those opposite would have us embark on a procurement path that gives little consideration to our financial responsibilities, little consideration to fiscal prudence, little consideration to balancing the books, and little consideration to the fact that we are spending other people's money. They are called the 'taxpayer'—the people out there in Australia who elected this government on 7 September last year to restore confidence in this economy. Labor's reckless approach to spending in the Defence portfolio is not an example in isolation. It is a part of their rich heritage of fiscal recklessness and their rich tapestry of economic vandalism—with the notable exceptions of Prime Minister Hawke and Prime Minister Keating, since they achieved some reasonable reforms. There was a lone voice in the last government, Mr Martin
Ferguson's. He was obviously outgunned by his socialist colleagues, the spendthrifts over on the other side. He left parliament, sadly, and is now working with industry, where he enjoys a great deal of respect. But then there is the current opposition defence spokesperson, who is with us here in the chamber, Senator Conroy, whose most notable contribution to policy making has been that back-of-the-napkin episode.

I remind the chamber, as if it needs reminding, that as the Labor communications minister, Senator Conroy committed the country to a $43 billion policy that was the NBN. This $43 billion policy commitment was devoid of any cost-benefit analysis.

_Senator Conroy interjecting—_

**Senator EDWARDS:** Senator Conroy, you may laugh about it but $43 billion is a lot of hot dinners. You might think it is not a lot and you may treat it in a very cavalier way, but it does not have a business case at all. It would have blown out to $73 billion, if the coalition had not been elected to repair the damage.

**Senator Conroy:** I rise on a point of order on relevance, Mr Acting Deputy President. I appreciate that you are being very tolerant in allowing him to talk across the chamber instead of through you. On the point of relevance, the National Broadband Network has nothing to do with shipbuilding. You might want to draw him back to the topic.

**The ACTING DEPUTY PRESIDENT:** There is no point of order.

**Senator EDWARDS:** Thank you for the protection from what is quite idiotic. The Labor Party left Australia on a debt trajectory of $666 billion. The Labor Party came to power with a budget surplus of $20 billion, with $45 billion in the bank, and you wonder why we have to scrutinise the budget, Senator Conroy, because clearly you never did or had any intention to. From the way your forward estimates were projected in health, education and defence, you were going to have to start printing money at some point in time. The money was never there for the cuts you talk about. It is just another cruel hoax like the member for Wakefield's promise to that electorate last year that he had secured the future of Holden.

The coalition has brought forward an open competition with Australian industry to construct more than 20 replacement Pacific patrol boats. That is what we are doing. We are doing what this country can. Defence acquisitions will be made on the basis of defence logic. Under this government, they will be. *(Time expired)*

**Senator DAY (South Australia) (16:12):** This is not my first speech. As a senator for South Australia, I feel I must speak briefly on this motion.

**Senator Edwards:** I thought you were an enemy of the state!

**Senator DAY:** When I started to read it, I got to the first part, 'to design and build Australia's future submarine fleet in Adelaide', and thought it was like seeing a footballer who has been infringed and awarded a free kick. I said, 'Yes, I will pay that.' But then I got to the second part about destroying the shipbuilding industry, which states: 'why the government is planning to destroy Australia's strategically vital shipbuilding capability'. It is like the player who won the free kick but then pushed the infringing player and had the decision reversed. I have not been here long, and I would very much like to support as many senators' motions on important matters as I can. However, I see perfectly good motions—which I would love to support—that are spoilt by a lack of discipline in other parts of the motion, and I cannot support them.
I know from my discussions with the defence minister this week that the government is not trying to destroy Australia's shipbuilding capability. As a senator for South Australia in support of my state and its industries, shipbuilding in particular, I know there are opportunities to maintain and grow that capability if the elected leaders of my home state get their act together. I oppose the motion.

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (16:14): The good news, Mr Acting Deputy President Williams, is that I will not need your protection, to borrow the phrase from my learned colleague. I rise to speak on this urgency motion. There is an absolute need, despite what our new colleague from South Australia says, for the Abbott government to keep its pre-election promise to design and build Australia's future submarine fleet in Adelaide. This issue is of the most serious importance for South Australia and our country. Before the election—and this goes to the heart of this debate—Senator David Johnston, now the Minister for Defence, stood outside submarine builder ASC in Adelaide and said the following in a video clip that I will now show the chamber on my iPad:

The coalition today is committed to building 12 new submarines here in Adelaide. Straight up and out. It is as simple as that—

The ACTING DEPUTY PRESIDENT (Senator Williams): Senator Conroy, that was out of order.

Senator CONROY: in black and white on the television of Australia, and particularly South Australia. That is exactly what he said. That we will deliver these submarines from right here at ASC in South Australia. He said: The coalition today is committed to building 12 new submarines in Adelaide. It does not get any plainer than that in black and white. That is your defence minister conning the people, conning the people of South Australia and conning your electors about their promise and about what they were going to do with submarines in South Australia. That is why you should support this motion, Senator. That is exactly why you should, because this is a con job. Not 'might' build; not 'possibly' build. No, Senator Johnston said that the coalition will build 12 new submarines in Adelaide. I have jogged the Senate's memory by showing you the video clip live in colour of Senator Johnston making that commitment.

But what has happened since the election? The opposition has asked the defence minister seven times in the Senate to recommit to his pre-election promise. He has refused every single time. Seven times—and refused every single time. And what about the government's South Australian senators? Silence. What about those who made a contribution recently from the government? Silence, as well. While you may have failed to win Liberal Party preselection, I am told by some of those opposite—I have lost count of how many—you are not a government senator. You have the opportunity to hold this government to its promise—

The ACTING DEPUTY PRESIDENT: Senator Conroy, you will direct your remarks through the Chair, please.

Senator CONROY: Mr Acting Deputy President, I am glad you have remembered that standing order.

The ACTING DEPUTY PRESIDENT: I wish you had.

Senator CONROY: And I will. From the South Australian Liberal senators—silence. They have not uttered one word demanding that this promise be kept. Not a word. Today is a
test for South Australia Liberal Party senators and other South Australian senators. Will they stand-up for their state against a broken promise of this government, or will you all stay silent?

It is clear from the public statements of the Abbott government that it plans to abandon this promise and buy submarines from overseas. Just last week, we saw a secret delegation of Japanese submarine experts secreted into ASC. The South Australian government was not even told. They just brought them in, hid them and raced them out. They would not let them stop and answer questions. They would not even let them stop and answer a question at the airport. They dragged them through the airport with cameras following and still would not stop and answer a single question.

The government seems determined to do all it can to undermine Australia's strategically vital submarine and shipbuilding industry. In uncertain times, the last thing we should be doing is killing our submarine industry. It is against our national interest. It hurts our national security and it undermines our defence capability. The most vital question for you to consider over the coming months—because this is going to become live very soon—is: are the Japanese submarine's designed to meet Australia's capability needs and not to simply take them off the shelf from Japan? That is the most fundamental question. And what do you hear emanating from our defence establishment—from people who know about the submarine build? This government is not only breaking its election promise about where it is going to build them in South Australia but it is also not buying a submarine from Japan that has Australia's unique strategic needs for range, endurance and capability. That is the test. Do the Japanese submarines meet our capability needs?

This government is planning on spending billions of dollars on new submarines that are not going to be what our Navy say they need. The government is also doing nothing to ensure the survival of Australia's shipbuilding industry. Here is what the minister said—and I will not show it because I would not want to anger you again, Acting Deputy President Williams. Here is what the minister said:

I get really fired up when I find us giving away our manufacturing base in the Defence space—

(Time expired)

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (16:20): I rise as I have done on multiple occasions to talk about shipbuilding in South Australia, and specifically in this case on submarines. I would like to go to the wording of this MPI, which talks about design and build, and yet the clip that we just had played emphasised the build. I just want to talk about design for a moment. The three areas that I want to talk about are the design, the build and the vital shipbuilding capability.

Firstly, in terms of design, one of the things that I had the privilege of doing in 2012 was travelling with a bipartisan committee to Spain, Germany—two of the committee went to France as well—the UK and the US, looking at submarines and the potential for Australia to build a future submarine. One of the things that became very clear was that there were two aspects of design that we need to be very much aware of. Firstly, that Australia does not have the capacity to design a submarine from scratch as a unique Australian design. Whichever nation we choose to partner with, we will need a design partner. That was the clear message that came through to the delegation from each of the nations, including those who do not have any skin in the game—for example, the UK and the US. So, whether we ended up going for a
design that originated in Germany, Japan, Spain, France or Sweden, the reality is that the
design will be a shared effort. In terms of numbers and capacity, we just do not have the base
here in Australia to design from scratch a submarine without taking on completely
unacceptable levels of risk. That is the first point about design: we will have a design partner,
just as we did with the Collins where it was Kockums. The engagement of potential design
partners is not unusual, and with that in mind we have had people from multiple nations
coming through South Australia, looking at aspects of our defence industry and our defence
needs.

The second thing is that Australia must have an understanding of the design. My whole
professional career prior to politics was involved in the support, the certification and the
testing of defence materiel. If there is one thing that I can bring to this Senate, it is a deep
understanding of the fact that, if we want to be a sovereign nation with capability to own,
deployed effectively and maintain defence equipment, we must understand the design. The
way we do that will vary. In some cases it will be completely developing and owning a design
here; in other cases it will be a transfer of IP from other nations; in some cases it will involve
us sending engineers to work deeply embedded with manufacturers and other armies
overseas. Whichever mechanism we put in place, it is imperative that we
understand the design to make sure we can sustain the equipment through its life and that we can repair the
equipment.

We cannot ever afford to be completely dependent upon another nation. I can point to
numerous examples—particularly in the aerospace world which was my background—where
even our most trusted allies at times when they were under pressure and did not had the
capacity to provide spare parts or design effort or even updating of systems to meet the
requirements for new threats or operating environments. I can also point to cases where we
have saved considerable money and developed more effective and capable systems by having
an indigenous design and certification capability for our weapon systems so that either we can
be smarter about how we repair them or we can have the option to modify to meet new threats
or environments. They have proven to be very capable in joint exercises against the parent
service—in some cases the US where the two capabilities have exercised together.

Secondly, in terms of build, one of the things we learnt during this delegation was that
there is a range of options for built, many of which come around the risks with quality and
therefore the safety and effectiveness of the system and the risks with cost and schedule. One
of the consistent messages that came through to the committee was that the preferred avenue
for most vendors was to build the first couple of boats—particularly if you are going to build
a number of boats in flights—in the country of origin of the design such that the workforce,
whether they be manufacturing production workforce or the engineering workforce, have the
opportunity to train with and to get the hands-on experience of the build of that boat. Then
that company would work at the Australian manufacturing facility—which the coalition and
Labor have identified as South Australia—to then look to build the rest of the flights of boat
in Australia. That achieves a number of things: it achieves a risk reduction in making sure that
we have the right skills and the competence in place to build the boats, yet it achieves an
effective transfer of IP and knowledge—not only for the remainder of the build, but, importantly, it also establishes the infrastructure and the engineering know-how to support the
fleet of boats through their life. If needs be, rather than a refresh program or service-life
extension—it might adopt the model that some countries use of scrap and rebuild to continue the production line. In that way you continue the upgrade cycle for those vessels.

The last part is about their claims of destroying shipbuilding capability, and it goes to the issue of the valley of death and losing existing investment. I merely lay on the table again the fact that I have laid out in this place a number of times before: at the moment we are just past the peak of workforce for the Air Warfare Destroyer program. We are now in 2014; the Air Warfare Destroyer decision to build at ASC was made in 2005; and the decision to award the design to Navantia was made in 2007. That means that if we wanted a follow-on surface ship to sustain the investment we have in skills and infrastructure at the shipyards in South Australia, Victoria and in New South Wales, that decision would have had to have been made six, seven or possibly eight years ago in order for that work to continue.

The way this government is looking to achieve economies of scale to get the productivity to where we want to be and to sustain our vital and strategic shipbuilding capability is to say: we are now in government and we have been for almost a year; we cannot make a decision to have a completely new design of ship built here at this time, but we can commit to doing the engineering work and to look at how we can use our investment design knowledge around the Air Warfare Destroyer hull to commit to integrating both the CEA radar and the Saab 9LV combat system—both produced here in Australia. On the basis of that engineering risk reduction work we can then look at extending the build program for hulls of the same design as the Air Warfare Destroyer, which will become the future frigate. That means very little risk and, by capitalising on the already-made investment in skills and infrastructure, we can continue to build hull blocks, which get rid of the concerns about the valley of death. When the more complex side of Air Warfare Destroyer program is complete—which is the fit out of the combat systems—we can then roll on to the assembly of the hull blocks and the CEA radar and 9LV systems. So, far from destroying Australia's strategic vital shipbuilding capability, the coalition is in fact putting in place concrete and funded steps to maintain this capability which, for all the reasons I have outlined before, is vital to us having not only the jobs in South and Australia but also the sovereign capability to own and effectively employ defence assets.

Senator WRIGHT (South Australia) (16:29): I am pleased to speak to this motion, because I care about jobs and, as a South Australian senator, I especially care about South Australian jobs. The Australian Greens support the maritime engineering and shipbuilding industries. When it is in our national interest to procure naval vessels, we are committed to ensuring that manufacturing and building of the vessels occurs in Australia and that our naval vessels are maintained here in Australia. In the future, grappling with climate security threats will inevitably involve increasing naval capacity, particularly with regard to amphibious vessels, which will build local jobs, skills and investment in local design, building and maintenance of our navy and other ships. On an island continent I believe it is crucial that we have the advanced manufacturing know-how and capacity to build our naval vessels and ships.

Of course, there are always important questions to ask when defence procurement and the building of a multibillion-dollar fleet is being contemplated. Uppermost must be the confidence that they will meet Australia's security needs. We do not want to replicate
circumstances that could allow for a repeat of the kind of acknowledged design mistakes that have occurred in the Collins-class submarines—mistakes which have not benefited the industry nor Australia's defence and security. What we do want, though, is the maintenance of advanced manufacturing as an industry in Australia and particularly in South Australia, a state which will be so adversely affected by the loss of the Holden manufacturing plant following previous losses of advanced manufacturing.

What we do have in South Australia is a skilled, sophisticated workforce capable of building the ships we need for the future—ships and vessels like landing helicopter docks, the vessels required for the Pacific patrol boat program and the vessels needed to replace the Armidale-class patrol boat. The South Australian workforce has the expertise, and these vessels should be built in South Australia.

Senator GALLACHER (South Australia) (16:31): I rise to make a contribution in this debate and, unlike Senator Edwards, I will probably address the subject at hand. The reality is what has really been missed in this debate is:

Successive Australian governments have accepted that building the DDGs in Australia would involve a premium over and above the cost of building them overseas. The decision to build locally is based on a desire to retain shipbuilding jobs and facilities, project management and design skills, and experience with sophisticated naval combat systems, so as to enable through-life support in Australia and a continuing naval shipbuilding industry.

That assistance has been measured by the Australian National Audit Office at about 30 per cent—$1 billion.

It is not an accident that successive governments, successive ministers and successive politicians—very prominent amongst them, I might say, South Australian Liberal senators—accepted this premium. Why? Because they were batting for their home state. They wanted jobs. They wanted some manufacturing. They knew and could see into the future, as all senators should be doing, that you need a manufacturing base in a small state like South Australia. We have wheat, wine, mines and the rest of it, but manufacturing is what keeps the vibrant city of Adelaide going. They could see, as in the considered contribution from Senator Fawcett—I understand Dave; he is very technically perfect. He understands this better than probably most senators in this place, but he did not get out and bat for workers and manufacturing jobs. He did not play a State of Origin game. We all love State of Origin, and that is what this place should be about. When your state is under attack, you should be batting for the jobs in your state. You should not be, as Senator Edwards did, bagging someone else for some other misdemeanour or catastrophic performance in your comments.

You should be looking very closely at the 27,000 jobs in the defence industry of South Australia. Successive governments have accepted that there is a premium for having those 27,000 jobs. Are this government and minister abandoning that well-worn path? If he is, he should get up and say so. He should simply say: 'That's it; we've changed our mind. Successive governments have been wrong. My predecessors as Minister for Defence—Robert Hill, Nick Minchin or Amanda Vanstone—were all wrong. We shouldn't be doing this. We should simply go to a supermarket and buy some submarines over there. We'll worry about the warranty later on. We'll worry about the maintenance later on. We'll worry about the rebuild later on. We've only got this small bit of money and we're going to do it this way.' I do not think that is how defence should work.
Defence is the defence of this country, and 27,000 people in South Australia are working diligently to be efficient, productive and do a 100 per cent job every day. Not all of the design-and-build process has been all that efficient. In fact, the National Audit Office, when asked if this means people are taking their wages and not doing the work, said: 'No, that's not what it means at all. It means the work they've done has been redesigned and that in cases they've had to do the work six times. So there is a productivity issue, but it was a language difficulty between a Spanish designer and an Australian shipbuilder.'

Go back to the Swedish designer of the Collins class. There were umpteen examples where there was a disconnect between the design and the build and there was a loss of productivity. But we have been doing it long enough, and our people really are worth investing in. We should not be cutting for the short-term objective of reducing expenditure by potentially putting 27,000 jobs at risk.

I respect Senator Fawcett's contribution in this area and would defer to his knowledge in a lot of cases. He is very, very diligent on a lot of this stuff. Senator Edwards, I said the other day, is bereft of knowledge on most things other than wine—and, on today's performance, I think it's consumption of wine that's his special subject! Senator Rushton has not said boo on this. Senator Birmingham is completely absent from the debate. Senator Birmingham has not made a contribution other than a snide comment across the chamber to the Leader of the Opposition in the Senate when she had to leave for a meeting the other day. And Senator Bernardi has probably got the handcuffs on, because his contribution would blow the place up! Sooner or later South Australian electors will look at this gang and say they are not batting for their home state.

Senator BACK (Western Australia) (16:37): Mr Acting Deputy President, I thank you for the opportunity to contribute to this debate. I just cannot understand why the Labor Party continues to beat itself up. It is as if they are lemmings looking for a cliff to jump off. Now here we are, in this situation with regard to the question of submarines and South Australia.

Originally, in the 1980s, the decision was made to build submarines in South Australia, not for good policy or defence reasons, but simply because of regional issues. Time does not allow me, on this particular occasion, to talk about that. But I do want to talk about three issues this afternoon. The first issue is Labor's failure, as usual, to advance Australian shipbuilding. The second issue is the actions of the Abbott government in trying to undo the wrongs and put the whole defence situation back on track, including shipbuilding. Thirdly, I would like to make few comments about the actions of the Abbott government, led by the eminent defence minister, Senator Johnston, in fixing Labor's neglect by the building of new supply vessels.

Let me start by going back to 31 October 2007. This is an article I am going to quote from The Sydney Morning Herald. The then opposition leader, Kevin Rudd, said:

A Labor government would … ensure the submarines were built by ASC at its Port Adelaide site, with construction to begin in about 2017.

The then opposition leader said that the:

…$6 billion air warfare destroyer project in Adelaide at that time would be tapering off.
Mr Rudd went on to say:

Starting the process this year will guarantee continuity of work for South Australia's defence industry and those employed in the sector ... a Labor government would make it a priority to ensure that the necessary preliminary work on Australia's next generation of submarines was carried out in time for consideration and initial approval in 2011.

We have gone passed 2011 and nothing has happened. He talked about detailed analyses—well, we all know what his detailed analyses were. We saw plenty of evidence of that with the NBN and himself and Senator Conroy and decisions on numbers, taking us through to 40 years into the future. When talking about vital military capability for Australia, Mr Rudd went on to say:

Work on the production of new submarines is a task essential to Australia's national security that the Howard Government has failed to tackle.

If you have a look at where Labor's failure has been in this place, it is an endless list, but I took out the main priorities. Firstly, deferring the critical strategic decision on the submarines. Secondly, deferring the critical strategic decision on the Navy tanker ships. I go on—_asleep at the wheel was the then Labor government, as the new destroyer program went off the rails. Of course, here we are now with the Labor Party moving this matter of urgency when, indeed, they are in no position to criticise, because their contribution to the whole exercise has been lamentable. You might say, 'Well, give me some examples of this.' I will, indeed.

It was under the so-called leadership of then Minister Stephen Smith when $16 billion was cut out of the Defence budget. It would not have happened had Senator Faulkner been the defence minister. As we know, Minister Smith did not want to be the defence minister; he wanted to be foreign affairs minister, and he made that plain to everybody, including those in the Defence family. You can understand how that went down. The share of GDP spent on defence had fallen in the last years of the Labor government to 1.56 per cent—its lowest level since 1938. That was after the incoming Prime Minister, Mr Rudd, spoke about maintaining the vital military capability for Australia. In fact, in 2013 the first person to speak on this debate was the Leader of the Opposition in the Senate, a South Australian senator, the then finance minister, Senator Wong. It was the largest cut to the defence budget since the end of the Korean conflict. They cut 10.5 per cent from the budget itself.

What happened under Labor? This is what amazes me that they would bring this matter of urgency for debate. It was on their watch that the Australian defence industry shed more than 10 per cent of its workforce because of budget cuts. It was under the Rudd-Gillard-Rudd governments that they made three decisions regarding defence vessels and not one of them went to the Australian shipbuilding industry. The first was HMAS Choules, which I had the pleasure of being on board when it was named in Fremantle harbour. It was purchased from the UK for $100 million. The second was the new Antarctic icebreaker to replace the Aurora Australis. It has not been decided yet, and I will stand corrected but I understand from the Labor government at the time that not one Australian company was invited to bid. The third was the LHD landing craft, which achieved its first pass approval, but to be built overseas—the hull to be built in Spain and then returned to be fitted out.

We then go specifically to the submarines themselves. What has Senator Johnston done, having picked up the lamentable situation? As he said the other day, when he opened the box there was nothing in it—zero. So no decision has been made yet, but what he has moved
towards immediately is the production of a white paper to be delivered in 2015. He made the point that, regardless of the final decisions taken, there will be substantial submarine related work in Adelaide and that means more jobs for South Australia. He also made the point that I introduced my contribution on, and that is that decisions will be made on defence logic, not regional policy. They will be made on the basis of sound defence policy.

What are the three main criteria in the submarine replacements? The first is the right submarine for Australia. The second is that it works from the start. The third is that it be affordable throughout its life. Regrettably with the Collins class, although it certainly had many features that made it an enviable vessel, none of the three criteria or objectives were met. So we do need to do better with the next generation of submarines. Nobody would take anything away from the excellence of the captains and crew of our Collins class submarines. As you know, Mr Acting Deputy President Williams, they are based at HMAS Stirling south of Perth. We interact often and frequently.

Part of the urgency motion today speaks about the government planning to destroy Australia's strategically vital shipbuilding industry. In the last few moments of my contribution I want to speak more generally about that strategically vital shipbuilding industry. Under the Abbott government and with Senator David Johnston as the defence minister, a man who has done an enormous amount of research into this, and with the input of people like Senator David Fawcett and others on our side we are getting this whole issue under control.

The minister has said in this place that his first priority is the air warfare destroyer program because it went so badly off the rails with the last Labor government. He wants to ensure that everything is in place for a continued naval shipbuilding industry in this country. That is one of our very strong objectives. He has already been speaking to state premiers and ministers to get their cooperation. As I mentioned, the 2015 Defence white paper will shape the decision making, support the strategic and capability needs of Defence, deliver value for money, build commercial confidence and promote global best practice. Of course we are going to need full cooperation from the unions, employee groups, the Australian defence business industry and the Royal Institution of Naval Architects, to name just a few, to put the wrongs right.

Senator McEWEN (South Australia—Opposition Whip in the Senate) (16:46): Before I commence my contribution to this important matter of urgency debate today I would like to acknowledge that this week the parliament is hosting participants in the Australian Defence Force Parliamentary Program. It is a wonderful opportunity for all senators and members to have someone from the Australian Defence Force work with them for a week. I am very privileged indeed to have Lieutenant Commander Steven McCracken from the Australian Navy tracking me around this building and assisting me in understanding more about Defence, Defence personnel and what they do for our country.

I have been privileged to serve in this Senate chamber with Liberal senators who stood up for South Australia and fought very hard to bring defence industries to South Australia and to keep defence industries in South Australia. I am talking about former Senators Hill, Minchin and Vanstone. I certainly did not agree with them on a lot of things, but I agree with their passion for Defence in South Australia. No doubt, they had to stare down their cabinet colleagues and occasionally a Prime Minister to ensure that South Australia was part of Team Australia. Now we have a Prime Minister who talks about Team Australia but clearly leaves
South Australia right out of the team. Who do we have now in the Senate chamber standing up for South Australia? Certainly lots of senators on this side of the chamber. Senator Wong, Senator Gallacher and I are standing up for South Australia.

We had a contribution earlier in this debate from Senator Edwards, which I have to say was completely farcical. I am not sure how many times he mentioned submarines in his speech about submarines—not very often. He talked a lot about roads and other things. He very rarely turned his attention to the critical matter of the future of defence shipbuilding and the future submarine project to our home state of South Australia. I do not agree with all of what Senator David Fawcett said, but at least his contribution was considered and thoughtful and he has some view of the future.

Senators Birmingham, Bernardi and Ruston have been no-shows in this debate. Where are they? Indeed, where is the state Liberal leader, Steven Marshall, in this debate? Steven Marshall was quite prepared to stand with the Minister for Defence, Senator David Johnston, last year before the election and swear solemnly that they would commit to building the 12 future submarines in my home state of South Australia at the Australian Submarine Corporation. But now, like the minister, Steven Marshall is running away from that commitment. They promised the people of South Australia one thing before the election and immediately after the election they reneged on that commitment and are walking away from the 27,000 people in South Australia who are employed in defence industries. It was the same Senator Johnston, the now Minister for Defence, who before the federal election told us how fired up he got when people questioned the ability of Australians to continue to supply defence platforms. He said on 9 August 2013:

I get really fired up when I find us giving away our manufacturing base in the Defence space to foreign manufacturers, it’s just not on.

That is what the then opposition spokesperson for defence said before the federal election. What do we find out now after the federal election? There are sneaky visits of Japanese submarine builders to the Australian Submarine Corporation in South Australia. Undoubtedly there are negotiations between the now defence minister and those submarine providers from overseas about the future submarine project. He is not hot under the collar now. He is not standing up for South Australian defence manufacturing now. He is cosying up to another country and is planning to outsource the building and the design of 12 Australian submarines, which are integral to the future of defence shipbuilding and shipbuilding generally in my home state of South Australia.

Senator Bernardi: Have you ever been down there?

Senator McEWEN: I am devastated to think that this promise that was made by the Liberal government before the election is now going to be reneged on by people like you, Senator Bernardi, because Liberal senators in this place have clearly been rolled by their cabinet colleagues. They have not got the guts to stand up to the Prime Minister and say, 'What are you going to do for South Australia?' You have not got the guts. You are all so frightened of your own shadow and you are all so ambitious that you do not want to upset the Prime Minister.

Senator Bernardi: I'm ambitious!
Senator McEWEN: We know your ambitions are finished, Senator Bernardi, but the rest of them are gutless wonders.

It is a tragedy for my home state of South Australia that this crucial Defence shipbuilding industry is now going to be ignored and walked away from in favour of submarines being built somewhere else—not by South Australians, Senator Bernardi, probably by overseas workers. The future of Defence shipbuilding is absolutely integral to the economy of South Australia. If those Liberal senators over there do not understand it, then they should get up out of their seats, resign their positions and give them to those who will stand up for South Australia.

Question agreed to.

COMMITTEES

Scrutiny of Bills Committee
Report

Senator McEWEN (South Australia—Opposition Whip in the Senate) (16:53): On behalf of the Chair of the Senate Standing Committee for the Scrutiny of Bills, Senator Polley, I present the 11th report. I also lay on the table Scrutiny of Bills Alert Digest No. 11 of 2014.
Ordered that the report be printed.

Regulations and Ordinances Committee
Report

Senator O’SULLIVAN (Queensland—Nationals Whip in the Senate) (16:53): On behalf of the Chair of Standing Committee on Regulations and Ordinances, the very respected Senator Williams, I present delegated legislation monitor No. 11 of 2014.
Ordered that the report be printed.

Law Enforcement Committee
Report

Senator SINGH (Tasmania) (16:53): On behalf of the Chair of the Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity, I present Examination of the annual report of the Australian Crime Commission 2012-13 and Examination of the annual report of the Australian Federal Police 2012-13, together with the minutes of proceedings of the committee and the transcript of evidence.
Ordered that the reports be printed.

Senator SINGH: by leave—I move:

That the Senate take note of the reports.

In doing so, I will speak to the Australian Crime Commission’s annual report on behalf of the committee. I would like to thank the Australian Crime Commission and its former CEO Mr John Lawler AM APM for their hard work and dedication in the preparation of this annual report.

The report details the ACC’s successes in the disruption of international money-laundering operations, having seized drugs with an estimated street value of $500 million and $18 million in cash. Further, Task Force Galilee—tasked with preventing investment fraud—
stopped fraud in the order of $113 million against Australian citizens. There are a number of other successes listed in the report, which I encourage senators to read. On behalf of the committee, I acknowledge the work of Mr John Lawler, who retired on 16 October 2013. The committee thanks Mr Lawler for his contribution and insights informed by his extensive experience in law-enforcement agencies provided throughout his tenure.

On behalf of the committee, I wish to thank the Australian Federal Police and its Commissioner Mr Tony Negus APM for their hard work and dedication in the preparation of their 2012-13 annual report. The committee's report that I have tabled details the AFP's significant success in meeting the obligations set out in section 8 of the Australian Federal Police Act 1979. Again, there are a number of noteworthy achievements in that annual report, which I encourage senators to read.

As a proud senator for Tasmania, in tabling this report it would be remiss of me not to note my disappointment that the AFP's evidence at Senate estimates earlier this year confirmed their future aviation key performance indicators at Hobart International Airport will be compromised by this government's budget cuts. This is because the Abbot government has cut $22 million across four years from the AFP's aviation operations at Hobart Airport, at a cost of almost 30 jobs.

The Australian Federal Police are the primary law-enforcement agency in major Australian airports, and the AFP provides a range of counter-terrorism and community-policing services at Hobart Airport. I note the AFP Commissioner confirmed that the AFP would have preferred to stay at Hobart Airport but was unable to do so, in the context of budget cuts ordered by the Abbott government.

Senator Brandis: You're the one who reduced their funding for over six years!

The PRESIDENT: Order on my right!

Senator SINGH: As a result, Hobart will become the first Australian capital city airport not protected by the AFP. There is no doubt that the cuts to AFP aviation operations will undermine airport security at Hobart Airport, because the AFP presence at Hobart airport is an invaluable deterrent to crime. The security gap has to be covered by Tasmania police and security contractors.

Finally, the committee wishes to thank very much and congratulate Commissioner Negus for his dedicated service to the AFP. Commissioner Negus will end his term on 7 September, which will conclude his distinguished 32 years of service in the AFP. Commissioner Negus is in a very different place from when he started directing Canberra's traffic at the beginning of the 1980s, but his professionalism and commitment to the principle of the police as a service to the community has always been a recognisable aspect to his varied career within the AFP.

I also speak on behalf of my colleague Jason Clare, who greatly valued Commissioner Negus's advice and support when he was Minister for Justice in the Gillard government. We wish Commissioner Negus all the very best, in wherever he chooses to take his outstanding talents next, and we have no doubt he will successfully add to his long list of achievements.

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (16:59): I would not ordinarily speak, but I thought I ought to put on the record two observations arising from what Senator Singh has said.
First of all, although an economy was found from the AFP budget in relation to the provision of AFP services to Hobart Airport, that economy was nothing compared to the vast sums—the many millions of dollars—taken from the AFP’s budget as a result of the degradation of the AFP’s capacity during the six years of the Labor government. I told the Senate during question time about how the intelligence agencies’ capacity had been degraded by 37 per cent over the course of the Labor government. That included the capacity of the Australian Federal Police. Secondly, I acquaint the Senate with the fact that the AFP have advised that the policing services at Hobart airport will be perfectly adequately and sufficiently performed by the Tasmanian state police, a police force of which I know, Mr President, you were once a most distinguished officer.

Question agreed to.

FIRST SPEECH

The PRESIDENT (17:00): Order! Before I call Senator Day, I remind honourable senators that this is his first speech; therefore, I ask that the usual courtesies be extended to him.

Senator DAY (South Australia) (17:00): 'Every family, a job and a house.' If every family had a job and owned a house, the benefits to this nation would be great indeed. Australia would be transformed. So why doesn’t every family have a job and own their own home? There are a number of reasons, but in the main it is barriers to entry. As a senator, I have been elected to do two things: (1) represent the great state of South Australia and (2) implement the policies that my party and I have been expressing for many years—namely, removing the barriers that prevent people from getting a job and owning their own home.

When it comes to jobs and houses, Australia is not a free country. Let me begin with barriers to getting a job. For the low-skilled, poorly educated or socially disadvantaged, or for those who lack connections or even self-confidence, the barriers to entry to getting a job are serious indeed. When I started in the housing industry 40 years ago, every tradesman had an apprentice. Apprentice wages were very low, as apprentices were treated very much like students and received the equivalent of a student allowance—like every other student in the country. Young people who were not particularly suited to or interested in academic study attended technical schools and then did an apprenticeship. Since then, we have made employing apprentices such a nightmare that few tradespeople are willing to take them on, yet there are thousands of unemployed young people who would love to learn a trade and get a start in the workforce. Whilst 'education, education, education' has become society's mantra, forcing young people to stay on to year 12 when they are clearly not enjoying it is both foolish and wrong. It condemns them to a life of misery.

I spent many years working on building sites. I came across many young lads not enjoying school, causing trouble at home and getting in trouble with the police, who then started working on a building site. I can tell you that by Friday night they were too tired to be hooning around in cars, setting fire to brush fences and spraying graffiti at all hours of the night. I know hundreds of tradesmen—carpenters, bricklayers, tilers—who left school at 15 and have gone on to lead very happy and successful lives. These same early school leavers now all have cars and boats and two or three investment properties—and they send their kids to private schools. They are also members of the local Country Fire Service or surf-lifesaving club and they coach local football or netball teams. They are good citizens, yet they received
very little in the way of formal education. As the old saying goes, it is not what you are good at at school that matters but what you are good at in life.

I note the Newstart allowance at the moment is worth about $240 a week and the minimum wage is about $640 a week. Between $240 and $640 there is a no-go zone where anyone who offers or accepts anything in between is breaking the law. In fact it is even worse than that because we do not permit anyone to work for any amount between nought and $640. We praise people who work for no money—working up to 40 hours a week in op shops and nursing homes and for the RSPCA—but we do not allow them to work for more than zero until you reach $640. If you are allowed to work for nothing, surely you should be allowed to work for something. It is absurd.

Australia has been groaning under this yoke for a century. In circumstances like this, sometimes the only way to achieve a breakthrough is to consider a break-with. So when I decided to run for office to go and do something about this, a well-known Adelaide businessman—no names, just initials: Roger Drake—said to me: 'Bob, you will not get in. Politics is designed to keep people like you out.' But given the clear emergency that now exists with respect to youth unemployment, in particular tragically high levels of youth unemployment and underemployment in my home state—over 40 per cent in some areas—the time has surely come to allow young people who want to to opt out of the workplace regulation system and allow them to work at rates of pay and under terms and conditions which they consider are best for them.

Of course there is outrage when I say these things. I hear, 'They might be exploited.' But where is the outrage when these same young people end up on drugs, get involved in crime, suffer poor health, become pregnant, get recruited into bikie gangs or even commit suicide? No, there is only outrage when they want to take a job that suits them but does not suit the government. What percentage of employers exploit young people anyway? Is it one per cent, five per cent, 10 per cent? So we stop the other 90 per cent from hiring people because of some who might behave badly. Trucks career out of control and kill people. Do we take all trucks off the road? Of course not. Athletes cheat and take drugs and fix matches. Do we ban sport? Of course not. Society cannot function if you apply that principle. And, yet, we apply it to people wanting to get a job.

As has been widely reported, the Treasurer and the Prime Minister are open to suggestions from the crossbench on where savings might be made to get the budget back into surplus. Well, here is a silver bullet, Prime Minister: the government could reduce its welfare budget, reduce its $5 billion job placement program, reduce a dozen social ills—all costing millions of dollars—and, at the same time, start collecting income tax if it would simply allow those young people who want to to opt out of the workplace regulation system. There are literally thousands of jobs in rural and regional Australia where young people, in particular, who are living at home rent-free, with no commuting costs and a low cost of living, would be able to get local jobs which suit them.

Just yesterday, I had a young Y20 delegate to the G20 Youth Summit in my office seeking my support for, and I quote, 'Ensuring young people have flexibility in negotiating workplace agreements.' Young people are telling me this is what they want. Let me be clear about one thing: I am not advocating a return to Work Choices. I was a vehement opponent of Work Choices. In fact, I visited this place on a number of occasions, meeting with ministers—they
know who they are because they are still here—and imploring them not to proceed along the Work Choices path. I said: 'Leave Peter Reith's 1996 Workplace Relations Act alone and simply allow those who want to to opt out. Those who wish to stay in the workplace regulation system could do so. But those who did not want all that stuff could opt out.'

A lot of employers and a lot of employees were very comfortable with Peter Reith's Workplace Relations Act because it told them what to do. But there were some employees who did not want to be bound by it all; hence, my proposal to allow them to opt out. Well, here I am nine years on saying the same thing. As history shows, those ministers did not listen to my advice last time, and we went from a 600-page Workplace Relations Act to a 2,000-page disaster called Work Choices. Now we have its successor, the Fair Work Act, comprising 3,000 pages of rules and regulations, which is all fine for those who want them. But what about those who do not want them? I have no problem whatsoever if people want to work within the regulated system with its awards, minimum wages, unfair dismissals, joining of unions and so on—no problem, whatsoever. Just don't make it compulsory. People do things for their reasons, not ours.

Let me now move on to barriers to home ownership. For more than 100 years, the average Australian family was able to buy its first home on one wage. Young couples got a start in the housing market and worked up from there. The median house price was around three times the median income, allowing young homebuyers easy entry into the housing market. The median house price is now more than nine times what it was for 100 years between 1900 and 2000. At nine times median household income, a family will fork out approximately $600,000 more on mortgage payments than they would have had house prices remained at three times median income. That is $600,000 that they are not able to spend on other things—clothes, cars, furniture, appliances, travel, movies, restaurants, the theatre, their children's education, charities and so on. The economic consequences of this change have been devastating. The capital structure of our economy has been distorted to the tune of hundreds of billions of dollars. And for those on middle and low incomes, the prospect of ever becoming homeowners has now all but vanished. Housing starts have plummeted, and so have all the jobs associated with it—civil construction, housing construction, transport, appliances, whitegoods, soft furnishing, and the list goes on. That is not to mention the billions of dollars in lost GST revenue to the states.

The single most important factor affecting housing affordability has been land. In no other area of the economy has the interference of government been so pronounced, so unsuccessful in its implementation and so catastrophic in its effect. The deliberate policy to limit urban growth—that is, limiting the supply of land on the urban fringes of our cities by introducing urban growth boundaries and, at the same time, promoting urban densification—has been a disaster socially, economically and environmentally. And it was all designed for one purpose: to make money. It had nothing to do with the environment, the cost of infrastructure, public transport or any other reason put forward.

Land developers, in cahoots with state government land management agencies, have made billions of dollars and, at the same time, ruined the home ownership prospects of a whole generation of young Australians. If there is one commodity Australia is not short of, it is land. Yet, to buy a block of land on which to build their first home, young couples are forced to camp out overnight by rent-seeking land developers and their state government cronies for the
privilege of paying an exorbitant amount of money for a measly one-tenth of an acre of former farmland—land that developers and state governments between them managed to convert from $10,000 a hectare to $1 million a hectare. It leaves all other forms of price gouging in its wake. When challenged about this and asked, 'Why are you letting this happen?+', a senior state government politician admitted, 'We need the money.' It is why politicians are so easily captured and conned by the constant procession of rent-seeking crony capitalists whose job it is to enrich one group of Australians—theirselves—at the expense of another: first homebuyers. Rent seekers are the scourge of business and politics. They tarnish the political process, distort the market and, in the case of land development, distort the entire economy.

The second barrier is the proliferation of federal, state and local government planning and building controls, which add cost, confusion and delay. Let me give you one example. A few years ago I bought a block of land on a very busy main road in one of Australia's capital cities. I submitted plans to the local shire council to build 12 semidetached home units on the land and, as the zoning allowed for such a development, I did not expect any problems. That was, of course, until I came up against the shire council town planner, who said he would recommend the development for approval subject to the provision of noise attenuation devices across the front of the property. 'Noise attenuation' is a fancy name for soundproofing.

I tried to point out to him that there were thousands of kilometres of main roads across the country with many hundreds of thousands of dwellings along them and that it seemed to work in most places without sound attenuation. In any event, I told him that the project was actually geared towards older people, many of whom prefer the noise of traffic and pedestrians. They say they feel safer on a main road than in some quiet backstreet or cul-de-sac. But he was having none of it. He wanted his noise attenuation devices. Naturally, I tried commercial arguments on him, saying that people who did not like noise would not buy them and that the market would sort it out. But, for reasons known only to town planners but obscure to common sense, he rejected all my pleas and I had an acoustic engineer design a front fence to assist with noise attenuation. No sooner had I finished the job than the royal society for the deaf bought the units—all 12 of them. The point in telling that story is not just to mention the addition of unnecessary cost to say that there is no greater insult to the integrity of a human being than for the state to presume that it knows what is best for you.

There used to be a newspaper advertisement with the headline, 'If you do nothing else, make sure you own your home by the time you retire.' There is no better hedge against poverty in one's later years than to be in one's own home. If people are not then the implications for us here in this place will be enormous, as an increasing ratio of retirees to those in the workforce will mean that future pensions will never be enough to meet either mortgage costs or rent. So who is going to pick up the tab? The state governments who took the retirees' money when they were starting out? I doubt it. It all comes back to the entry point—getting a job, buying a house, starting a business or even starting a political party. This is where the incumbents put aside their differences and unite to keep out new entrants.

I know companies do not like new entrants coming along and undercutting them, especially when the new entrant does not have all the overheads that they have. But that is the basis of a dynamic and prosperous economy. We should reject their pleas. How much longer are we going to keep locking people out of employment and housing? I have spent the last 30 years
helping the jobless and homeless, and I can tell you that the situation is getting worse. We all have jobs and houses; why can't they have them? Removing the barriers to jobs and houses would not only transform the lives of thousands of Australians; it would transform the economy.

I had a briefing with Treasury officials just a few days ago and was presented with a bleak outlook on the Australian economy, showing rising unemployment and an activity gap in investment following the resources boom. I asked, 'What about housing construction? Would that fill the activity gap?' The Treasury official replied, 'Yes, it would'. So there you have it—jobs and houses. Even Treasury agrees with me!

I am a conservative. Family First is a conservative party. To paraphrase Oscar Wilde, 'Only progressives become old-fashioned; conservatives are always in fashion.' Conservatives acknowledge the achievements of previous generations. They are realists. They see what works and what does not work. And what works are free markets, property rights, the law of contract, sound economics, strong families and strong values. They know the facts of life are on their side. Yes, they have tried many times to bury conservatism, but the body keeps coming back to life after every outbreak of instability to outlive all the pallbearers.

I am also a committed federalist. To quote Sir Samuel Griffith, the first Chief Justice of the High Court of Australia:

We must not lose sight of the essential condition that Australia is to be a federation of States, not a single government of Australia. The separate States are to continue as autonomous bodies, surrendering only so much of their power as is necessary to the establishment of a central government to do for them collectively what they cannot do individually for themselves.

In other words, the states are equal to the Commonwealth and equal to each other. For someone from Adelaide, who well remembers Bob Hawke's famous line, 'We're all Australians, whether we're from Melbourne or Sydney,' this was music to my ears. As we keep being reminded, the Commonwealth government does not have the money to do all the things it wants to do. As the High Court has recently demonstrated, it also does not have the power it thinks or pretends it has. The Commonwealth has to start giving up some of its power and control.

As many here would know, the infant Australian settlement was based on five key 'protective supports'—two economic, two social and one of imperial benevolence of the mother country. The two social supports were the White Australia policy and state paternalism. The two economic supports were tariff protection and compulsory workplace regulation. These two went hand in hand. Imperial benevolence, the White Australia policy, state paternalism and tariff protection have all gone. There is only one left—compulsory workplace regulation. After 114 years, it is time people were given the freedom to opt out.

If, at the end of my term in parliament, everyone who wants a job has one, everyone who wants to own a home can do so, and my home state is stronger and more independent than it is now, then my time in this place will end well.

In conclusion, I would like to thank all those who made it possible for me to be standing here today: my wife, Bronte, and my family; my long-standing personal assistant, Joy; my business partner, John; my political mentors Bert Kelly and Ray Evans; my Family First state colleagues past and present—Andrew Evans, Dennis Hood and Rob Brokenshire; our candidates, volunteers and staff. Thank you all so much.
FIRST SPEECH

The PRESIDENT (17:25): Order! Before I call Senator Lambie I remind honourable senators that this is her first speech; therefore, I ask that the usual courtesies be extended to her.

Senator LAMBIE (Tasmania—Deputy Leader and Deputy Whip of the Palmer United Party in the Senate) (17:26): Thank you, Mr President. I am sure you are very relieved to know that I have finally reached the time for my first speech, after much practice. We will see if that makes perfect.

Mr President, I stand in Australia's Senate chamber and speak to you and fellow senators because I want a better and more prosperous future—a fair go for all Tasmanians and Australians, not just the privileged and rich.

I acknowledge and pay my respects to Australia's Aboriginal traditional owners. I share their blood, culture and history through my mother's, Sue Lambie's, family. We trace our history over six generations to celebrated Aboriginal chieftain of the Tasmania east coast, Mannalargenna.

I also acknowledge the members and former members of Australia's military who have created the ANZAC legend—those inspirational, courageous, heroic Australians who, when asked by members of this house, have fought, shed blood and died so that we can meet here today in this magnificent chamber, safely praise or criticise what is said here and not worry about the bloodthirsty mob or an assassin's knock on the door at midnight. We enjoy our nation's great wealth, beautiful country and democratic freedoms, rights and privileges, which are the envy of the world, because of the great debt we owe to those in the military like our very own Tasmanians Ordinary Seaman Teddy Sheean, Corporal Richard Atkinson and Corporal Cameron Stewart Baird, who gave their lives courageously facing the enemy and whose deaths were an act of love for their state, their nation, their comrades and their family.

Mr President, I am here only by the grace of God and the good will of Tasmanians and I humble myself to both and pledge to do my best to serve our Lord, his son Jesus Christ and the people of Australia's greatest state, my beloved Tasmania. I am also here because of the unwavering, unconditional love, kindness, loyalty and support given to me by my family: my mum, Sue; dad, Tom Lambie; brother, Bobby; sons Dylan and Brenton and, of course, my mini-nephew, Jet. I want to thank them with all my heart.

I also thank and acknowledge Clive Palmer. Clive truly listened when I contacted him with my concerns about the injustices, great harm and suicides that our veterans and their families have been forced to suffer and are still forced to suffer today. After I said that I wanted to stand in this chamber, become a voice for Tasmania and win a fairer share of the national wealth for my state, Clive placed his faith in me, embraced my ideas and welcomed me wholeheartedly to his team. I am extremely proud to be part of the Palmer United Party team.

Like most Australians, Dio Wang, Glen Lazarus, Clive Palmer and I have had to work hard and sacrifice because we were not born into power, wealth and privilege. So we will always take the side of the elderly, sick, needy and disabled, of the battlers, small-business owners and workers, because we know what it feels like to be knocked down and then have to struggle and fight for every cent and victory.
Mr President, as you would know, our Tasmania is a place of exquisite beauty. It is the place I was born. Our air is the sweetest and freshest you will ever breathe. Our island is ancient. Tasmania is made up of stunning mountains, majestic forests, crystal-clear streams and rivers, lush green fields, and farms exploding with rich chocolate volcanic soil and its tasty treasures. Country towns, villages, heritage buildings and modern cities are all circled by a gorgeous coastline of cliffs, shores, beaches and bays that make you want to cry from their sheer physical beauty and grandeur. Imagine what the first Tasmanians, the Aboriginals, thought when they witnessed the flooding of Bass Strait and the gradual creation of that magnificent coastline. It is hard to believe that only 8,000 years ago you could walk from Tasmania to the mainland of Australia. Now there are more than 340 kilometres of ocean between our island and Victoria.

I was born in north-west Tasmania and went to high school at Devonport High, and not in my wildest dreams did I ever think I would become a politician. I have had my fair share of good luck mixed with plenty of hard knocks and I have survived. I believe that everyone is entitled to a second chance and sometimes a third and fourth chance, but more importantly everybody is entitled to a fair go.

In the Australian Army I learned to understand the true cost of freedom. My military service taught me that our democratic rights, privileges, freedoms and great Aussie lifestyle have been gifted to us by many brave generations who had to work, fight and sacrifice. They did without, died and put our welfare before theirs. I want to look after our veterans, protect past generations' great legacies and make Tasmania a better place for my grandchildren and their children.

In this place as a senator I will do my best to vote in and protect Tasmania's and Australia's best interests. In order to help determine what is in my state's and nation's best interests, I will ask this simple question: how will this legislation or proposal affect our food security, water security, energy security, national security and job security? If we make decisions in this place which ensure and boost Australia's food, water, energy, national and job securities then our grandchildren and their children will be guaranteed a future of abundance, prosperity, safety and freedom. However, if we make decisions that undermine and weaken those five fundamental securities, then future generations may have good reason to curse us. It is important that we value our farmers and fishers; improve our water storage and drought-proof our prime agricultural land; run our cars and trucks on fuels made in Australia, independent of other countries; dramatically increase the size and capability of our Defence Force; and fight for every Australian job and business.

If a community, state or nation is to grow and prosper, there are only four broad ways they can do it: make it, mine it, grow it, show it. Those businesses which directly manufacture a product—anything from writing a book, bottling apple cider, distilling whiskey, publishing a newspaper to manufacturing mining equipment—those who create something from nothing, make it. Those who extract metal, minerals and oils mine it. Those who work with Mother Nature and harvest her treasures—fishing, farming, forestry et cetera—grow it. Those who build business and attract tourists and help them enjoy our sights, tastes and delights show it. Businesses that directly make it, mine it, grow it and show it are our primary wealth creators. They bring in new money to our economy. The rest of the businesses and services in our community, including government, recycle the new money that the primary wealth creators
bring into our communities. If the primary wealth creators fail then we all fail. There will not be any money to employ the heroes who come to our rescue and care for us every day—the nurses, teachers, police, doctors, dentists, firefighters and cleaners et cetera. That is why it is important that government develop policies, in particular, which care for and value our primary wealth-creating businesses. We have failed to properly do that and that is why so many Tasmanian and, indeed, Australian businesses are shutting their doors and laying off workers.

The Greens, most Labor members and even some Liberals have tried to convince Australians that they can stop world climate change by paying more for their clean electricity and power. This lie has caused massive damage to our economy, businesses, manufacturing and primary industries. Right now our electricity and energy costs are some of the most expensive in the Western world. Australian businesses pay up to three times more for their electricity and power than their competitors in America, Canada, the UK and Europe. Is it any wonder that tens of thousands of Tasmanian and Australian workers have lost their jobs, while manufacturing businesses close down and our workers' jobs are exported overseas?

Dr Thomas Barlow is an Australian research strategist specialising in science and technological innovation. He authored a critically acclaimed book called Between the Eagle and the Dragon: Who is winning the innovation race? Dr Barlow reminds us that: 'At the moment the US is having an energy revolution. They have cheap energy. The cost of natural gas in the US is about a third of what it was in 2008. And as a consequence we see manufacturing flow back to the US.' Dr Barlow also reminds us that the formula for national wealth and prosperity was proven by Great Britain during the Industrial Revolution. Cheap power and relatively high wages in the 18th and 19th centuries caused a perfect financial and social mix which gave entrepreneurs the incentive to develop new technology and machinery to replace manual labour. This enterprise generated massive national wealth and technological advancement and allowed Great Britain to stay great for hundreds of years.

Australia can use the same formula for national wealth and prosperity in the 21st century. In a deregulated world and free-trade economic environment, if we are to create national wealth, generate more high-tech jobs and protect Australian workers' wages then the only solution is for our governments to deliver the cheapest electricity and power in the world to our pensioners, families, industry and entrepreneurs. We must do this.

Mr President, I am sad to report that Tasmania now faces an extraordinary economic and social crisis. I think I have been quite clear about this over past weeks. Every indicator shows that my home is the worst performing Australian state in unemployment, education, health, law and order, and aged care—and the list just keeps going on and on. However, that is not to say that there is not reason for optimism. But in order to save lives, jobs, businesses and careers, we need to acknowledge the seriousness of the trouble that we are in. We also need to acknowledge the reason why we have arrived in this unacceptable situation.

One of the greatest causes of our extra levels of economic and social disadvantage and record unemployment in Tasmania is the Bass Strait Transport cost crisis. I have spoken about this crisis a number of times already in this place; however, it is vital that all senators, and the Australian public, clearly understand this matter. We need the support of all Australians to help solve Tasmania's Bass Strait Transport cost crisis, which has strangled Tasmania's economic life. Our businesses, workers, families and school leavers have suffered
the curse of record unemployment and loss of hope, mostly because of the unfair and exorbitant costs of transporting products, goods and people from one Australian state to another Australian state. Before I briefly outline the details of this injustice, I want to make one very important point. Every Tasmanian senator knows what I am about to say.

Every Tasmanian senator clearly understands the unbearable level of social and economic misery that the extra cost of shipping goods, vehicles, machinery, food, fuel and people 420 kilometres over the ocean has caused Tasmanians—rather than driving 420 kilometres on a national highway. But what I cannot understand is why every Tasmanian senator, especially those who have been in power or are in power now, has chosen to do nothing. In fact, even worse than doing nothing, every Tasmanian senator has turned a blind eye to this outrageous, stinking, filthy injustice. Why is it up to me and the Palmer United Party to find a solution that should have been found 20 years ago? If Tasmanian political leaders had shown foresight and courage over the last two decades, and reformed and boosted the budget of the Tasmanian Freight Equalisation Scheme by $200 million per annum, then I would not be here today in this place speaking these uncomfortable truths. The solution is clear: if the powers that control the treasury bench do not want an army of Jacqui Lambies in this place, speaking uncomfortable truths and challenging them in the future—then fix the Bass Strait Transport cost crisis.

If Tasmania is to be treated fairly as a state of Australia, the cost of transporting both domestic and international-bound goods in containers—machinery, food, fuel—between Hobart and Melbourne should be no more than the cost of transporting a container on a semitrailer between Melbourne and Wagga Wagga on the Hume Highway. If we are to be treated fairly as a state, the cost of people taking their cars, motorhomes, campervans, caravans, motorbikes, greyhounds or racehorses—or unicorns—from Devonport to Melbourne, or vice versa, should be no more than the cost of driving the 327 kilometres of national highway from Melbourne to Albury. The distance between the Victorian state border and the Tasmanian state border must be treated by policymakers, premiers and prime ministers as a national highway. They are not treating it like a national highway. The cost of surface travel for the distance between Tasmania and the Australian mainland is a national disgrace—not a national highway. It is time to fix this issue.

Mr President, perhaps one of the reasons why God performed a miracle and put me in this place is because I intend to be part of the greatest reforms of Australia's Department of Veterans' Affairs and our Defence Force. The Department of Veterans' Affairs, despite the best efforts of individual public servants, over time has become dysfunctional and, worse than that, is dangerous. The systemic failure to care for our veterans, both young and old, is not confined to the Department of Veterans Affairs. The seeds for this failure and appalling treatment of many former members of our Australian Defence Force can be found in the complete failure of leadership at the highest levels of the Australian defence forces. A culture of cover-up, lies and official misconduct can be found in both the Department of Veterans' Affairs and the Australian Defence Force. The only remedy to address the gross injustices is for a Royal Commission to be held into the Department of Veterans' Affairs, the senior military leadership, and their toxic culture of cover-up, which has been present for more than two decades.
There are many reasons why a Royal Commission must be established into the way veterans, former Australian Defence Force members and serving Australian Defence Force members have been treated: an obscenely high suicide rate in our young veterans; the cover-up of appallingly high levels of abuse and sexual assaults in our military; the negligent under-resourcing and staffing of our military; the official prescription of antipsychotic drugs for our combat troops serving in war zones; and the criminal waste of resources and mismanagement of Defence procurement. But perhaps one of the most compelling reasons why a royal commission should be established into the management of Defence is sitting in the public gallery today.

I would like to acknowledge a former lieutenant of the Australian Army, and Tasmanian lad, Marcus Saltmarsh. Marcus served in East Timor, Iraq and Afghanistan. I want to thank him for his service. Because this government and Prime Minister, despite written requests from me, refuse to apologise for the appalling abuse Marcus has suffered, I would like to apologise as a senator from Tasmania—his home state—for the incredible abuse and/or incompetence he has been forced to endure from certain leaders of our military.

During active service in East Timor on 9 August 2000, then Trooper Saltmarsh's Steyr rifle independently and without user manipulation discharged accidentally and killed his best mate, Corporal Stuart Jones. Following that tragic event, Mr Saltmarsh, then a non-commissioned rank, on the recommendation of a military board of inquiry was forced to face a military court martial, which prosecuted him for military offences similar to those of a civilian manslaughter offence. Five hundred days after the death of his mate Corporal Stuart Jones, Mr Saltmarsh was exonerated by a military court martial with a finding of 'no case to answer'.

This official finding, however, was never made public, unlike the adverse recommendations of the initial military board of inquiry, which were shared—along with Mr Saltmarsh's identity—with the Australian media and broader world community. Marcus claims that strong evidence existed at the time of Corporal Jones’s death showing systemic mechanical faults and oversights present in a very large number of Army Steyr rifles and an Army-wide weapons technical inspection oversight, both of which could have contributed in specific conditions to an independent weapon discharge.

In relation to Mr Saltmarsh’s claim of faulty weapons, I brought to the Prime Minister’s attention via correspondence the fact that media reports at the time of Corporal Jones’s death indicated that 77 accidental discharges of the Army-issuè Steyr rifle had occurred during the East Timor peacekeeping mission. The minister has subsequently admitted that of 77 accidental Steyr discharges, 10 unassisted Steyr discharges had occurred. Disturbingly, Mr Saltmarsh reports that the initial board of inquiry’s adverse and supposedly accidental leak to the media effectively paraded him in front of the public, which caused significant damage to his personal reputation and psychological wellbeing.

Conveniently for the generals in charge of the Army at the time and government ministers, that media leak by unknown members of the ADF or Public Service also had the effect of turning Lieutenant Saltmarsh into a public scapegoat, which distracted media and public attention away from reports of those systemic mechanical faults in the Army's rifles. Despite official promises to Mr Saltmarsh, those responsible for the leak have never been identified.

Following a break of three years from the regular Army and also following Mr Saltmarsh’s deployment to Baghdad in 2005, he was selected for officer training. He undertook that
training successfully and graduated from Royal Military College in 2010. Mr Saltmarsh then served as an officer in Afghanistan in 2011. Following the death of his close friend Corporal Stuart Jones and even as an officer, he says that abuse and harassment from all ranks dogged his whole military career. Mr Saltmarsh says this abuse could have been avoided if he had been able to be properly and publicly exonerated. The Australian military at the highest levels—including the Inspector-General of the Australian Defence Force, Geoffrey Earley, and General Morrison—have never, despite repeated written requests, publicly exonerated or apologised to Mr Saltmarsh.

It is alleged by Mr Saltmarsh that the Australian military—through the Judge Advocate General of the Australian Defence Force, Major General Ian Westwood—did, however, find time to send to Mr Saltmarsh, despite his request that they not be sent, 28 autopsy photos of his best mate, Corporal Stuart Jones, undergoing an autopsy on a mortuary slab. That was six years after legal proceedings against Mr Saltmarsh had ended. I have photocopies of these autopsy photos and I am appalled and disgusted. I demand an independent judicial inquiry immediately into this matter. The key question for this inquiry is this: was it sheer incompetence that caused these photos to be sent to Mr Marcus Saltmarsh or was it a deliberate, abusive act?

Marcus discharged recently and now, like many veterans, he has a long, drawn-out, bureaucratic and uphill battle against the Department of Veterans' Affairs to receive the entitlements he has earned. I can assure you, he is not alone in the fight when it comes to fighting for our entitlements from Veterans' Affairs. My staff and I will be there to assist, just as we will attempt to assist every veteran who seeks my help.

In closing, I apologise to all those people and workers whose matters I have not mentioned in this speech. I am very aware that extra funds, resources and/or reform of the Tasmanian health, education, roads, local councils and aged care systems are desperately needed. I will use my time to try to improve the welfare of those organisations. I would like to thank my solicitor, Greg Isolani, for the help, wise advise and invaluable support he has given me over the last 14 years. I would like to thank John Dejohn, Dr John Fisher and Dr Michael Jackson for their kind care and for helping me to finally, after 14 years, get back on my feet. Last but not least, I would like to thank my right-hand man and partner in crime, Rob Messenger.

During my time in this place, I will look for every opportunity to advance Tasmania's interests. God bless Australia. God bless my Tasmania and our beautiful Southern Cross.

COMMITTEES

Australian Commission for Law Enforcement Integrity Committee

Report

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (17:56): I present the report of the Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity, Examination of the annual report for 2012-13 of the Integrity Commissioner, together with the Hansard record of proceedings, and move:

That the report be printed.

Question agreed to.
Environment and Communications References Committee

Report

Senator URQUHART (Tasmania—Deputy Opposition Whip in the Senate) (17:56):
Pursuant to order, I present the report of the Environment and Communications References Committee, *Great Barrier Reef*, together with the *Hansard* record of proceedings and documents presented to the committee, and move:

That the report be printed.

Question agreed to.

Senator URQUHART: by leave—I move:

That the Senate take note of the report.

Firstly, I want to thank the committee secretariat for their tireless efforts in putting together this comprehensive report. Thank you to Christine, Sophie, Hari, Meryl, Dianne and Ruth, from all of the senators on the committee. Secondly, I want to thank the senators on the committee for their work in almost pulling together a consensus report.

As is highlighted in this report, Australia needs urgent concrete action and political will for change to seek to preserve this national icon, the Great Barrier Reef. The report provides clear evidence that, while it is not too late to save the reef, urgent action is needed. It is clear that the health of the Great Barrier Reef has declined and appears to be on a continual downward trajectory. The recent *Great Barrier Reef outlook report 2014* concluded that the overall outlook for the Great Barrier Reef is poor, that it has worsened since 2009, and that it is expected to further deteriorate in the future. The outlook report 2014 identified climate change, poor water quality from land based runoff, impacts from coastal development and some remaining impacts from fishing as the main threats to the health of the Great Barrier Reef ecology.

A 2012 study by the Australian Institute of Marine Science showed that in the past 27 years the reef has lost around 50 per cent of its coral cover. That study attributed the decline in coral cover primarily to three factors: tropical cyclones, predation by crown-of-thorns starfish, and coral bleaching. These factors are linked to the key underlying concerns of poor water quality and climate change. While progress has been made by Queensland and Australian governments, there is still more to be done. If more is not done, the overwhelming number of witnesses said that the reef will be lost for generations—something that I am not prepared to countenance, and something I am pleased to say the committee is not prepared to countenance.

The first recommendations make it clear that it is time to reconsider the issue that it is acceptable to dispose of dredge spoil in the Great Barrier Reef World Heritage area. The committee was also persuaded by evidence that some of the long-term and indirect impacts of dredge spoil disposal are not well understood. The Great Barrier Reef Marine Park Authority and the Australian Institute of Marine Science have co-convened an expert dredging panel to examine what is known about the impacts of dredging and dredge disposal, and to address knowledge gaps. The committee agreed that it is vital that no capital dredging is undertaken until the expert dredging panel has reported.

There is a need for dredging—particularly maintenance dredging—but I was concerned to hear that there are numerous proposals for increased dredging, particularly...
capital dredging, which would also potentially involve the disposal of large quantities of dredge spoil in the Great Barrier Reef World Heritage area. The committee recommends that the Minister for the Environment examine whether a cap or a ban should be introduced on dredge spoil disposal in the Great Barrier Reef World Heritage Area.

The committee heard about the impact of the Abbott government's cut of $40 million to the Reef Water Quality Protection Plan. Under the plan, reef managers have worked with the agriculture sector in Queensland to reduce run-off and to improve water quality entering reef waters. Funding cuts will undermine the significant achievements of the plan. The government placed the $40 million into Reef Trust—an untried program that may improve water quality entering the reef—but it is vital that the Minister Hunt provide regular reports on the work of Reef Trust and the Reef Water Quality Protection Plan to ensure the efficacy of both programs.

The Department of the Environment needs to maintain strong oversight of the monitoring of relevant developments. The Great Barrier Reef is a World Heritage Area with international significance, and it is important for the Commonwealth to retain a significant role in the oversight of the area. Evidence demonstrated clear problems with the Australian government's one-stop shop proposal, particularly in the context of developments in Queensland, where the state government may be the proponent.

Federal approval powers should not be delegated to the Queensland government. The bill before the Senate on bilateral agreements should not be passed. It is clear that the one-stop shop proposal may further undermine the role and independence of the Great Barrier Marine Park Authority. I note that government senators have provided comments in support of bilateral agreements. I hope their arguments are more compelling than those in the chair's report from the Senate Environment Legislation Committee's recent inquiry.

On the general governance arrangements under the EPBC Act, Minister Hunt needs to ensure that conditions of approval are stringently worded, monitored and enforced, and the department has sufficient resources to do so. Evidence demonstrated concerns regarding the lack of independence of environmental assessments, whereby the assessments are commissioned and provided by proponents. Also, there was an issue with inquiry into threatened species last year and the inquiry into environmental offsets earlier this year. Minister Hunt should conduct a review, including a public consultation process, to examine ways to improve the independence and rigour of the environmental assessment process.

The committee heard evidence about the many and varied problems in Gladstone Harbour. It was clear that the problems at Gladstone appear to have been an environmental disaster. Minister Hunt must ensure that lessons are learned from the Gladstone Harbour experience. Further north, at Abbot Point, the committee heard evidence that the recent approvals by the environment minister and the Great Barrier Reef Marine Park Authority to dispose of three million cubic metres of dredge spoil in the Great Barrier Reef Marine Park could lead to another environmental disaster.

The committee has watched with interest as the member for Dawson has asked North Queensland Bulk Ports Corporation to exhaustively investigate every land-based option and has stated, 'If a viable option emerges I will ensure that the spoil is dumped on land, not at sea.' Subsequently, it has been reported that North Queensland Bulk Ports Corporation is considering altering its plans to dispose of dredge spoil material at sea. Finally, last night on
ABC *Lateline*, Minister Hunt finally weighed in, and stated that he would welcome and consider alternative options to offshore disposal. However, the fact remains that the approval was signed by Minister Hunt—an approval which is currently not creating jobs in North Queensland, and which may cause irreparable damage to the reef.

It is clear that even if the best management practices were universally adopted by the agriculture sector, damage to the reef would still occur from fertiliser run-off. Further, a considerable amount of work has already been done to contribute to our understanding of agriculture and methods to lessen its footprint on water quality. For example, the use of nitrification inhibitors and control release technologies in fertilisers have achieved good results in reducing fertiliser run-off in other parts of the world. However, further scientific studies into the effects of pesticide run-off on the health of the reef are needed.

Over the next two decades, the population growth in catchment areas will result in more urban sewage discharge into the waters of the Great Barrier Reef. Queensland government has a policy requiring all coastal sewage treatment plants to meet high ecological tertiary treatment standards before discharging sewage. However, Queensland local government authorities lack adequate funding to upgrade works. The Queensland government should allocate funding to assist local government authorities to undertake the necessary upgrades.

Furthermore, there are insufficient land-based facilities for the disposal and treatment of sewage originating from vessels. Evidence to the committee stated that this lack of land-based disposal facilities may encourage illegal dumping within the Great Barrier Reef Marine Park of sewage from vessels. The Queensland government should provide funding for improved facilities at ports throughout the reef.

I am concerned by evidence about recent cuts to funding and staffing in the Great Barrier Reef Marine Park Authority, and that experienced staff have left the authority in recent months. Aspects of the authority's management have been exemplary—including, for example, its management of the rezoning within the marine park. However, the committee is concerned that community confidence in the authority has been damaged, particularly by the recent Abbot Point decision.

There is merit in the Audit Office expanding its proposed audits to include a broader audit of the performance of the authority in executing its functions under its act, including whether it is acting in a manner that is consistent with the objects of that act. It is vital that management and decision-making in relation to the Great Barrier Reef is underpinned by robust and independent science. Evidence suggests that the science in relation to the Great Barrier Reef is becoming politicised by this government.

I am really concerned by the Abbott government's funding cuts to the Australian Institute of Marine Science, which is one of the leading authorities on marine science and ecology, including the Great Barrier Reef.

Finally, climate change is the major long-term threat to the Great Barrier Reef. Evidence clearly stated that the Great Barrier Reef is already feeling the effects of climate change in the form of coral bleaching, which is likely to increase in the future, along with ocean acidification. While Australia cannot ameliorate climate change on its own, it needs to show international leadership on the issue of climate change. *(Time expired)*
Senator RUSTON (South Australia—Deputy Government Whip in the Senate) (18:07): I rise to say how hopeful the coalition was that we could achieve a consensus report in relation to this inquiry. Like the opposition, we recognise that the changing climate is one of the more significant threats to the Great Barrier Reef. We also acknowledge the need for ongoing action to ensure the protection and the preservation of our reef into the future. But we found particularly disappointing, when we went through the myriad of recommendations contained in this report of the Chair of the Environment and Communications References Committee, that the only major areas of disagreement between the government and the opposition—and, in most instances, the Australian Greens, I might add—seemed to be issues of politics, not issues that were going to have any benefit for or impact on the Great Barrier Reef at all. We were disappointed, firstly, that we could not reach consensus, but we were more disappointed that the issues that stopped us reaching consensus were political.

We certainly agree, as I said in my opening remarks, that the changing climate is having an impact on the reef. We also agree that the crown-of-thorns starfish has had a devastating impact on the reef over recent times. We certainly agree that coral bleaching is having a major impact. Agricultural run-off is also impacting the reef, particularly as a result of the cyclonic conditions that have been more prevalent in that part of the world of recent times. We also acknowledge that dredging, and the disposal of dredge spoil in particular, can have some quite significant localised impacts. As I said, on the really core, mainstream issues that impact on the reef and on the acknowledgement that something needs to be done in relation to these matters, there was no dispute between us, the opposition and the Australian Greens.

In the broader sense, our dissenting report actually reflects the fact that many, many of the recommendations of the committee report are supported by the coalition. As an example, the No. 1 recommendation that we were able to support was that there be no further capital dredge spoil dumping in the Great Barrier Reef World Heritage area until after the Great Barrier Reef Marine Park Authority and the Australian Institute of Marine Science had finished their analysis of the impact of this work. So, absolutely, on the No. 1 key issue put forward in these reports, we actually agree. We certainly agree about the reef 2050 long-term sustainability plan. We believe, like the opposition, that this is a really important document. It is a really important study and it needs to be finalised, subject to full consultancy, as a matter of some importance. So, in looking through all of the issues that we agreed on, there were really very few that we did not agree on.

However, there were some recommendations that we just could not bring ourselves to support. The two key ones that I thought were totally politically motivated were, firstly, the opposition wishing for the committee not to accredit the Queensland development approval process under the EPBC Act. Why did we need to even have that in the report? We had agreed on the necessary actions and on what the problems were, so why did we need that? Also, the opposition wanted the committee to recommend the rejection of the Environment Protection and Biodiversity Conservation Amendment (Bilateral Agreement Implementation) Bill. Neither of those two very, very political recommendations would have any impact whatsoever on the reef in the longer term or the manner in which we were going to seek to look after it, so we were very disappointed in that.

We were also very disappointed at the recommendation that we seek the Australian National Audit Office to undertake a specific, broad-reaching investigation into the activities
and actions of the Great Barrier Reef Marine Park Authority. Given that the evidence we heard in no way, to my mind, suggested that there was anything improper, any impropriety, any lack of governance or anything at all to indicate that we needed to have a wide-ranging, specific audit of this particular authority, I found it rather strange that that recommendation was made. The coalition senators considered that it is completely unsubstantiated by the evidence; therefore, why did we have to include such a political recommendation?

The other thing that we were a little concerned about was the emphasis on the fertilisers, pesticides and agricultural run-off and the recommendation to come up with another report and another research project in this space. In particular, the evidence that we received indicated that there had been really significant and ongoing research and implementation programs in this space that were achieving fantastic results. The only thing that we found in the whole hearing process, in taking evidence, was that many of the assumptions and much of the modelling appeared to have been wrong. So we certainly would have been happier just to see the assumptions and modelling reassessed, instead of undertaking an expensive, time-consuming and, we believe, unnecessary implementation of a new plan, a new review and a new study, which was only going to take time, money and resources away from the very important tasks that the Great Barrier Reef Marine Park Authority should be undertaking to directly benefit the reef.

Finally, I would like to make comment about a situation that was very specific to the evidence that we took, in relation to the Gladstone Fish Markets. We got a lot of evidence to suggest that there had been some damage to the fish in the Gladstone Harbour as a result of some leakage from the bund wall. In acknowledging the contamination, compensation eventually was given to the fishers in that area because there was evidence that the fish were contaminated and could not be sold. So the fishers were compensated for the fact that their fish were no longer saleable.

However, nobody thought to compensate Gladstone Fish Markets. In the process there was a lack of compensation or acknowledgement of the huge economic impact of the inability of the fish market to access the materials that were the very basis of its business—namely, the fish. But they also had the responsibility of keeping these fish in cold storage so that they could be analysed. So they had an additional cost because of the implications of these contaminated fish. The people who caught the fish were compensated, but Gladstone Fish Markets did not get compensated. So, the coalition senators have noted in their additional comments in their dissenting report that we believe Gladstone Fish Markets was harshly treated in this process, and a case for compensation to them should be considered through the appropriate channels.

In conclusion, the coalition senators supported 90 per cent of the report. I would like to express once again my sincere disappointment that we were unable to achieve a consensus report, because the things that we agreed on were the major and important aspects of the report, which directly went to the ongoing maintenance of the Great Barrier Reef.

Senator WATERS (Queensland) (18:16): I too rise to speak on this inquiry into the Great Barrier Reef, which the Greens had the great pleasure of moving to set up. We would like to thank all of the other parties for participating in the inquiry, and the secretariat, for the work they did in allowing this very fulsome and very damning inquiry to occur.
We know that unfortunately at this time in history the Great Barrier Reef is facing more threats than it ever has. We took some incredibly scary evidence from eminent reef scientists saying that the reef's coral cover might disappear by 2050—that effectively we might not have a Great Barrier Reef as we know it today. This is within my lifetime. That is of huge concern to me as I am sure it is to so many Australians and citizens of the world.

As a youngster I had the wonderful pleasure of visiting the reef, and it has stayed with me forever and has influenced my passions in this place. So when the report was formulated I was really pleased that we were, I believe, able to move the two big parties closer towards the action the reef really needs to survive. Unfortunately, it was not quite close enough, but we welcome any steps in the right direction.

We have had three years of warnings now from the World Heritage Committee, who have said that they intend to place the reef on the list of world heritage sites in danger, if the Australian government does not change direction. They have made a number of recommendations over those three years of warnings. I am really worried that we will not get another warning, unless we heed and adopt those recommendations. That makes me worried for the 67,000 people whose jobs rely on the reef staying on the world heritage list, and it makes me worried for the loss of the $6 billion in tourism income. Perhaps equally, it makes me worry for the loss of the beauty that I was so fortunate to experience and that I want my daughter and every other person in the world, if they get the chance, to see with their own eyes, because it is truly wondrous.

That is why when we set this inquiry up we were at pains to emphasise the key threats to the reef. We know the biggest threat to the reef in the long term is climate change. I found it slightly ironic that Senator Ruston, who is perhaps not quite as extremist as some of her colleagues, did at least acknowledge in her contribution that the climate is changing. We will take what we can get from this climate denying government. Unfortunately, that same government has just repealed the carbon price—perhaps more strength in Senator Ruston's arms in her own party room.

The other key threat to the reef is a new an emerging threat that the World Heritage Committee is recognising and the Great Barrier Reef outlook report has recognised—namely, coastal and port development. What we have seen happen in the last few years is the biggest ever dredging and dumping program in the history of the reef's existence. It started off in Gladstone and it is now creeping everywhere, and it is mostly for fossil fuel export. So we are digging up the reef and in the main dumping that sludge into the waters of the world heritage area, all to facilitate additional ships to transit the reef, with the increased risk of shipping accidents and damage to marine wildlife, carrying a cargo that, when burnt, will again threaten the reef through exacerbating climate change. So we are incredibly worried, as is the World Heritage Committee, about this course of action. That is why in our additional comments to this report we have recommended that the Australian government ban offshore dumping of dredge sludge in the world heritage area, not just in the marine park, and not just for capital dredging, and not just for future projects, which Minister Hunt has alluded to committing to, and not just a commitment that actually does not mean anything when you factor in all of those exclusions, but a genuine ban on offshore dumping of sludge into the waters of the Great Barrier Reef. That is what we need, and that is what the evidence to this inquiry established that the reef needs. That is our first recommendation.
We also make the related point that the Abbot Point approval should be overturned. I am really pleased that in the last few days it seems like the proponent for that port expansion, the North Queensland Bulk Ports Corporation, has now said that it will consider land based disposal of the dredge sludge from digging up three million cubic metres of the Great Barrier Reef world heritage area. They will consider not acting on the approval that this government gave them to dump that sludge into the waters of the world heritage area. I welcome that, but what a crying shame that it is the voluntary good-heartedness of this corporation that is leading them to consider not dumping sludge in the world heritage area waters. What a shame that we do not actually have a policy, a law, that says 'Sorry, I know it is cheaper, I know it is more convenient for you port corporations and big mining companies, but you cannot treat the reef like a rubbish tip.' That is what the Greens would like to see happen, so we have recommended that the Abbot Point approval for dumping not proceed. I might add that, even if there is no offshore dumping of that sludge, any approval for the world's largest coal port in the Great Barrier Reef world heritage area in this age of climate change is an absolute travesty.

We took some incredibly concerning evidence in the course of this inquiry about the lack of independence of the Great Barrier Reef Marine Park Authority. It built upon documents that the Senate had helped to reveal over the course of this year, through freedom of information with the wonderful work of community environment groups and also orders for production of documents through this chamber, which showed, alarmingly, that scientists inside the Great Barrier Reef Marine Park Authority, GRMPA, had warned time and time again against approving the Abbot Point offshore dumping. They said this was the highest risk option and that it was going to have incredibly damaging impacts that, they believed, were irreversible. Yet a bureaucrat, who, we discovered at the hearing, does not have scientific training, approved the dredging and dumping of 3 million cubic metres with that final tick off.

I have been a big supporter of the Great Barrier Reef Marine Park Authority. They have done good work. I would like to see them continue to do good work in a way that is not compromised by political pressure and that has science driving their decisions not politics. We have included some recommendations about increasing their funding as opposed to this government's funding cuts, about increasing their independence and about increasing the level of scientific knowledge on their board. They have one scientist on their board; they have two people on their board who have active links to the mining industry. If that is not a conflict of interest, then I do not know what is. Our recommendation says that anyone with coal or gas interests should not be able to serve on the board of the Great Barrier Reef Marine Park Authority.

I have already talked about how climate change is the biggest threat to the reef. We include a recommendation that says, 'You need to leave 80 per cent of fossil fuels in the ground, if the reef and, frankly, humanity are to have any chance of survival.' We also talk about the $40 million cut to an otherwise very successful program, Reef Rescue, which was brought in several years ago and has received successive support from different colours of government. Sadly, the Abbott government has cut $40 million out of that program, which works with farmers to improve farming practices and constrain run-off of fertilisers and pesticides, which
not only saves water quality impacts but also saves farmers money. Why you would want to cut money out of that program is completely bemusing to me.

I have been following the issue of Gladstone for many years as a Queensland senator and a passionate supporter of our reef and sustainable fishing. I was heartbroken at the personal turmoil that has been imposed on the Gladstone fishers and tourism operators. The dredging and dumping program in Gladstone, approved by both the former government and the Queensland government in 2010, allowed 46 million cubic metres of dredging to occur and 11 million cubic metres of that to be dumped offshore in the waters of the reef. After that dredging program began, we saw mass fish deaths and fisherfolk getting sick when they came into contact with the fish or the water. There was an environmental disaster unfolding in the harbour, and I believe we have not got to the bottom of what caused it, because all of the various investigations have been, in the view of many witnesses, tainted by those undertaking the inquiries. We need an independent inquiry. I had hoped that this inquiry would have a chance to flesh out those issues. We took much of their evidence in confidence. It is clear that we still need an independent and comprehensive investigation into what on earth went on in Gladstone and how we can stop that from happening up and down the coast.

There were some recommendations about offsets, and I will go on the record and say that the Greens do not support offsets, particularly in a World Heritage area. It is all precious, since it is all World Heritage. You cannot just protect some bits but not others. It is all part of one of the seven natural wonders of the world. I commend this report to the Senate, and I am grateful for all of the input of the witnesses, all of the great work of the environment and community groups. I remain hopeful for the future of the Great Barrier Reef.

Senator IAN MACDONALD (Queensland) (18:26): I would like to make a few comments on this report. I know that Senator Canavan from our side, who, like me, lives in the areas adjacent to the Great Barrier Reef, wants to say a few words. Senator Canavan and I have a particular interest in the Barrier Reef, because it is our backyard and has been mine for most of my life. Most of the people along the coast of Central Queensland, North Queensland and Far North Queensland treat the Barrier Reef as part of their backyard, and that is why they are so cautious and protective of it but want to use and exploit it, if I can say that, for its sustainable assets. Certainly tourism is big, and fishing, both commercial and recreational, is an important part of the Barrier Reef lagoon and the reef itself.

The committee took a lot of evidence. I was fortunate to attend the Townsville hearings of the inquiry. Unfortunately, there were some other parts I could not get to. A lot of good information came forward. I draw senators' attention to the evidence of Dr Russell Reichelt, the Chairman of the Great Barrier Reef Marine Park Authority. I do not want a verbal him, but my summary of his evidence was that the Barrier Reef is looking pretty good. Tourists go there, look at it, think it is magnificent and want to come back. He is aware, as I am, that, going back to the Ben Cropp days, people have been trying to address the issues of starfish, which, according to the evidence, is the greatest concern for the future of the Great Barrier Reef.

There are a number of other happenings that impact on the reef. One of them is run-off from the land. Over many years, starting with the Howard government, money was given by governments to farmers to help address sediment run-off into the reef. The Labor Party continued that with the Reef Rescue program, and I congratulate them for it. As I have
mentioned elsewhere in this debate, the Barrier Reef is very special for our side of politics. In fact, the Liberal governments set up the first environment minister, first protected the Great Barrier Reef, and first established the Great Barrier Reef Marine Park Authority. They also substantially funded the work of the Australian Institute of Marine Science in Townsville, which does a lot of work on the reef.

The thing that distresses me most about comment on the Great Barrier Reef is the constant mantra of the Greens political party and the radical environment movement telling the world that the Great Barrier Reef is finished and that it is about to be delisted. They continue to call for actions which would result in it being delisted as a World Heritage site. Quite frankly, a good advertising campaign would overcome that. I think the World Heritage listing is grossly overrated. But the Greens and the radical environment movement continue to denigrate the reef. I say to them, 'Why are you trying to destroy this wonderful asset we have?' Let's recognise the problems, as most people do, let's do something to address them, but do not carry on with this mantra time and time again. For example, the dumping issue which has been addressed in recent days. North Queensland Bulk Ports Corporation told me about two or three weeks ago that they were going to look at a different proposal for the Abbot Point dumping. The Greens would go out and tell you that the dumping was on the Great Barrier Reef. To anyone who is watching overseas or listening in America, Europe, Japan or China, they would imagine big ships coming out and dumping dirt on the coral on the Great Barrier Reef. Of course this was never the proposal. I could go on for hours telling you of similar misconceptions that the Greens and the radical environmental movement have put around that just destroy confidence in the reef.

I am one of those who believe that there is a good future for the reef and that carefully managed, as it will be under the Abbott government and as it was under the Howard government, it will be there forever. Of course it will change. It is a resilient set of organisms, and it will change with the changing climate of the world. We have to be careful with it, and we have to protect it. We have to do everything that is possible, but what we do not need is people in this parliament continuing to denigrate and downgrade what is, effectively, in my parochial view, one of Australia's very best natural assets.

Senator SINGH (Tasmania) (18:32): I rise to speak about the tabling of this report into the management of the Great Barrier Reef. If there is one part of Senator Macdonald's contribution that I can agree with it is that, yes, the Great Barrier Reef is certainly an iconic and most important part of the Australia's natural environment. So much so that there are some 29 recommendations in this report that go to the very heart of what the government needs to do to protect the reef into the future.

If I can just start by thanking the committee members who participated in the inquiry and also thank all of the experts and community members who gave evidence. It was through their input—and, obviously, through the committee listening and taking their evidence on board—that we have come forward in this Senate with a really good report, which I encourage all senators to read, on how we go forward and protect and deal with the Great Barrier Reef.

I would like to highlight two of the recommendations because they do go to the heart of what is needed for the Great Barrier Reef to continue to be one of the seven wonders of the world and, indeed, to continue to be protected and a natural asset. That is certainly something as legislators can say we all played our part to ensure that it remains in its beautiful state.
Of course, those recommendations go to the heart of the dredge spoil dumping in the Great Barrier Reef World Heritage area. There was a lot of evidence put forward highlighting that we do need to very seriously consider a ban on the disposal of dredge spoil in the Great Barrier Reef waters. It is causing damage, and it is something that this committee listened to in great detail. I think the only way forward for government is, at some point, to seriously recognise the importance of what this dredge spoil dumping is doing to the waters of the Great Barrier Reef and in that sense to go forward and make informed decisions based on those two recommendations about any future approval processes for projects.

Only this week—despite the lack of leadership that this government shows in relation to the Great Barrier Reef and the complete lack of care from Minister Greg Hunt—we have seen a consortium of business leaders who have a project decide not to dump dredge spoil in the waters but, rather, to focus on the land when it comes to this very issue.

This is something that has to be taken very seriously by this government. Unfortunately, though, up until now, the government have form for not taking it seriously at all, despite the fact that this is a major tourism economic driver for our country and given the number of tourists, including me, who go scuba diving and diving on the Great Barrier Reef and who want to see this beautiful, iconic part of our country. Despite all that we have absolutely no care or leadership from the government, so much so that they want to give those protections and powers of the approval process that are legislated through the Environment Protection and Biodiversity Conservation Act to the Queensland government. What an absolute shame it would be to have Campbell Newman in charge of approving projects of national environmental significance in the Great Barrier Reef. The legislation giving bilateral approval powers to the states that is currently before the Senate goes further than that—it allows the states to derogate those powers to councils. So we could have the Mackay Council having more power than the federal environment minister in deciding development projects on the Great Barrier Reef.

I do thank the committee and the experts for their evidence, which urges governments to focus on reducing those threats to the reef. The committee looked in great detail at all of this, but we know that at the end of the day this government takes a very different view of the Great Barrier Reef: they want every bit of coal in Queensland dug up without any thought or care for the Great Barrier Reef. That is their priority and their focus: getting the coal out, stopping renewable energy and continuing to trash Great Barrier Reef in the process.

Opposition senators will not allow that to happen; we care very much for this iconic part of our nation; and we care in the same way for the heritage forests listed in Tasmania. That is another area where the government has form—it tried to delist those forests and was laughed out of the UNESCO World Heritage Committee. As Senator Waters suggested, we may see the situation where UNESCO does list the Great Barrier Reef as endangered. It will be on this government's watch that that will happen and it will be because they have let it go so badly in the development process—giving the approvals to Campbell Newman and councils and all the power to miners—all to the detriment of the reef. The opposition will not allow that to occur. We want the government to seriously consider a ban on dredge spoil dumping in the waters of the Great Barrier Reef. There are other areas for that dredge spoil to be dumped, and the options for land dumping need further consideration.
Again I thank the committee, the experts—the scientists and those in the know and who do care—who have helped the committee in formulating this important report that every government senator, particularly every government senator from Queensland and especially environment minister Greg Hunt, should read. Indeed, Mr Hunt should start standing up for Australia's environment full stop. Thus far he has form for doing none of the above.

Senator CANAVAN (Queensland) (18:41): I too would like to make some remarks on this report by the Environment and Communications References Committee. I want to associate myself with the remarks of Senator Ruston and Senator Macdonald—particularly Senator Ruston's comments on the disappointment that we were not able to reach a consensus report. We were so close that it makes me think that the fact we did not get there is more about politics than the facts of the matter. If we are going to take action on this, we would be much better in doing it in unison, but, of course, these committee reports are not just about the facts—they are about the politics. And that is disappointing. The point I want to make about Senator Macdonald's remarks is that the people who live or work on the Great Barrier Reef should have an important say in what happens in their area. There are so many people in this debate who live outside the Great Barrier Reef—they work outside the Great Barrier Reef—but who want to talk about the Great Barrier Reef and control the Great Barrier Reef.

It is a shame that Senator Singh has left the chamber because we just heard her bemoaning the fact that the Mackay Council can have a say on the Great Barrier Reef. For all the people in Mackay who may be listening tonight or watching online: you have just heard it from the Labor Party that they do not care about your council or about your thoughts. They want to allow the minister in Canberra to dictate to you what can and cannot be done in your part of the world. According to the Labor Party, all those people in Bowen, Airlie Beach, Proserpine, Tully, Ingham, Ayr—where my mum comes from—in Townsville and Cairns do not deserve a say and it should be Canberra that decides what happens in the Great Barrier Reef. I want to say that I utterly reject such an approach.

We should allow people who are directly impacted by what happens to have more of a say on what happens in their area. This is not just about the environment—a lot of it is about the environment and the environment is very important—but the environment is just one concept, and other things are important too. Jobs are important; communities are important; families are important; development is important. All of these things have to be balanced against each other. A mature government and mature political parties realise that there are no easy decisions here, and tough choices have to be made. When the Labor Party was in government, they did realise that, but of course in opposition they do not have the responsibilities they had a few months ago. Last year the Labor Party had approved plans for 38 million cubic metres of dredging, Senator Cameron. We have a new shadow minister for the environment and now they are talking about no dredging whatsoever. We have gone from having a year ago 38 million cubic metres between the Queensland Labor government and the federal Labor government to now wanting zero. What has happened in a year to change their minds so much?

Senator Cameron: Campbell Newman!

Senator CANAVAN: Oh, Campbell Newman. It's all Campbell Newman's fault! He is a very powerful man. He has changed your minds about dredging in the reef in the space of a year.
The ACTING DEPUTY PRESIDENT (Senator Bernardi): Address your remarks through the chair, Senator Canavan.

Senator CANAVAN: Sorry. I plead that it is only my fourth week—or third week, I think. No, fourth.

Senator Cameron: I thought you were an economist!

Senator CANAVAN: I can count the millions, billions and trillions, but not up to 10!

What I cannot understand in this debate is that there is so much emotion about this issue of dredge spoil. 'Dredge spoil' is a very loaded term, and we have done lots of this in the past. We have dredged ports all through the Great Barrier Reef, and you would think that those on the sides of science, those who would want to use science in this area would have evidence because we have done what in effect are natural trials. In 2006, for example, North Queensland Bulk Ports dredged 8.6 million cubic metres at Hay Point, which is a port near Mackay and probably in the Mackay council area. You would think there would be some peer reviewed studies that would show these damaging effects. If dredge spoil were as bad as everything we heard from the other side of the chamber, there would be some evidence—just some, just a scintilla of evidence—that this has caused bad things. We have had this report produced, and I just went through it all again, and there are no studies referred to here. There is evidence presented by people. There are concerns. There are words like 'could' and 'perhaps'. There are weasel words all through it, but there is no actual evidence of the effects of that 8.6 million cubic metres that was dredged just eight years ago.

What we are talking about here in Abbot Point is three million cubic metres, less than half the amount, but apparently this is going to destroy the reef. It is going to do what the 8.6 million cubic metres did not. I want to refer back to the comments of Senator Singh, who is now saying the Labor Party wants to seriously consider that no more dredging will happen. I do not even think she mentioned offshore, but I will take that as a clarification if she did. We know that in the future Townsville, Cairns, Gladstone, Hay Point and Abbot Point will require dredging because that is the natural environment and they need to be dredged from time to time. So, effectively, what the Labor Party are saying by saying no to any more dredging is no to the development of these towns. They are not even saying no to development; they are saying no to the maintenance of these towns and what they are at the moment. The Labor Party are saying no to North Queensland. It is very unfortunate that they are joining with the Greens in this quest to make North Queensland the next version of north Tasmania. As a Queenslander, I do not want to do that. I do not want to see North Queensland become a northern version of Tasmania. I want to keep our state and our North Queensland very prosperous because there is a lot going on in that part of the world. If we listen to the Greens, we will have no new development, no new jobs and no new towns in that area.

Later on this week I believe there will be tabled another committee report on Northern Australia. There is lots of potential in Northern Australia, but we know those on the other side of the chamber are going to scream no to a lot of these things. They are going to scream no to more coalmines. They are going to scream no to more irrigation projects. They are going to scream no to more fishing zones being declared because they want to say no to jobs and development. I think that is a great regret. There is great promise in Northern Australia and North Queensland, and it would be a great regret if we turned our back on that promise as a
nation. We can do better. We can do these things in a balanced way. We can build a coalmine and not destroy the environment. We can build ports and not destroy the environment.

Those on the other side do not believe in any coalmines. I have only been here a couple of months, but I am waiting for one Greens senator to get up and say, 'This is the coalmine that I support to build our things'—like wind turbines, for example. Where is the coal going to come from to build the steel that is going to go into wind turbines? Where is the coal going to come from to help power the factories in China that produce solar panels? I will wait with bated breath to here where that mystical coalmine is going to appear one day. We live in hope.

In conclusion, I want to give credit to the Queensland and federal governments for in a balanced way approaching development on the Great Barrier Reef. It is a great thing that some coalmines are getting approved there, because what we need in Central Queensland and North Queensland is jobs.

Debate interrupted.
the national interest. The repeal of this odious tax was realised in the same old-fashioned way—not through spin, rhetoric or bullying. We achieved it through quiet and genuine negotiation to methodically achieve the best outcome possible.

With the repeal of the mining tax and its related spending measures, not only has a dead weight been lifted from our critically important mining industry but it will also save $50 billion over the next decade. This is a staggering amount of taxpayers' money. To my mind, it is also another demonstration of true and responsible national leadership by this government.

I believe this was a bad tax for many reasons. The tax package, like so many other initiatives of the previous Labor-Greens government, was so poorly designed that it was actually costing taxpayers billions of dollars a year. It is absolutely astonishing to most of us that a tax could have a negative impact over the forward estimates, but that is the truth of this tax. You would almost have to laugh if the consequences had not been so serious for the nation.

Ever since the original version of the mining tax was announced it caused enormous uncertainty, in Western Australia in particular, and had become widely acknowledged as a dead hand on the mining industry. It was also having a deleterious impact on our reputation. Without question, it was holding us back. But for all of the pain it cost my state, and was starting to cost our economy, the absolutely kicker is that by the incompetent way the tax was developed and structured it was never ever going to raise anywhere near the money the former government forecast and, most astoundingly of all, based new expenditure on. This, to me, is not good government.

As I said in my first speech, the truth is that for every new government action, large or small, there is an opportunity cost: something we must forego, a debt we must burden future generations with or a new tax. I believe it is disingenuous and dishonest for any government to raise community expectations, in this case very cruelly, about new benefits based on phantom tax revenue. A mining tax that raised almost no funds was expected to pay for school kids bonuses and low-income superannuation top ups—a cruel hoax on millions of Australians.

In relation to my own state, the fact is that Western Australia accounted for 27 per cent of Australia's business investment in 2013 and 51 per cent of resource projects that were under construction in April of this year. Last year, Western Australia accounted for 46 per cent of global iron ore exports. Today, well over 100,000 Western Australians are directly employed in the mining sector. Additionally, in March of this year there was $149 billion worth of resource projects under construction and a further $112 billion under consideration.

While the figures I have outlined are impressive, the reputational damage being done by the mining tax was jeopardising future revenue streams not only for our industry and our state but also for our nation. It was making it much harder for companies to make a decision to invest in Western Australia, and I believe Australia had much to lose. Through my own experience I know that governments never create wealth; only productive and competitive markets do. The long-term economic prosperity of the Commonwealth depends on all states doing better, not on hampering—and in this case, completely unnecessarily—sectors of the economy that are actually doing well.

In 1971 Sir Charles Court noted that as a government:
We seek to do more than just develop a number of iron ore mines. Our objective is to develop a great region with all the complex infrastructure and associated developments that are necessary to have a permanent, contented, well-housed, well-educated and well cared for community.

Critically, both he and former Prime Minister Sir Robert Menzies understood that this required both political and industry leadership with a collective vision to forge a long-term partnership required to establish the conditions under which this could occur and, consequently, national wealth be generated and, critically for us today, for it to be sustained. It takes decades of sustained investment and leadership to develop this wealth generation. Today the reality is that international capital flows readily across borders and we are competing with the rest of the world for this investment. This investment is never inevitable and neither is the required leadership from industry and politics inevitable.

The Mineral Council's report released today suggests that the profligate stimulus program of the previous government had, almost inconceivably, left a loss of competitiveness as a lasting legacy. They actually went backwards, despite all of this stimulus, in competitiveness. Looking at the fiscal disaster that Labor and the Greens left us, it is absolutely no wonder that this occurred: six straight years of record budget deficits, $123 billion in projected deficits and gross debt forecast to hit $667 billion. And this debt disaster occurred despite the benefit of a once-in-a-century mining boom.

While we on this side did not create the mess, we have yet again taken responsibility for fixing it. In removing this tax millstone from around the neck of the Australian economy, in conjunction with the other measures this government is taking, the door has once again been opened for genuine wealth creation and wealth creation sustainment in Western Australia that will undoubtedly result in prosperity and more jobs nationwide. It will also ensure that we are on a more level playing field internationally and that our mineral and resource companies are able to compete in this highly competitive global environment.

Certainty and stability are being restored. I believe the repeal of this tax will increase investor confidence, create more jobs and improve our international competitiveness. I am very proud that this government has been able to deliver on this election commitment. I remind the Senate that this government has passed the budget. The carbon tax is now gone. The boats are stopping. The budget repair for the longer term fiscal condition of Australia continues. Most importantly, we are making decisions to make our country safe and strong.

While it was pleasing to see today in the June quarter national accounts evidence of real and building momentum in the Australian economy, growth remains below the long-term trend, which should remind us all of the importance of continuing to do everything we can to drive momentum in our economy. The Australian newspaper today characterised the minerals resource rent tax as 'a sorry chapter in our tax history', and I agree. Thankfully, that chapter is now closed and we are starting to write a new one.

Superannuation

Senator GALLACHER (South Australia) (19:01): I too want to make a contribution on the state of the nation, so to speak, in terms of commitments made and not honoured. As an aside to the minerals resource rent tax repeal there were changes to the superannuation industry. I think we need to spell out in this place exactly what those changes will mean. We know from the good folks in the Parliamentary Library that there are 108 corporate entities with about 512,000 accounts and $61.3 billion in superannuation. The average account
balance there is $119,700. We know there are 38 public sector funds with some 3.3 million members and $256.9 billion under management, with an average account balance of $77,000. We know through our good friends at the Parliamentary Library—and these are June 2013 figures—that there are 509,362 self-managed super funds. Mr Acting Deputy President Bernardi, you may have one of those yourself. There are a lot of people who do. There is $506 billion under management, with an average account balance of $525,000.

Let us think about who the change from 9.5 per cent to 12 per cent and the delay will really affect. Will it affect in a very punitive way those with $525,000 in their account? Will it affect those corporate people with an average of $120,000 in their account? No. It may well affect those 52 industry entities with some 11,000,524 members and $324.7 billion under investment, with an average account balance of $28,200. Or it may affect those 127 retail funds with 14,395,000 accounts and $422 billion under management, with an average account of $29,400. Quite clearly, those figures do not add up because, as you would be aware from your previous experience, Mr Acting Deputy President Bernardi, there are lots of duplicate accounts, lots of lost accounts and lots of accounts that did not get transferred when people transitioned through the economy.

The Prime Minister of this country said one thing and did completely another thing. The impact will be felt most severely by those part-time workers, by those in low-paid, low-skill jobs and by those in casual employment, who have to have a certain number of hours in a month to even get superannuation. They will be the ones who will be punished with this delay. They are the ones the Labor Party—and we thought the Liberal coalition—were trying to give a leg up to in this economy. I think it was Paul Keating who said: 'Don't worry about privilege, position and power. Don't worry about those folks.' You probably do not need to worry about the self-managed super fund people with $½ million in their account and you may not need to worry too much about the corporate people with $120,000 on average in their account. Those in the public sector are a little bit better off, but not terribly much so.

You do need to worry about the people in the industry and retail funds who have an average account balance of $29,400. Those are the people who make the economy work. They are the nuts and bolts. They are the people who do the jobs that probably nobody else wants. They are in casual employment. They do all of the inconsistent and irregular work that does not have a career path. This delay will put a reasonable go at retirement further away. It will put any prospect of them having a respectable contribution for their retirement much further away.

I was around when industry super funds came into being. As a matter of fact, I can go back to the time when you used to have to wait for an invitation from a superannuation fund. It was for the privileged and positioned. To get into the Commonwealth super scheme in 1976 I was told, 'In about six months, if you're a satisfactory employee, we may give you an invitation.' That is what superannuation used to be.

I was very happy to be part of the campaign for industry super. I was very happy to articulate that you should put three per cent of your wages aside and have it go into industry super, because that is going to set you up for retirement. I know many thousands of workers who now have some semblance of a reasonable retirement, which they never had prior to 1986 or 1987, when a lot of industry super funds started to kick off.
Kelty, Keating and the Hawke government knew this would be a good thing for the country, so they expanded on it. We have always had the challenge: when as a nation will we get people to make the respectable contribution needed over the life of their employment?—indeed, in a lot of cases, it is precarious employment and casual employment.

Women, in particular, are punished by this regime. They are out of the workforce for long periods of time. They do take most of the part-time employment positions. And these are the people this coalition government is reneging on. They are reneging on people who do the hard work in the community, who raise the children and who balance part-time work with duties in the home. These are the ones who will be punished—those 28.2 average account balance. There are a lot of people with very low balances in that equation.

That is what this Prime Minister has done. They can bag it up and say, 'The minerals resource rent tax was not going to do this' and 'It was not going to do that,' or 'We couldn't afford this,' and 'We couldn't afford that.' This is a fundamental position the Australian economy needs: more in retirement savings. It needs to get more in retirement savings not at the big end of town. The self-managed super funds have got an average account balance of $525,000. These people know what they are doing. They have the disposable income to take advantage of the taxation benefits inherent in the superannuation system.

A low-income worker, up until very recently, was able to struggle and save a thousand bucks to put into their super, and have it matched—that was a Howard government initiative. They got it. They got that women were locked out of the workforce for a long period of time, that young people and part-time employees were not able to get the regular income necessary to drive a reasonable retirement income. But what has happened to this government? Once again, they are back to position, power and privilege. Look after the big end of town, and the devil take the hindmost for the rest. It is disgraceful.

We are rightly proud of our superannuation system. It is the envy of the world. To my knowledge, no industry funds have been guilty of any misappropriation or malfeasance. No retail funds have been catastrophic failures. It is a good system. It has good checks and balances. What it needs is for the 9.5 per cent to get to 12 per cent as quickly as possible—not for the big end of town but for those people at the bottom end of the economy who are not earning high wages or who have irregular high hours and overtime.

There are some genuine employers—one is Linfox—who have not waited for the government. They have accelerated to 9.5 in their enterprise agreements. They do not want people working all their lives—and Lindsay Fox is on the record as saying this—and then not be able to afford to retire, and have to drive into their 70s. This is what this change does. It stops people from retiring with dignity. It is wrong, catastrophically so. We really should revisit it. I do hope that we have a policy that resurrects it at the next election.

**Community Broadcasting**

**Senator RHIANNON** (New South Wales) (19:11): Today, the Community Broadcasting Association of Australia came to parliament to meet with MPs for the 2014 community broadcasting morning tea. The event was organised to increase understanding of the sector. I certainly learned a lot. It was very relevant for me as a senator in New South Wales, where we have some fantastic community television stations and community.
I was fortunate today to be interviewed by Eric Gyors on 89.7 Eastside Radio FM, which is owned and operated by Radio Eastern Sydney Co-operative Limited, a not-for-profit organisation. I had the opportunity to speak about the morning tea and some of the issues that were raised, which are very relevant to the future of community broadcasting in this country.

The figures for the interest, use, listening and watching audience of community radio and television are most impressive. Across Australia more than five million people listen to over 350 permanently licensed community radio stations, weekly, for an average of 14.5 hours each week. Five million people listening for 14.5 hours each week is very impressive.

When it comes to New South Wales, community radio is very much a part of our community and media reach in our capital city and regional and rural areas. There are 111 community radios in New South Wales. Fifteen are Christian, one is Muslim, three are Indigenous stations and, most interestingly, five of these are the only stations servicing their local areas. I acknowledge the extraordinary work these stations do, including the provision of information on critical weather events as well as entertainment and other information. It is a very rich part of our community.

I want to mention some of our radio stations that are doing fantastic work. We have two 2cuz FM, one of the Indigenous stations operating in Bourke, north-western New South Wales. It has been on the air since 1996. Then we have 2MFM in Bankstown. This is our Muslim community radio, which has been doing multicultural and multilingual work for many years now. During the recent Ramadan, it transmitted 24 hours a day during the whole month. They kicked that off in 1995.

When you talk about community radio in New South Wales you cannot go past 2SER-FM. I imagine many people in this place, not just the New South Wales senators, would have been interviewed on this community broadcaster, which has been doing this work since the 1970s. Many of the journalists who we are interviewed by on mainstream radio came through 2SER at some stage.

Community television was also represented today. Like community radio, they are going strong. Community interest in producing programs for television is particularly strong and is one of the great things that comes out of community television. Community television's main purpose, I learned today, is to engage with the community and provide access to free-to-air broadcasting. Understanding the significance and the reach of community television is very important. Other television services, particularly multichannel services, rely heavily on imported content, whereas community television is a valuable source of locally made programs. Data from OZTAM, which manages TV ratings data for total TV viewing, shows that the monthly cumulative reach of community television is only slightly lower than that of all Foxtel channels combined.

This is a bit of a summary of what we were told about community television today: they do not get government funding, they are self-sufficient, they are very much about social cohesion and they are excellent community engagers. Clearly, all of us should be encouraging community television. As I have mentioned, for those of us in New South Wales, it is big part of the fabric of our communities.

I was interested to hear about the future that community TV is facing. Often community broadcasting, particularly community television, gets no government funding at all, so it can
face challenges. It is worth reminding ourselves, therefore, that community television does survive. Just in New South Wales, for example, we have Hunter Community Television coming out of Newcastle. While it is not on the air at the moment, it is trying to sort that out with ACMA. Then there is Illawarra Community Television. It has been doing an excellent job since 2005. There is also WARP Television in Bathurst, another non-profit community group, dedicated to promoting screen culture across the Central West. TVS Sydney is the only free-to-air not-for-profit community broadcast licence holder in Sydney. It is based in Western Sydney and broadcasts across Greater Sydney. I learned about TVS Sydney when I went doorknocking with somebody running for parliament who had it on and who told me all about it—what was on it and who they had seen. It is very popular, particularly in a lot of public housing areas in Sydney. We also have Snowy Mountains Television, who do an excellent job. Across the country, there are other excellent examples of community television. A couple we have to acknowledge are Aurora Community TV, who are doing a great job, and Indigenous Community Television, an Australia-wide free-to-view channel which broadcasts television programs produced by and for Indigenous people in remote communities.

What is the future for community television? It was interesting to hear the minister speak about it today. In his presentation he gave great emphasis to linking the future of broadcasting with the internet. These comments seemed unusual to me. In discussions with community broadcasting people afterwards, I realised why. The future of community television is under a cloud—and I urge the minister to reassess his position. The minister is considering the future of the sector as part of the government's policy of media deregulation. The apparatus licence for community television that gives access to the spectrum for TV broadcasting expires on 30 December this year. Renewal depends on the minister's decision. At this stage, the renewal has not been forthcoming and all stations face closure.

People from community television who I spoke to today recognise that a move to the internet is inevitable for all broadcasters. That is not in question. However, to force community television to move in the short term is wrong. Surely the minister does not want to be responsible for community television failing? Failure would clearly be bad for our communities—and I also suggest it would not be a good look for him, as the responsible minister, and his government. I urge the minister to work with the sector, allow time to resolve the shift to the internet and renew the apparatus licence for community television.

At times we hear comparisons made with the shift that BBC Three has made. The shift of BBC Three to the internet, however, is not comparable to the situation of community television in this country—in size, scale or how it is being undertaken. The British experience in fact demonstrates the opposite—Britain is actually moving towards community television, with a rollout of 28 local television licences, with largely the same aims as we see here, on their free-to-air spectrum. I urge the minister to work with community television so that it survives and has a healthy future. That would ensure a richer media mix for the whole country.

Employment

Senator LINES (Western Australia) (19:21): Anglicare Australia recently released a report they had commissioned on Australia’s workforce. It has not had much of an airing but it is a very important report, particularly given the stage we are at with the punitive changes and measures the Abbott government is trying to introduce in the area of unemployment. The
The report is titled, *Beyond supply and demand: addressing the complexities of workforce exclusion in Australia*, and the authors were Ian Goodwin-Smith and Claire Hutchinson of the Australian Centre for Community Services Research at Flinders University.

One of the stark differences in this report, as opposed to the proposals put up by the Abbott government in relation to people who find themselves unemployed, is that it does not blame, it does not exclude and it does not demonise the unemployed. It focuses exclusively on workforce exclusion—what it is that prevents people from getting into the job market and staying in a job. It examines those groups of job seekers more likely to be disadvantaged in the labour market than others. Unfortunately, the simplistic approach by the Abbott government does not make those kinds of allowances. Well, actually it does; it puts in place harsh penalties for those who are particularly disadvantaged.

The report identifies that workforce exclusion is a complex and enduring problem in Australia. In my view, and the views of others, it is not likely to be solved by punitive measures—particularly those being proposed by the Abbott government, with its harsh penalties regime bill currently before the Senate. The report dispels the Abbott government's mantra of 'any job will do'. The report highlights the dominant narrative of a work-first type narrative that surrounds unemployment interventions—absolutely on display in the Social Security Legislation Amendment (Stronger Penalties for Serious Failures) Bill before the Senate. The report concludes that this narrative, this dominant work-first narrative, ignores the nature of disadvantage and how disadvantage has a relationship to workforce exclusion.

Reducing unemployment is more than a simple matter of labour market supply and demand. A simplistic belief in labour market supply and demand entrenches the approach that immediate economic productivity and exit from welfare payments are the goals. It is not a goal to put people into any job to have them off the welfare payment system so that another number can be crossed out. Rather, what this report advocates—and, certainly, what Labor and I advocate—is for a sustainable attachment to a quality job. These are not words that we hear, sadly, from the Abbott government, to the detriment of those people who find themselves unemployed.

The Anglicare report quotes media from Senator Abetz where he singled out the young unemployed for harsh criticism. In particular, he uses terms such as those who 'shirk the opportunity' who 'do not deserve' welfare payments. We have heard those comments from Senator Abetz, and he has even described young people who do not go out and find work, according to the report, as a 'scourge'. In doing this, Senator Abetz has evoked the old 'deserving and undeserving' or, in the new language of the Abbott government that we have heard, the 'lifters and the leaners'. These are terms the government uses to simplify and demonise those who struggle to get a job or, indeed, to hold down a job. It would seem that only those who Senator Abetz deems as lifters are entitled to government assistance.

John Falzon, the CEO of St Vincent's, more aptly captures my views with the comments that he has made recently, including on ABC's *Q&A*. Mr Falzon has made a number of points, and I quote:

Putting the boot into young people who are unemployed might be therapeutic for the welfare-bashers but it will not create a single job.

Mr Falzon went on to say:

…it isn't charity they should have to depend on, it's justice they should be able to count on …
The last quote from Mr Falzon is:
You certainly don't help young people into a job by … forcing them rely on charities …
It seems that the approach of the Abbott government is to do exactly as Mr Falzon says is not the way to go.

I want to go back to Senator Abetz, and when he went further in clarifying his comments. He said:
There is no right to demand from your fellow Australians that just because you don't want to do a bread delivery or a taxi run or a stint as a farmhand that you should therefore be able to rely on your fellow Australian to subsidise you.
Is Senator Abetz so seriously out of touch that he really believes it is as simple as applying a punitive measure and that, somehow, everyone will magically be employed? If that were so, if the views of Senator Abetz and the Abbott government were true, then surely our unemployment rate would be at zero. Of course, it is much more complex than this, and that is why getting people into work requires a greater effort than the Abbott government is giving it.

Of course, Senator Abetz's comments that young people should just go to Tasmania and work as fruit pickers in low-paid, casual, seasonal work over being unemployed and seeking opportunities in their own communities seems to be the way he thinks we should go. Does the government seriously believe that a job, particularly a casual, low-paid, seasonal job, trumps all other aspects of an unemployed person's life and that they should be prepared to move anywhere in order to take up a low-paid job? This is not serious, considered, workable government policy. This is what is being peddled by the Minister for Employment.

This view—the view of Senator Abetz and the government—that there is some supply and demand narrative has been challenged by researchers and welfare advocates. This narrow simplistic view ignores the effects of cycles of disadvantage. It ignores the importance of community—the job seeker's local community—and it ignores family connections. Critics of the simplistic Abbott government approach also note the tensions between a work-first—or a job-at-any-cost—approach with a goal of getting people off welfare, as opposed to programs with an objective of overcoming workforce exclusion through attachment to sustainable long-term employment.

And where do these punitive approaches stop? We have already heard Senator Day pushing the government to enable youth wages to drop below the current minimums. Seriously, how does making people poorer through pushing down the minimum wage, or forcing young people to be more mobile, or introducing punitive measures, support people into employment? This type of approach will further entrench disadvantage, particularly where high levels of disadvantage already exist.

We know who the disadvantaged are in our communities. Along with youth, it is people from non-English speaking backgrounds, Aboriginal people, people with low levels of education, poor literacy and numeracy skills, and people experiencing mental health issues—just to name a few. Study after study demonstrates that being in long-term unemployment is a further disadvantage. In itself, unemployment becomes a barrier to future employment. Employers frown on those who have been unemployed for long periods, and with an expanding job pool, they will put the long-term unemployed last on the list.
This paper by Anglicare Australia goes further. It really pulls out some important questions about why work for the dole will not work. It gathered that evidence through qualitative data from semi-structured interviews with operational staff and managers at agencies within the Anglicare network. The report concludes very strongly that for interventions to be successful they must address the whole person as someone with aspirations, preferences and capabilities and they must respect social and community connections and build human capital to underpin sustainable outcomes. I implore the Abbott government not to take the simplistic approach to the unemployed.

Senate adjourned at 19:31

DOCUMENTS

Tabling

The following documents were tabled:

Australian Law Reform Commission—Report No. 123—Serious invasions of privacy in the digital era—

- Final report, dated June 2014.
- Summary report, dated June 2014.

Defence Abuse Response Taskforce—Seventh interim report to the Attorney General and Minister for Defence, dated September 2014.