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SITTING DAYS—2015

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FORTY-FOURTH PARLIAMENT
FIRST SESSION—SEVENTH PERIOD

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

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

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

Printed by authority of the Senate
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### Senators

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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.

### PARTICIPATING TERRITORIES

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

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

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

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

(5) Chosen by the Parliament of Tasmania to fill a casual vacancy (vice C. Milne), pursuant to section 15 of the Constitution.

### PARTY ABBREVIATIONS

Heads of Parliamentary Departments
Clerk of the Senate—R Laing
Clerk of the House of Representatives—D Elder
Acting Secretary, Department of Parliamentary Services—D Heriot
Parliamentary Budget Officer—P Bowen
<table>
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<td>Prime Minister</td>
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</tr>
<tr>
<td>Minister for Indigenous Affairs</td>
<td>Senator the Hon. Nigel Scullion</td>
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<tr>
<td>Minister Assisting the Prime Minister for the Public Service</td>
<td>Senator the Hon. Eric Abetz</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister on Counter-Terrorism</td>
<td>Hon Michael Keenan MP</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for Women</td>
<td>Senator the Hon. Michaelia Cash</td>
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<tr>
<td>Parliamentary Secretary to the Prime Minister</td>
<td>Hon. Charles Porter MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Prime Minister</td>
<td>Hon. Alan Tudge MP</td>
</tr>
<tr>
<td>Minister for Infrastructure and Regional Development</td>
<td>Hon. Warren Truss MP</td>
</tr>
<tr>
<td>(Deputy Prime Minister)</td>
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<tr>
<td>Assistant Minister for Infrastructure and Regional Development</td>
<td>Hon. Jamie Briggs MP</td>
</tr>
<tr>
<td>Minister for Foreign Affairs</td>
<td>Hon. Julie Bishop MP</td>
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<tr>
<td>Minister for Trade and Investment</td>
<td>Hon. Andrew Robb AO MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Foreign Affairs</td>
<td>Hon. Steven Ciobo MP</td>
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<td>Minister for Employment</td>
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<tr>
<td>Minister for Small Business</td>
<td>Hon. Bruce Billson MP</td>
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<td>Assistant Treasurer</td>
<td>Hon. Joshua Frydenberg MP</td>
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<tr>
<td>Parliamentary Secretary to the Treasurer</td>
<td>Hon. Kelly O'Dwyer</td>
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<td>Parliamentary Secretary to the Minister for Industry and Science</td>
<td>Hon. Karen Andrews MP</td>
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<td>Minister for Defence</td>
<td>Hon. Kevin Andrews MP</td>
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<tr>
<td>Minister for Veterans' Affairs</td>
<td>Senator the Hon. Michael Ronaldson</td>
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</table>
Each box represents a portfolio. Cabinet Ministers are shown in bold type. As a general rule, there is one department in each portfolio. However, there is a Department of Human Services in the Social Services portfolio and a Department of Veterans' Affairs in the Defence portfolio. The title of a department does not necessarily reflect the title of a minister in all cases.

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<tr>
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<tr>
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<td>Hon. Darren Chester MP</td>
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Monday, 7 September 2015

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

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

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

COMMITTEES
Meeting
The Clerk: Proposals to meet have been lodged as follows:

Legal and Constitutional Affairs References Committee—public meeting during the sitting of the Senate on Thursday, 10 September 2015, from 3.45 pm, to take evidence for the committee's inquiry into a popular vote on the matter of marriage.

Joint Standing Committee on Migration—public meetings during the sittings of the Senate, from 9.45 am, to take evidence for the committee's inquiry into the Seasonal Worker Programme, as follows: Wednesday, 9 September 2015, Wednesday, 16 September 2015.

Rural and Regional Affairs and Transport Legislation Committee—public meeting during the sitting of the Senate today, from 4 pm, to take evidence for the committee's inquiry into the provisions of the Shipping Legislation Amendment Bill 2015. public meeting, followed by a private briefing, during the sitting of the Senate on Wednesday, 9 September 2015, from 5 pm, to take evidence for the committee's inquiry into the performance of Airservices Australia.

Rural and Regional Affairs and Transport Legislation Committee public meeting during the sitting of the Senate on Monday, 14 September 2015, from 4 pm, to take evidence for the committee's inquiry into the Voice for Animals (Independent Office of Animal Welfare) Bill 2015.

The PRESIDENT (10:01): Does any senator wish to have the question put on any of those motions? There being no-one, we will proceed to business.

BILLS
Veterans' Affairs Legislation Amendment (2015 Budget Measures) Bill 2015
Second Reading

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

Senator McLUCAS (Queensland) (10:02): I rise to speak on the Veterans' Affairs Legislation Amendment (2015 Budget Measures) Bill 2015. Labor supports the majority of measures in this bill because they represent a modest improvement to entitlements of and services to veterans. However, we have concerns about schedule 2 and think it appropriate that it be referred to a committee for further examination.

The Veterans' Affairs Legislation Amendment (2015 Budget Measures) Bill amends the Veterans' Entitlements Act 1986, the VEA, the Military Rehabilitation and Compensation Act 2004, the MRCA, and the Defence Act 1903, the Defence Act, to: expand the range of
services available under the Veterans' Vocational Rehabilitation Scheme—the VVRS—and make changes to the way certain periods of work undertaken as part of the VVRS, income earned from that work and periods of unemployment affect the rate of disability pension and/or service pension paid to participants; and create a single path of review for original determinations made under the MRCA and allow the Minister for Veterans' Affairs to amend regulation 31 of the Defence Force Regulations 1952 so as to provide for the repatriation of the remains of service dependants buried in the Terendak Military Cemetery in Malaysia. Schedule 1 amends the VEA to: expand the range of services available under the Veterans' Vocational Rehabilitation Scheme and make changes to the way periods of work undertaken as part of the VVRS, income earned from that work and periods of unemployment affect the rate of disability pension and/or service pension paid to participants. These changes were announced in the 2015-16 budget.

The VVRS has been administered by the Department of Veterans' Affairs since the mid-1990s and was introduced to meet concerns that younger veterans were being accepted as totally and permanently incapacitated for work without being provided with opportunities for vocational rehabilitation. It is a voluntary scheme aimed at assisting eligible veterans to find or maintain paid employment. The scheme is intended for former members of the Australian Defence Force with qualifying service, or those about to leave the ADF. The ADF has its own rehabilitation scheme for serving members. The VVRS is separate to other rehabilitation services provided under schemes such as the Military Rehabilitation and Compensation Act 2004, and the Safety, Rehabilitation and Compensation Act 1988. Veterans cannot undertake vocational rehabilitation under the VVRS concurrently with any other vocational rehabilitation program.

VVRS services include: assistance in assessing and updating a veteran's skills, job-seeking techniques and interview skills; and assistance to increase hours of work in an existing position, or, where the veteran is having difficulty coping, to manage the situation or look at alternative options. Assistance is provided to find suitable employment before the transition from the ADF to the civilian workforce and for skill development or assistance in gaining recognition for skills to assist in finding employment. While the VVRS is not restricted to those with disability, as a rehabilitation service it is targeted at those with impairments that can affect an individual's ability to find and/or maintain employment. As such, many VVRS participants may also be in receipt of payments from DVA in respect of their impairment, particularly the veterans' disability pension and the invalidity service pension.

There are two key changes proposed by schedule 1. The first is to allow intermediate rate disability pension recipients participating in the VVRS to have paid employment of up to 20 hours a week disregarded for the purposes of calculating any disability pension rate reduction. This aligns the disregarded work income with the work test that applies to intermediate rate pensioners. Currently, intermediate rate disability pensioners have any income from paid employment over eight hours a week used in the calculation of their rate reduction—the same as special rate disability pensioners. The amendment will mean that an intermediate rate pensioner participating in the VVRS cannot receive a lower rate of disability pension than an intermediate rate pensioner who has not participated in the VVRS. It will actually provide a greater financial incentive for intermediate rate pensioners to participate in the VVRS and to
find paid employment, as a greater number of hours can be worked and more income earned before the veteran's pension rate is reduced.

The second key change is to set the maximum reduction for a special rate disability pensioner who is participating in the VVRS and in paid work of more than eight hours but less than 20 hours a week to the intermediate rate, rather than 100 per cent of the general rate. Special rate disability pensioners participating in the VVRS with less than 20 hours of paid work a week will receive a pension rate calculated under the current method or the intermediate rate, whichever is the higher. Again, this is aimed at ensuring a special rate pensioner participating in the VVRS and undertaking less than 20 hours of work a week will not receive a lower rate of pension than an intermediate rate pensioner who is not participating in the scheme. Both of these key changes are beneficial to intermediate and special rate pensioners participating in the VVRS, and they will provide an added financial incentive for veterans to engage with the scheme and the workforce.

The other amendments proposed by the schedule will include specific references in the VEA to medical management and psychosocial services, which will be made available through the VVRS from 20 March 2016, and will ensure periods of unemployment of six months or more will be disregarded in determining different periods of employment used in calculating the amount of income assessed under the invalidity service pension income test for participants in the VVRS. This latter amendment refers to the two-year initial period of employment in which only 50 per cent of income is assessed under the income test, and the following five-year period in which the percentage of assessed income gradually increases. This will ensure that participants in the VVRS will not have prolonged absences from the workforce treated as part of their employment period.

Schedule 2 will create a single review pathway for original determinations made under the Military Rehabilitation and Compensation Act 2004—the MRCA—removing the option for internal reconsideration by the Military Rehabilitation and Compensation Commission and allowing only for review by the Veterans' Review Board. It is fundamental to Labor that the compensation system for injured veterans, including the appeal system, is balanced and fair. The system must also operate without unnecessary delays because delays exacerbate hardship.

The appeal rights of injured veterans who are refused a claim for compensation by DVA are significantly changed by schedule 2 of this bill. There have been genuine questions raised about whether the changes are balanced or fair. I am concerned, and Labor is concerned, that the consequences of the changes in schedule 2 have not been properly examined. The community and the parliament are entitled to know whether these changes will make the situation better or worse for injured workers and so they should be properly examined by an appropriately thorough inquiry.

By way of background, an injured veteran denied benefits currently has two options to appeal a decision that has denied them compensation benefits. Option 1 provides internal reconsideration by the Military Rehabilitation and Compensation Commission. If the veteran is not happy with an internal reconsideration decision they have a right, same as under Comcare, to seek an independent review by the Administrative Appeals Tribunal. For veterans who choose this path, if they prove a DVA decision wrong at the AAT the veteran is able to be awarded reimbursement of the reasonable costs of medical reports and legal representation they needed to substantiate their case. Option 2 is a review by the Veterans'
Review Board. This currently takes 18 months to two years. If a veteran has elected this path and is dissatisfied, they can still pursue independent review by the AAT; however, veterans’ who choose this path cannot be awarded reimbursement of their costs of challenging a DVA decision.

I now go to why schedule 2 should be closely examined by a committee before a vote is taken on this schedule in the Senate. The Senate inquiry into the mental health of Australian Defence Force personnel heard evidence in recent weeks that has highlighted the way in which delays and poor DVA decision making in the compensation process adds to the mental stress of veterans. In light of this, it is critical that the Senate is satisfied that the measures in the bill will improve the appeals system as the government promises. I refer to page 9 of Parliamentary Library's Bills Digest, which is headed 'Key issues and provisions'. It states: … while implementing Recommendation 17.1 of the Review for a single appeal path, the proposed amendments ignore Recommendation 17.2 for internal reconsideration by the MRCC to be the first step in this review process. Instead, the proposed amendments will remove internal reconsideration by the MRCC from the appeals process altogether …

While ex-service organisations are supportive of the move to a single pathway, many have previously stated their support for an internal reconsideration component to be included as part of this appeals process.

It is unclear whether ex-service organisations have changed their position or whether they support veterans' not being able to be awarded their costs at the AAT.

Schedule 3 amends the Defence Act 1903 to expand the regulation-making power under paragraph 124(1) to authorise, under regulation 31 of the Defence Force Regulations 1952, for the repatriation of the remains of eight service dependants buried at Terendak Military Cemetery in Malaysia, if requested to do so by their families. The Terendak Military Cemetery is located within a Malaysian military base, the Terendak Camp, on the coast of the Malacca Straits, approximately 21 kilometres north of Malacca. Terendak Camp was built by the United Kingdom, Australia and New Zealand during 1957-59 to house the 28th Commonwealth Infantry Brigade. Of the 521 Australians killed in the Vietnam War, 496 were repatriated to Australia with full military honours. There are 24 Australian servicemen buried at Terendak, Malaysia and one other buried at Kranji War Cemetery in Singapore. These 25 soldiers are the only remaining Australian servicemen killed during the Vietnam War who have not been returned to their families for burial. During the early days of the Vietnam War, a family would have had their son's body sent home only if they—his next of kin—or a benefactor were willing and able to pay 500 pounds for his repatriation to Australia. If families could not afford this, the soldier would be buried in Terendak in Malaysia.

In January 1966, the Australian government resolved that all soldiers killed in Vietnam were to be returned to Australia at the expense of the Commonwealth. After a public campaign by the Vietnam Veterans Association of Australia—Operation Bring Them Home—and other ex-service organisations, and long-running negotiations between the Australian and Malaysian governments, the government announced in May 2015 that it would repatriate the remains of the 25 Australian Vietnam veterans buried overseas, where this was the wish of the deceased's family. As the Terendak Military Cemetery is difficult to access—being within a large Malaysian military base and requiring special permission to visit—the
Australian government also extended the offer to repatriate remains to the families of the other three Australian servicemen and eight service dependants buried there.

Labor has continued to support the government’s offer to repatriate the remains of deceased Vietnam veterans buried in the Terendak Military Cemetery in Malaysia and in the Kranji War Cemetery in Singapore if requested to do so by the families. As we move into the 51st year since the first Australian serviceman was killed in the Vietnam War, we must remember that we owe these men, and their families, an enduring obligation and respect for the sacrifice they made.

As I said in my introduction, Labor supports the majority of measures in this bill because they represent a modest improvement to the entitlements of and services to veterans. However, we believe there is reason to examine the measures in schedule 2 more closely. It is fundamental to Labor that the compensation system for injured veterans, including the appeal system, is balanced and fair. The system must also operate without unnecessary delays, because delays exacerbate hardship. The appeal rights of injured veterans who are refused a claim for compensation by DVA are significantly changed by schedule 2 of this bill. There have been genuine questions raised about whether the changes are balanced or fair. I am concerned that the consequences of the changes in schedule 2 have not been properly examined. The community and the parliament are entitled to know whether these changes will make the situation better or worse for injured workers, and they should be properly examined by an appropriately thorough committee.

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (10:18): The Veterans’ Affairs Legislation Amendment (2015 Budgetary Measures) Bill gives effect to a number of veterans’ affairs measures that the government promised in the 2015 budget. It builds on the support that the coalition has had for veterans’ affairs, both during the Howard government and the period in opposition, and as we have come in to government. As I said in my maiden speech coming into this place, having spent over two decades in the ADF, I believe that it is important that loyalty flows both ways. We expect loyalty from our servicemen to the government of the day. The government of the day, whichever side, owes a loyalty back to those people who have served this nation and to their families. It is good to see a largely bipartisan approach to this bill to make sure that measures are at least incrementally, if not in one fell swoop, improved for veterans.

I want to acknowledge the many people from the various ESOs who are consistent in their advocacy for veterans and their families, from the TPI Federation, Defence Force Welfare Association, RSL, Vietnam Veterans Association right through to Men’s Sheds organisations. Barry Heffernan in South Australia advocates on behalf of people who have been abused in defence. There are many people who invest a lot of their time and effort, and I just want to acknowledge at the start of my contribution on this bill that many of the measures that are brought forward by the Parliament of Australia are as a result of the hard work and passion of people who care deeply for our service and ex-service communities. The budget for this year made an investment of more than $12 billion in services for veterans and their families that will have a significant focus on bringing intervention earlier. Early intervention has been proven time and again to have good outcomes, and I will be talking about a number of the measures relating to that.
The other thing it has done is it has expanded case coordination or case management, particularly for complex cases. I sat through a couple of days of hearings last week with the Senate Foreign Affairs, Defence and Trade References Committee looking at mental health concerns for serving men and women, and naturally that also looked at those in transition as well as many veterans. What became very apparent is that it is a complex system—that alone is something we need to continue to try to improve—and because of the complexity of the system, some individuals have had dreadful experiences with both defence and veterans' affairs. I would say these experiences happened largely in the past, although clearly that is not uniquely true.

One of the things that became very clear was that those who have had good experiences with DVA, particularly in recent times, are the ones who have had a case manager appointed. There has been someone who has taken a greater deal of responsibility within the system to make sure that each element of that veteran's care is coordinated and followed up so that that person actually receives timely and considered responses rather than having to deal with countless different people within the veterans' affairs system, rather than having to deal with countless different groups and having to repeat their story, or finding that their case files are lost or delayed or sent interstate. Obviously the appointment of case coordinators makes a significant difference, and I am pleased that the budget measures from 2015 have increased investment in that. I would like to see us get to the point where the appointment of a case manager is best practice and applied for all people who are dealing with DVA. Obviously the simpler cases mean it will be a low workload for the case manager, but for those who need it—certainly for those people who come to DVA, they and their families often are at a crisis point when anxiety or depression or PTSD or some other issue has brought them to the point where they realise that they need help. The last thing they need is for an administrative system that does not gather all the bits together and support them through the process.

One of the most significant things to help people in that area is advocacy, and so before I go on to the remainder of the actual bill, I just want to highlight the context of some of these other budget measures and the difference that has made. Again, during the committee's hearings we heard that many people would not have made progress through the DVA system at all, or effectively—we heard of a number of people who had claims rejected or the process slowed down because they had not filled in forms properly, and so clearly well-trained and well-resourced advocates are an essential part of this system to support veterans and their families. It was good to see in this budget the restoration of $1 million per annum in the BEST program, the Building Excellence in Support and Training program, which supports advocacy in welfare work. The budget has prioritised early intervention, which is important, as well as expanding the services provided by Veterans and Veterans Families Counselling Service. We heard countless testimony from serving members, and particularly veterans and their families, about VVCS and the great work that they do. One of the consistent messages, though, was that many people were unaware that they were eligible for the service and were unaware about what the service can provide. There was a deal of discussion on both of the days of last week's hearings around how we could make sure that veterans and, more to the point, veterans' families, or the families of serving members, could be made aware of the services that are available to them.
I am pleased to see, again, as part of this year’s budget measures, that there is a dedicated website and a Facebook page for the VVCS, and an expansion of the e-health services for veterans and service providers. There is also a broadening of DVA’s reach on social media through dedicated YouTube channels and Facebook pages, including short videos focusing on the services provided by DVA to families. There have been a number of measures—even down to as basic as writing to people when they discharge to advise them of the services and support available from DVA. This communication is critical. There is no point having all the services in the world if the people who need them are not aware that they are there, so these measures are very welcome. There has also been work with the Royal Australian College of General Practitioners to improve materials that support GPs to identify service-related issues so that through that initial point of contact with the primary health care system, which is often the GP, wherever possible, we identify the fact that an individual has served their nation, and therefore they can either be referred to DVA or VVCS, and we can help link them in with those systems through having GPs act as that first point of referral.

Another significant investment is improving access for those with mental health conditions such as PTSD and anxiety and depression so that without having to lodge a claim and demonstrate an award of compensation, somebody can access the treatment they need immediately. We have heard some dreadful stories of people in the past who had their conditions exacerbated by the fact that they had to fight a battle just to even access treatment, let alone compensation. The investment that has occurred to streamline that process so that anyone on presentation with those issues can get treatment is welcome. What we need to be seeing is an increase in capacity, because clearly as we have more people serving—impacting on greater numbers of families, and reservists and reservists’ families—the demand on that system will grow. So it is important to make sure that the capacity is there within VVCS or others to be able to support people. The pilot of the veterans’ employment rehabilitation program is important as a pathway to helping people get back into work, and that relates a little bit to the topic of this bill, which we will get onto, and cutting red tape and making it easier for veterans to prove their identity when making a claim with DVA. These are all measures coming out of the budget which are welcome for our veterans and service members, particularly those in transition.

This bill has a number of measures. The first will benefit veterans through the enhancements to the Veterans’ Vocational Rehabilitation Scheme under the Veterans' Entitlements Act. This is a voluntary scheme that is designed to assist veterans to find or continue in suitable employment, and I will talk a little bit more about that. The enhancements to the scheme will expand the range of services, including medical management and psychological services, and they will also have an impact on the thresholds for special and intermediate rate disability pensioners by having a smoother stepdown so that there is more advantage to somebody choosing to work. We have heard people in the last week give testimony that the ability to get back into the workforce without having to worry about what is going to happen to your support pension, particularly if you have to withdraw from the workforce later, is a huge benefit to both individual veterans and their families. Anything that we can do to make that better is welcomed. We will also be looking at streamlining the appeals process under the Military Rehabilitation and Compensation Act, and I will talk about that later.
Finally, the bill amends the Defence Act for the repatriation of the remains of service dependants buried in the Terendak Military Cemetery in Malaysia. If requested by the families of the deceased, we can bring those people and servicemen back to Australia. That is because of the unique situation of that base being a high security base, similar to our bases here, where access by dependants and the public is not easy. The Malaysian government have generously worked with us and agreed to cooperate with Australia to allow that repatriation, should the families so wish.

Schedule 1 of this bill looks particularly at the Veterans' Vocational Rehabilitation Scheme. Rehabilitation is provided under part 6A of the Veterans' Entitlements Act. What it basically sets up is a situation where people who participate in the voluntary scheme, the VVRS, who withdraw from the workforce for any reason will return to the rate of disability pension they received prior to their participation in the VVRS. One of the concerns that has been raised with me time and again is by people saying, 'We'd be happy to get into work, but we don't want to go through the battle again to re-establish our eligibility for that support.' So you have this awful dilemma where people who would like to work, and perhaps are capable of doing more work, see the nightmare of the battle that they had as such a barrier that they do not want to take the risk of having to repeat that. This scheme provides an opportunity for people to say, 'Look, I'd like to participate in it, I'd like to work, but I know I've got the safety net there that if I do have to withdraw either because I'm not managing or even because I've just retired, then I can go back to it.'

One of the things we have had in the past to encourage participation is that recipients of the special rate disability pension can undertake work beyond the threshold of more than eight hours but less 20 hours per week without losing the entitlement to that disability pension's associated benefits. But the step down in the amount of pension that they do start to lose over time has been tapered so that after a period of time, over a seven-year period, it eventually would back to 100 per cent of the general rate. We are trying to simplify that process and so make it more attractive for people to work so that, as they work, the default position they come back to—those on a special rate, as they exceed the threshold in terms of the number of hours worked and that income is no longer exempt, rather than having to apply for the intermediate rate they automatically go to that rate while they are continuing to work above that threshold. That means there is less red tape, it is a smoother process; they end up with that safety net so that should they then have to come back under the threshold or give up work altogether, they will still come back to the full payment that they were on previously.

The other enhancement to the VVRS that we are looking at is to expand the range of services available to include the provision of medical management and psychosocial services. The medical management involves the monitoring and treatment measures to restore or maximise a person's physical and psychological function. This is important because, whether it is pain management or disability counselling or even family education, these are all factors that help in the process of rehabilitation. We are actually trying to get people back on their feet, trying to get them back into the workforce. This is not so that they are not a burden on the government—some people see this as a cynical effort to say, 'We just want you back working!'—but because the proven evidence, and the evidence we have received from veterans and their families, is that when people are capable of work and they do work, then it is better for them, for their own self-esteem, for their own psychological wellbeing, and it is also better
for their families. This is about trying to make that process easier while still keeping that important safety net in place and wrapping those additional services around them.

The second measure that the opposition has expressed some concern over is the appeal process. I would like to step back to the fact that under the former government there was a review of MRCA, which was conducted in 2012, and one of the recommendations was a streamlining of the appeal process. That recommendation was accepted by the former government, which then triggered the consultation, and I give them full credit for that. It was a comprehensive consultation with ESOs to say, ‘This is the recommendation the review has come up with. What is your view of that?’ All of the major ESOs who were consulted in the 2012-13 period came back and said they supported this approach, in terms of streamlining and having one process rather than the parallel option, before people actually went to the AAT.

The government’s position is that there has been an inquiry into MRCA and there has been consultation with ESOs, and the strong support of those organisations would indicate that the recommended path, the path that is now captured in this legislation, is the path that we should be moving forward on. I would certainly encourage senators here to support the recommendation because it has been the subject of an inquiry and it has been the subject of consultation. If issues emerge I see no reason, given the strong bipartisan approach we have around veterans’ affairs, why it could not be revisited, but I see no point in delaying the implementation of something that has been recommended from a review and has been supported through consultation by ESO groups. I think that would make sense. Certainly the delay is a real issue. At the inquiry we had last week, we heard a number of people talk about the debilitating impact that delays in assessments and appeals had. Whilst I know it has been raised, and both sides of politics in the past have pushed back on the idea of having set time frames for assessing a claim before the default position is that it is awarded in favour of a veteran, my understanding is that other comparable nations—such as the UK—have a system where there is a time frame. If there is to be an inquiry of any kind, I would say that would be a good topic to have an inquiry into to see how that could work, what the benefits are and what the downsides are. If we had a time frame that had to be complied with or it would default in the veterans’ favour, my sense is that it would remove a significant cause of frustration, anxiety and additional harm that occurs to veterans. It would allow people to move on and allow the process to move from stage to stage, whether that was to an appeal or whether that was continuing with both rehabilitation treatment and compensation where appropriate.

I do support the measures in this bill. They give effect to a number of long-term commitments of this government, which are not only in the policy that we took to the election but also, importantly, have been through the budget measures that have been brought down. Whether it is the expansion of the programs or the streamlining and the removing of red tape, it is an example of us incrementally moving to that point where the loyalty is flowing both ways, both from the service to the government and the government to the service. (Time expired)

Senator LAMBIE (Tasmania) (10:38): I rise to contribute to the debate on the Veterans’ Affairs Legislation Amendment (2015 Budget Measures) Bill 2015. Before I turn to the detail of the legislation, I will make some general comments about the management of veterans’ affairs by the Abbott government. The common feedback I receive from Australian veterans
or former members of the Australia Defence Force, who have risked their lives and faced our enemies, is they would rather face the Taliban than face the Department of Veterans' Affairs. How damning! I note that, while we had 60,000 veterans serving in Vietnam, in the last 15 years, including the peacekeeping roles in Africa, the Solomon Islands, East Timor and the war in the Middle East, about 70,000 young Australians have put their lives on the line in peacekeeping, warlike or war zones. In Michael Ronaldson, Australia has one of the least caring and most incompetent veterans' affairs ministers to ever be appointed to that very important position, especially when you consider the large number of Australians affected by his dysfunctional and flawed management of his dysfunctional and flawed government department. If Australian veterans were not unnecessarily dying, self-harming and being forced to live rough on the streets in record numbers, then the management of Australia's Department of Veterans' Affairs could well be thought of as a bloody joke that could easily inspire many episodes of a national comedy TV show in the style of Yes, Prime Minister. But, unfortunately, the needless heart-breaking suicides, the gut-wrenching family break-ups, the family violence, the drug addictions, the homelessness and the jailing of veterans in our community inspire nothing but a feeling of dread, deep depression and a desire to rage against this filthy national shame.

In my office in Burnie I have one electorate officer dedicated to helping veterans from all over Australia. We have created nearly 300 cases on file in just one year. I have just participated in a series of public hearings that examined the plight of our veterans. My comments are not out of line or over the top. The Department of Veterans' Affairs, though criminal mismanagement and under-resourcing, has made the lives of many of our veterans and their families a living bloody hell, a misery few Australians can understand until they are confronted with the whole truth, which can only be revealed by a royal commission into defence abuse and veterans' welfare.

Of course this Liberal government—and I strongly suspect a future Labor government—will fight very hard not to hold a proper public inquiry into the bureaucratic and administrative mess that has become the Department of Veterans' Affairs or shine a light on the wicked crimes committed by rapists and criminals in the Defence Force—some of whom are still serving in senior ranks—who have preyed upon the weak and the voiceless. Those crimes were covered up or turned a blind eye to by those in the highest leadership positions in Australia, including our federal Governor-General and the New South Wales state Governor-General. Volume 2 of the DLA Piper review mentions the existence of 33 top secret books containing the worst sexual assaults, abuse and crimes in our military history that prove former Chiefs of Defence Cosgrove and Hurley 'did nothing to bring justice to the hundreds of Australian Defence Force victims of gross abuse and sexual assaults'.

It is interesting to note that should a royal commission by some miracle be established into defence abuse and veterans' welfare, two of our Governor-Generals would most likely be key witnesses. Indeed under our laws, in order to establish a royal commission, our highest government representative would have to give official approval to an investigation where he and a fellow state Governor-General would most likely be a key witness. And not only him, but many serving and former senior members of the Australian Defence Force would also likely be called to give evidence, so it is no wonder that the recommendations from the Defence Abuse Taskforce—once again from a former senior military man; not an independent
party with no conflict of interest—are, surprise, surprise, against the establishment of a royal commission into defence abuse. My question to all those former senior ADF commanders who are actively working to stop a proper investigation into crimes, which happened on their watch and were clearly covered up from public and parliamentary scrutiny, is this: what do you have to hide?

I now turn to this government's Veterans' Affairs Legislation Amendment (2015 Budget Measures) Bill 2015, especially schedule 2. A letter I recently sent to the minister neatly summarises the situation. I stated to Senator Ronaldson:

Dear Senator Ronaldson,

I am writing in regards to the Veterans' Affairs Legislation Amendment (2015 Budget Measures) Bill 2015 that is scheduled for the Senate Program on 7 September 2015.

This legislation, in particular Schedule 2, strips veterans of appeal rights and gives DVA more power to frustrate and deny claims without independent review of their decisions. This results in a single and inferior pathway for appeals (through the VRB only) and replaces the current arrangement, which provides an injured veteran with dual pathways. The current pathway, which this legislation will abolish, may not be ideal, but it is better than the VRB process. This Bill removes any ability for veterans to seek independent help during the veterans' compensation review process.

... ... ...

Listed below are responses we have received in relation to this proposed legislation pointing out numerous areas of concern.

Slater and Gordon Lawyers

- "To insert Schedule 2 will have severe and a profound impact on the rights of our Veteran's and ex-vets. Schedule 2 should be opposed. It is nothing more than a thinly veiled attempt by this government to keep all decision making in house and avoid independent review. The waffle about access to legal aid is sugar coating a bad piece of legislation. We think the claim about legal aid is a smokescreen as lawyers cannot appear in the VRB so what is the—bloody—point. Whilst they may recover something from legal aid (if they are eligible)—that is if they are eligible—legal aid is means tested, and no lawyers with skills and relevant experience will be able to afford to do the work at rates paid by legal aid.

- With the means testing it is unlikely people who are currently earning a wage will qualify for any legal aid. This will leave veteran's spending thousands of dollars on legal representatives which they will not recover even if they are successful in their Appeal. Even if they are successful at their appeal, they will not be able to recover their own money back to fight.

- If the government wants a single path of appeal then it should abolish the VRB and create one new, fair process, not expand a process that doesn't work.

And it clearly does not work.

- The SOP's used are far more restrictive so less liability claims will be accepted. More claims will be denied and the VRB after ... years will re-affirm DVA decisions. Then clients will have the unqualified RSL advocates that DVA fund and train to represent them. Caesar judging Caesar once more.
A $2.2 million saving is ludicrous for the adverse impact it will have on the rights of service personnel.

And I will not put a price on a life.

If the veteran gets a refusal from the VRB and wishes to appeal, it appears they may be able to apply for legal aid but it's a token amount that few will be helped by unless they are eligible because they have nothing left. On the other hand DVA have seemingly endless resources to pay lawyers to help then deny the veteran compensation."

KCI Lawyers

The current two (2) pathways to appeal i.e. internal review and VRB means that only those who go through an internal review and then to the administrative appeals tribunal—AAT can have their legal costs reimbursed i.e. the Veteran can have most of their legal costs paid, barristers can undertake cases on a contingency basis, Veterans can have the cost of medical reports they may have paid for reimbursed to them.

However if, as proposed by Government and DVA, the Veteran can only go through the VRB and is dissatisfied with the decisions are not eligible to have their legal costs reimbursed although they are eligible for a grant of legal aid which is substantially limited i.e. approximately $1,500.00 for the lawyers to prepare their case and for a barrister to prepare and attend a hearing.

And that is without any of the fightback from obtaining doctors' certificates, medical certificates and specialists' certificates which add up, at any one time, to about 3,000 bucks a pop.

I attach my advice paper for those Veterans who face the appeal path option and implications of going to the VRB as opposed to the internal review option. The delay to have the case heard by the VRB is The VRB will take up to 418 days to hear an appeal as opposed to the internal review that will take … up to 127 days to consider the reasons for reconsideration.

And obviously, as they have been stipulating from the other side, if you have a look at the military compensation arrangements, volume 2, DVA, February 2011, chapter 17.35.

DVA propose to limit all appeals to go only to the VRB which has serious consequences for Veterans and their ability to review decisions to the AAT as we, as lawyers generally will not be able to act on a contingency basis and Veterans will need to pay for the whole appeal—

DVA will undoubtedly continue to use the panel firms and reward them handsomely against Veterans who will largely be represented by ESO—

external service organisation—

advocates i.e. non lawyers notwithstanding the complexity of the legislation on the legal process.

Considering that we have four acts that we cannot deal with and that the veterans' affairs minister does not even know about—because he has no idea of the legislation that is contained in them because he is too busy running around having cups of tea and scones out there promoting the Anzac centenary, where he will go and spend $750 million in the forward estimates and says, 'Stuff $2 million to the veterans; we'll just cut down a pathway.' Shame!

Of significant benefit to DVA through this process will be less scrutiny by DVA have to decisions made by the AAT and in particular appeals that would go on to the Federal court and full Federal Court of which there have been many by the law firms such as my own and others. Without appeals,
lawyers cannot push the boundary of DVA’s interpretation of the Acts and essentially their "policies" and what I have deemed DVA’s "LORE" as opposed to how to apply or interpret the "LAW".

- This is a serious issue and one that the Senate Committee respectfully needs to address and have Veterans’ Affairs explain how Veterans will be able to have access to the appeal process when DVA knows that the number of appeals, the quality of representation in the appeal process, the delays and the opportunity for Veterans to get legal representatives to take matters on further appeal to the AAT and Federal court will be substantially limited by their proposal to funnel everything to the VRB's

Please be advised I will not be supporting this Bill and will ensure the public, cross-benchers, Greens and Labor are made aware of the above points so that this Legislation can be seen in its true light – unfair.

Simply—it is bloody unfair and it is ripping the veterans off again—

Yours sincerely,
Jacqui Lambie.

It is clear, after reading independent feedback from veterans' affairs legal specialist lawyers Slater and Gordon that the alarm bells have rung. I will not go into mentioning the ex-service organisations who have been crying down my throat all weekend to stop this legislation from going through. They are absolutely disgusted.

Of course, had the minister gone out and done a reasonable consultation and bothered to speak to the ex-service service organisations, he would have received the same feedback that I have. It is not on, and it is not fair! Once again, they are ripping the heart and soul out of veterans.

Additional feedback in a media release from lawyer Brian Briggs, who recently gave a submission to the Senate committee examining the mental health of our diggers and veterans, says that the misleading and ill-conceived amendment in the bill before the Senate will strip vulnerable injured veterans and blow-out appeals against the Department of Veterans' Affairs refusals by up to two years. I believe he is actually being kind by the 'two years'. I would put it more at three years.

Slater and Gordon military compensation lawyer, Brian Briggs said that the Machiavellian amendment was hidden between two innocuous schedules in the Veterans Affairs Legislation Amendment (2015 Budget Measures) Bill 2015, and said, 'On behalf of injured veterans I am calling on all parties in the Senate to stop this inhumane removal of rights.'

He said that the schedule 2 amendment in the bill is deeply concerning as it strips the right to a fair process for appealing decisions by the Veterans' Affairs when they deny eligibility for support or compensation for injured veterans. At a time when the Senate is holding an inquiry into the mental health of veterans and Australian Defence Force personnel, the very thought that the Senate would consider passing this legislation, that will deny veterans health and cause them further trauma and suffering, is abhorrent.

Veterans already appearing before the inquiry have already described how delays, unfair decisions and the appeals process left them at rock bottom—it let them down and added to their trauma. It added to their trauma! Some have even described how friends and colleagues have taken their own lives as a result, and God knows how many have attempted to take their own lives. I can assure you that there are thousands of them. The bill will add up to two years to the DVA appeal process, and that means an extra two years that veterans in dire need will go without help. I wish them the best of luck surviving that—I really do.
Mr Briggs said that the schedule sought to force veterans through the Veterans' Review Board, which would strip them of their right to legal representation and of the right to recover costs when they are successful against the Department of Veterans' Affairs. He said that it means veterans will not be able to appeal the decision unless they are deemed to qualify for legal aid, or are able and have the funds to pay for it themselves, win, lose or draw.

This is about veterans not having the money for the medical and psychiatric treatment and reports that they need, as well as forcing them to battle against the Department of Veterans' Affairs and their bloody crappy lawyers without their own representation. Mr Briggs said that the net result is that the appeal system will become so hard and costly for injured veterans that they will be forced to give up their entitlement to be supported by DVA. I can assure the Senate that in the long run it is going to cost the taxpayer a hell of a lot more money. Trust me, I would know: I have been through the system. Without those dual pathways I would have been screwed. It would have cost me thousands and thousands of dollars and I would have still been down in the ditch. That is where I would be!

Mr Briggs said, 'The government has stated this will produce budget savings of around $2 million, but in fact the windfall for the government's coffers will be far greater because they will not be paying injured veterans the compensation that they are entitled to.' Mr Briggs said: 'This bill, if passed, will strip vulnerable, injured veterans of their rights and make it virtually impossible for them to access the support they are entitled to when they are refused by DVA because of the cost and added delay of challenging poor DVA decisions. These are literally matters of survival versus bankruptcy, life versus death, for the veteran affected. We trust that this bill will not be allowed to pass unless the stripping of the appeal rights is removed from the bill'.

The Liberal government has tried to sneak through the Senate the Veterans' Affairs Legislation Amendment (2015 Budget Measures) Bill 2015 by labelling it non-controversial when there is obviously plenty of controversy surrounding it. Of course, had the Minister for Veterans' Affairs done his homework, he would know that. Both respected military compensation lawyers essentially agree that this new government legislation, particularly in schedule 2, strips veterans of appeal rights and gives DVA more power to frustrate and deny claims without independent review of its decisions.

I am sick of the cover-ups and I am sick of the lies—and so are the bloody veterans—which are daily coming out of the Department of Veterans' Affairs and the minister's mouth. We have had a gutful. I am sick, too, of hearing about the harm and the suicides of veterans. And I am sick of talking to bloody young veterans who end up living in tents on our streets because of the delays and underpayments of entitlements caused by a dysfunctional, incompetent minister and the Department of bloody Veterans' Affairs. The Prime Minister must act now and sack Senator Ronaldson—I have asked for it in the past and I will continue to ask for it—and put someone in the position who at least actually gives a shit about veterans more and does not worry about overseas junkets.

Senator Colbeck: Mr Acting Deputy President, I understand—

The ACTING DEPUTY PRESIDENT (Senator Back): Do you have a point of order, Senator Colbeck?
Senator Colbeck: I do have a point of order. It is with regard to parliamentary language. I very much understand Senator Lambie's passion on this issue because, as she knows, I have had considerable interaction with her around it, but I would ask that you perhaps suggest some caution around the way she is using her language because on reflection she may very well regret some adjectives that she has used—

The ACTING DEPUTY PRESIDENT: Thank you, Senator Colbeck. You are debating now. Please come to your point.

Senator Colbeck: particularly in the context of the veterans themselves.

The ACTING DEPUTY PRESIDENT: Thank you.

Senator Colbeck: I am trying to assist Senator Lambie here, but some of the adjectives she has used, particularly adjacent to the veterans themselves, I think she may regret on reflection.

The ACTING DEPUTY PRESIDENT: Thank you; I note that. Senator Lambie, I ask you if, in your concluding comments, you could bear in mind the language. The point you are making is certainly valid, but I just ask if you would be senatorial in your final comments. Thank you.

Senator LAMBIE: Thank you, Mr Acting Deputy President. I oppose the legislation in schedule 2, and I call on all senators who want to look after our veterans and their families and cause them no more harm to do so themselves.

Senator SESELJA (Australian Capital Territory) (10:57): I rise today to speak on the Veterans’ Affairs Legislation Amendment (2015 Budget Measures) Bill 2015. I am pleased to be able to speak to this bill today because it is another opportunity for this parliament to do the right thing by those who have served our country.

The unique nature of military service is such that it is important that we are always looking at ways that we can better provide support to those who have been prepared to give all for our nation. While this bill deals with a number of seemingly minor amendments, they each go some way to making sure our veterans get a good deal. This government has done a number of things to support our veterans already in this term. The 2015 budget continues to deliver on the government's acknowledgement and understanding of the unique nature of service and delivers more than $12 billion in services for veterans' affairs, including $6.5 billion for pensions and $5.5 billion for health care. We delivered our longstanding commitment to provide fair indexation for military superannuants. We restored $1 million per year in funding for advocacy and welfare work through the Building Excellence in Support and Training program. We have prioritised early intervention to ensure early treatment for conditions to minimise their long-term impact on veterans and their families. We have expanded services provided by the Veterans and Veterans Families Counselling Service to more veterans and their families. We have also improved access to treatment for certain mental health conditions such as PTSD, anxiety and depression, including making it easier to seek treatment without the need to lodge a claim. We are now launching a dedicated website and Facebook page for the VVCS and expanding e-health services for veterans and service providers. This government is also working with the Royal Australian College of General Practitioners to improve materials available to GPs to better identify service-related conditions.
We are broadening DVA’s reach on social media through dedicated YouTube channels and Facebook pages, as well as releasing short videos focussing on the services provided by DVA to veterans and their families. We are reducing the time taken to process compensation claims and have reduced permanent impairment claim processing times by more than 40 days since coming to office—more work is needed to drive further improvements. We are writing to ADF personnel when they discharge to advise them of the services and support available to them from DVA. Finally, we are beginning a pilot veterans’ employment rehabilitation program, which will encourage wounded, ill and injured personnel to find a pathway back to work as part of their rehabilitation. More broadly, we have shown our commitment to honouring those who have served through the $600,000 Veteran and Community Grants program and nearly $300,000 for the Saluting Their Service grants program. We have seen in this centenary of ANZAC many schools around the country paying tribute to our service men and women, and some of these schools were recognised through the Anzac Day Schools' Awards. I was pleased to visit a couple of Canberra schools, such as Good Shepherd in Amaroo and Merici College in Braddon—both won national awards in the Anzac Day Schools' Awards. All of these measures that have been listed reflect our commitment to ensuring we give due honour to those who have served us. This bill today, while plainly very different from these community initiatives, continues that commitment so that we can create a culture where we look after our veterans.

The bill will give effect to several Veterans' Affairs 2015 budget measures. The bill will create a single appeal path under the Military Rehabilitation and Compensation Act 2004, it will enhance the operation of the Veterans' Vocational Rehabilitation Scheme under the Veterans' Entitlements Act 1986 and it will expand the regulation making power under the Defence Act 1903 to include the provision and maintenance of a grave of a service dependant interred in the Terendak Military Cemetery.

The Veterans' Vocational Rehabilitation Scheme is a voluntary vocational rehabilitation scheme for people eligible under the Veterans' Entitlements Act 1986. This scheme helps veterans who need rehabilitation because of injury—either physical or psychological—and need to find and keep work. It is about making sure that we give people who have served our country the opportunity to make a new career, to earn a living and to be a full part of society. This bill will increase the range of services available under the Veterans' Vocational Rehabilitation Scheme to include psychosocial and medical management services.

This bill also removes disincentives to participation in the scheme through a more favourable adjustment of pension payments for those who are in receipt of above general rate pensions such as the special rate or TPI. The more favourable adjustment of pension payments means that intermediate rate recipients who participate in the VVRS will not receive less disability pension than an intermediate rate recipient who does not participate in the VVRS. It means that special rate disability pension recipients who participate in the VVRS and who undertake less than 20 hours paid work per week will not receive less pension than an intermediate rate recipient who does not participate in the VVRS, and a more reasonable pension reduction regime will follow any prolonged absence from the workforce and will avoid disadvantage to participants who start the VVRS but experience lengthy absences from the workforce. An amount equivalent to the permissible earnings for special and intermediate rate recipients will be disregarded for VVRS participants when determining...
whether the person's reduced daily pension amount should be increased and will give them the same benefit from permissible earnings as is received by a non-participant of the VVRS. This measure is technical in nature, but it will make a difference to many veterans who want to still make a contribution through work but have found it tough because of their injuries. It is important that we help them get a foothold in the workplace and that is what this measure is designed to do.

The second measure in this bill relates to the appeal path for people who are unhappy with a decision made by the Military Rehabilitation and Compensation Commission. We have a strong and independent commission that makes judgements on what a veteran is eligible for in relation to rehabilitation and compensation. But, it is only fair that veterans have an opportunity to appeal if they believe they have not had a fair go. This measure will allow veterans to first make an appeal to the Veterans' Review Board and then, as the next course of action, appeal to the Administrative Appeals Tribunal. This clarifies arrangements that resulted in dual appeal paths being put in place by default—when the Military Rehabilitation and Compensation Commission was established, there was no agreement on the best way forward for appeals. This has created confusion for people who make appeals and has created all manner of red tape. Veterans' organisations have strongly endorsed this measure, so that there is clarity in the system and our veterans who need help will get it.

Current legislative provisions enable the Director of the Office of Australian War Graves to repatriate deceased Australian military personnel from their place of interment and reinter those remains. There is no legislative provision to enable the repatriation of dependants. Consistent with the Prime Minister's announcement of 25 May 2015 that the ability of families of veterans and dependants of Australian Defence Force personnel buried at the Terendak Military Cemetery to elect to repatriate their loved ones remains, this amendment clarifies the power in the Defence Act 1903 to give the Director of OAWG the legal authority to repatriate all those buried at Terendak, subject to the wishes of the family. This is another small but very important amendment that gives families an opportunity for closure. As the Prime Minister said in his address to the parliament on 25 May this year, 50 years ago, the first contingent of the 1st Battalion, Royal Australian Regiment departed for South Vietnam. Eventually, almost 60,000 Australians, from the Army, Air Force and Navy. Five hundred and twenty-one of them are listed on the Roll of Honour at the Australian War Memorial. Of those 521, all but 25 were brought home to rest in Australia. Since that war, the Australian government has always made the effort to bring our fallen home to rest here on our shores. As the Prime Minister said:

We can never restore those who have died in the service of their country. But we can and we should offer solace and support to the families left behind.

Of the 25 we have not brought home, 24 lie in Terendak cemetery in Malaysia. They rest in a peaceful area, in graves which have been well tended with respect by the Malaysian government. I add my voice to those of the Prime Minister and the Minister for Veterans' Affairs in thanking the government and people of Malaysia for caring for the site. The site is not easily accessible, and it has been tough for families to visit their loved ones.

This bill makes sure we treat those fallen soldiers just as we treat our soldiers of today, allowing families to bring their loved ones home to rest. It is up to the families of course, and their decision must be respected. But, for families who wish to take up this option, the
government will bring home their loved one with full military honours, we will assist with re-burying them at a site of the family's choosing and we will bear all the costs along the way. This is the right thing to do for these men and women who served to their last breath. Importantly, I note, this offer extends to those who are interred at Terendak who are service dependants. This is, again, a small thing for the government to do. But here are 24 families who now have the chance, if they wish, to bring their loved one home. It is an important way that we can honour our fallen, and I particularly commend this measure to the Senate.

Once again, I emphasise how important it is for us to do all we can to support those who have served our country in the armed forces. We need to always be looking at the system to offer all the support we can to give our veterans every chance to flourish. This bill deals with three small technical amendments, but they are amendments that will make a real difference to the lives of our ex-service men and women.

The coalition have already delivered for our veterans. We have delivered fairer indexation for military superannuants, we have delivered more than $12 billion in services and we are continuing to ensure that the legacy of our service men and women is passed on to the next generation through our school and community projects. These are all important works and I am proud to be part of the government delivering on these programs.

This bill will broaden the operations of the Veterans' Vocational Rehabilitation Scheme, it simplifies and strengthens the appeals process under the Military Rehabilitation and Compensation Act 2004, and it gives the families of those fallen soldiers still buried in Terendak the opportunity to bring their loved ones home. These are all important measures and I am glad to support them. I commend the bill to the Senate.

Senator XENOPHON (South Australia) (11:09): I agree with Senator Seselja that it is very important that we honour the fallen, and the provisions in this bill for the repatriation of veterans' remains and enhancements to the Veterans' Vocational Rehabilitation Scheme are unambiguously good measures and I commend the government for bringing those measures forward. However, I do have concerns in relation to schedule 2 of the bill which I will outline shortly. I think that we need to look at this, because, for whatever reason, the parliament, the Senate, did not do its due diligence, in a sense, in looking at some of those measures, and it has now become apparent that there are issues in respect of those. This is not a criticism of the government or the opposition or the cross-benches; it is just that we did not consider some of the unintended consequences of those provisions. So I cannot support schedule 2 for a number of reasons and believe it ought to be referred to a committee.

I spoke to the Labor shadow minister for veterans' affairs, David Feeney, on the weekend, who outlined his concerns. I thought they were sensible concerns. He was not criticising the government; he was simply saying that there appear to be some issues with it that we need to sort out to see if there are unintended consequences. I do not think that is an unreasonable proposition to put in relation to this. I suggest that the most appropriate way of dealing with this is to put schedule 2 to one side, and then the other aspects of the bill are not controversial—that are indeed welcome—ought to be able to be passed.

These are the problems I have in relation to schedule 2. The Veterans' Affairs Amendment (2015 Budget Measures) Bill 2015 proposes to take away one of two appeal pathways for DVA decisions: the ability to have a decision by DVA reviewed internally by the Military Rehabilitation and Compensation Commission. Instead, the only review pathway available
will involve an application to the Veterans’ Review Board. From there, the applicant can take their case to the Administrative Appeals Tribunal, the AAT.

The bill also raises the issue of costs. A consequence of the way this bill has been put together—in particular, the removal of the internal review pathway—may not have been thought through by those proposing the legislation, because what this means is that, even in the most complex and serious cases, a veteran who has had their claims denied and wishes to appeal to the Administrative Appeals Tribunal cannot be awarded costs, even if they are to cover the expense of getting the medical reports necessary to prove their case. For those who are familiar with medico-legal work and compensation claims, a medical report can be very expensive. That is not a criticism of the specialist; but, if you are getting a thorough report from a medical specialist, it may cost you several thousand dollars because of the time involved in preparing that report. The veteran should not have to pay for that, particularly if they have been successful in their case.

There is no capacity under the VRB pathway for a veteran, no matter how unjust the earlier decision made and no matter if they have proved DVA’s decision wrong, to receive an award of costs at the AAT. This is unlike other compensation schemes in Australia, such as, most strikingly, Comcare, where an injured public servant facing a similar decision to the veteran can be awarded costs if successful at the AAT. The fundamental question I ask is: why would the government treat injured veterans less favourably than other injured Commonwealth workers? Why should they be treated differently? I suggest, respectfully, that a mistake was made when this was being thought through. That is why it is important that this bill goes to a committee for inquiry. Appeal pathways are an essential element of the transparency and accountability of departmental decision makers. Any changes to these appeal pathways must be considered carefully and must not act to prejudice an injured service man or woman’s ability to access compensation and other benefits.

I have spoken many times in this place about the importance of compensation that is fair and just. There is the continuing issue, the shameful issue, of veterans of and participants in the British nuclear tests at Maralinga. While there has been some progress towards getting compensation and appropriate cover for these people and their families, there is still a long way to go. These veterans must not be forgotten when we consider the impact of legislation such as this.

The Department of Veterans Affairs has also failed to honour—through governments of both persuasions, I must say, since post World War II—the service of thousands of Australian diggers who carried out the dangerous occupation of Japan in the years following the end of the hostilities of World War II. My constituent Max Burgess has bravely fought for British Commonwealth Occupation Force veterans to have full repatriation benefits extended to him and his comrades, and I congratulate Max on his tremendous efforts. But, for what can only be called narrow, bureaucratic reasons, backed stubbornly by successive governments from both sides of politics, they have not been granted due recognition. As the Department of Defence found in 2010, the Commonwealth government promised these BCOF veterans full recognition. The DVA has been blocking this dwindling number of veterans from receiving the full thanks of the people of Australia—as indeed has been the case with Maralinga veterans as well.
Returning to this provisions of this bill, I am especially concerned about the potential impact on the time it will take for appeals to be processed and finalised. Let's take the case of Veronica Wadley, who was serving as a private in the ADF when she was raped by a colleague. I can mention her case because it has been the subject of media attention, including a terrific investigative piece, a feature in the *Weekend Australian Magazine*, several years ago. Veronica reported the crime to her superiors and to the police. For standing up for herself and insisting the crime be investigated, she was pushed out of the ADF and left to fend for herself. Veronica was raped in 2006. Nearly six years later, after being refused twice, her compensation claim was finally approved. There are many, many problems with the way Veronica was treated during this time. For instance, it took DVA nearly a year to refuse Veronica’s claim. That is very different from compensation tribunals around the country where there are strict time limits.

Veronica made two further requests in 2007 and 2009 but did not receive a second rejection until February of 2010. Her claim was finally approved in August 2012. During those six years, Veronica had to pay for her own counselling and medical treatment. Her mental state was such that she could not work. The department's unacceptable and shameful delay nearly ruined her. This is unacceptable. There is currently an inquiry into the mental health of ADF personnel. Obviously, it is a matter for the committee to report on that inquiry, but I think some of the evidence that has been given to date indicates that there is real scope for sensible, practical and fair reforms so that victims of ADF abuse, when it does happen, and victims of injuries in the ADF are dealt with properly and decently. It is important that we consider that in the context of this bill.

This bill has got some welcome provisions. Schedule 2 concerns me greatly, because I think it will lead to anomalies. It is anomalous that a veteran fighting for their rights and winning a case will be left high and dry when it comes to legal costs and disbursements, but a Commonwealth public servant otherwise would be in a much better position. That is an anomaly that must be rectified. I hope that the government, in the spirit in which I make these comments, can understand the need for schedule 2 to be revisited and for those issues and those problems to be dealt with satisfactorily.

So I hope that the government acknowledges the need for a closer look at schedule 2. We can deal with those parts of the bill that are unambiguously uncontroversial. I hope that there is a sense of understanding of the need for reform of some of these provisions and the broader reform of veterans' entitlements as well.

**Senator BACK** (Western Australia) (11:17): I rise to support the Veterans' Affairs Legislation Amendment (2015 Budget Measures) Bill 2015. Before I refer to the three clauses within the bill, I would like to add my comments on the issues associated specifically with those serving personnel and veterans and acknowledge what has been for many years a very strong bipartisan approach on the need for us to be ever more diligent in dealing with our serving personnel and veterans, especially those who in some way have been wounded in action or have become ill as a result of their military service.

This country stands proud—I do not know that we stand proud enough—in terms of our support for our military personnel. My comments are made partially as a member of the defence family. The first point I want to make relates to officers, non-commissioned officers and serving personnel with regard to their exit from active service whether they were in a war
zone or involved in peacekeeping operations, or, indeed, whether they had no external deployment at all—and I want to come back to that point. I make particular reference to the apparent ignorance on the part of most veterans—young and older—of the role played by the DVA and their capacity to participate. In fact, it has been put to me that the vast majority of young people or older personnel either are not aware or do not avail themselves of the opportunity to record their presence and their data with the DVA when they leave military service. This is something for the DVA particularly and the ADF generally.

However, I believe there is also a responsibility on the personnel themselves to see the benefits that might accrue to them, if not immediately then at some time in the future, from registering with DVA and maintaining the currency of that registration and data. I say this because of the need not only for them personally but for their families into the future. As has been recorded in the discussion this morning, we must not overlook the role and importance of families supporting their serving or retired personnel. It does seem that a significant number of veterans, young and old, are not aware of the services that are available to them through the Department of Veterans' Affairs.

I want to acknowledge the very strong emotional link that Senator Lambie has brought to this debate, but I do want to take strong issue with Senator Lambie over her adverse comments about the Minister for Veterans' Affairs, Senator Ronaldson, and indeed the officials of the Department of Veterans' Affairs. It is my privilege to chair the Senate Foreign Affairs, Defence and Trade Legislation Committee, and I want to say to you, Mr Acting Deputy President Bernardi, that I have never in my time in the Senate seen a level of indifference or a lack of competence, concern or conscientiousness on behalf of the department. In the two years that Senator Ronaldson has been the minister, all I have ever had from him has been the highest level of concern and cooperation on any issue that I have had the occasion to raise with him. This includes the debate in Senate estimates. I in no way want to diminish the comments by Senator Lambie. It is within her entitlement. It is in the spirit of debate in this place. It enriches this place. But I do say to you that the issues that are of concern are best raised, I believe, in a spirit of cooperation and collaboration in the debate we have in this place and in Senate estimates so that we can all move towards the improvement that all of us in this place and in the other place and in the wider community want in the treatment of our veterans.

I want to comment on the transition from military to civilian life and particularly to employment, and I say this based on the experience of my own family and that of other young veterans with whom I have communicated. I believe there is still a lot more that we can do and need to do in the transition process of personnel from military service to civilian life, from military employment to civilian employment. At the risk of repeating myself, I include the importance of including families—that is parents; that is spouses; that is siblings; it is children; it is extended families—because the military is one area where it takes the entire extended family to support their military colleague or their military family member, and I extend that to the wider community. There is more that we can do in this country to assist military personnel to transition to civilian life. We know very well that, for whatever reason, over time, military personnel will transition to civilian life, whether that is due to their pending retirement, injury as a result of wounding in action, illness or whatever. As a member
of the government and as a member of this Senate, I believe we can and must do more. The minister is well aware of my views on this.

I am not all that impressed by the rhetoric that goes on in other countries. We learned that in the United States, for example, there is a huge amount of information and rhetoric that comes out of the work that they do in transitioning their personnel from military to civilian life and employment. Having been in the United States, my own observation is that they also fall well short. But we have this capacity. I am particularly keen that our ADF and our Department of Veterans' Affairs consult widely with other countries to see what they are doing in that particular space. I speak of the need particularly in terms of transition to employment because, as you and others in this chamber well know, Mr Acting Deputy President, the skills that people accumulate in the military are eminently usable in civilian life. In fact, I am pleased to acknowledge that so much of what military personnel learn during their military training these days is applicable and indeed is recognised in prior learning and in the accumulation of certificates which assist them into their post-military life.

Specifically with regard to the legislation about which we are speaking, we all know, and I acknowledge the comments of Senator Fawcett, the critically important role that employment plays in the wellbeing of a person in the veteran circumstance and their ability to enjoy the self-esteem and the self-worth that it brings. One area that we must surely agree on is in our need and our objective to make sure that we are able, wherever possible, for gainful employment to be undertaken by these personnel. The Veterans' Vocational Rehabilitation Scheme goes straight to that objective of gainful employment and gainful vocational development for military veterans. It is a voluntary scheme. It is there for people eligible under the Veterans' Entitlements Act 1986. If veterans are not aware of the services available to them from the Department of Veterans' Affairs then they are bound to not be able to avail themselves of this particular services. In the discussion that I have heard in this debate today it does not seem to me that this issue is in any way controversial. We do know that there are many issues associated with the need for useful, gainful employment that is so good for the wellbeing of the person as they find themselves in need of this rehabilitation.

It has been of interest to me in terms of post-traumatic stress disorder, PTSD. Some information that was made available to our committee recently was that more than 50 per cent of serving and retired military personnel who record the fact that they are suffering post-traumatic stress disorder have never deployed outside our country. I do not know the reasons for this, but what I do applaud is the funding that has been expended in trying to come to an understanding of why that might be the case. I acknowledge that under this minister there has been the allocation of a $5 million fund for the transition and wellbeing study in association with the Department of Defence. I know that there have been other reports that have been commissioned and indeed have been released, but we need to understand a lot more about these issues, particularly as they relate to the transition from Defence to civilian life.

The third point of the legislation that we are discussing in the Veterans' Affairs Legislation Amendment (2015 Budget Measures) Bill 2015 does relate to correcting a wrong. It will give Australia the capacity to repatriate the remains of those people currently buried at the Terendak Military Cemetery in Malaysia whose families would like to have them repatriated back to Australia. I again applaud the Prime Minister and Minister Ronaldson for the initiative that they took in addressing this issue. We know it is very sensitive. We know that
there are some families who would prefer that the remains of their loved ones stayed in this very well-tended cemetery in Malaysia. I acknowledge the effort of the Malaysian government and people and the respect that they accord to those people through the maintenance of that facility, but for those families who wish to have their family members repatriated back to Australia this must surely right a wrong with a long history in Vietnam.

I want to come to the question of the single appeal path. I have to say that I am somewhat confused, because in the other place the Labor opposition supported this measure. Yet we now find that here in the Senate they apparently are not willing to support it. We have heard the contribution of Senator Lambie in relation to what she would regard as being severe discrimination against those who undertake the single appeal path. We have just heard the commentary from Senator Xenophon, himself of course with a medicolegal background, in which he also expressed those concerns. I hope the minister will address the question when he has the opportunity to conclude this debate, but I just want to open my comments regarding the single appeal path with the conclusion that has been presented to me: that the proposed arrangements contained in the single appeal path have the strong endorsement of the veteran and ex-service community. If that is the case, I hope that the minister will give us evidence and will validate the information and the advice that he and his departmental officers have to support that comment that the proposed arrangements have the strong endorsement of the veteran and ex-service community. If that is the case, it does cast some doubt on the comments of others in this place who have opposed it.

As I understand it, the proposed amendment refines the current dual appeal path under the MRCA so that there is a single path of review—those who are dissatisfied with the primary decision as determined by the Military Rehabilitation and Compensation Commission can seek a review of that decision by the Veterans’ Review Board and then there is a further right of appeal to the Administrative Appeals Tribunal. Both Senator Lambie and Senator Xenophon have raised the point that a person making such an appeal to the Veterans’ Review Board cannot get any financial assistance, particularly if they wish to obtain specialist medical advice to support their appeal. Again, I would be anxious for the minister to respond and provide that advice. I am also mindful of the comments made by Senator Xenophon with regard to legal representation. The only comment that I would make is that I hope that the change from support of to opposition to this measure by the opposition, and by Senator Xenophon for that matter, is not based around the needs of lawyers representing people but genuinely around the needs of those veterans who wish to go down the appeal path. As it has been presented to me, the current system of dual appeals was arrived at by default because, at the time the MRCA was developed, no single preferred model could be established. It is the complexities of this dual path that make the choices less than straightforward and add a level of concern for the applicant. If it is the case that the single appeal process does have the strong endorsement of the veteran and ex-service community, that point needs to be elevated in this place. The issue certainly needs to be ventilated and the criticisms by others need to be responded to.

I want to conclude my comments by making a point that is so obvious in this place and in this country. I refer to the wider community’s deep respect for serving and past serving personnel from our military services. I again want to acknowledge the efforts of this minister and his department in the work that they have undertaken with the commemorations relating
to the centenary of Gallipoli in April this year: the $16 million contribution by the government to support community-based commemorations as part of the Centenary of Anzac through the Anzac Centenary Local Grants Program; the commemoration next year of the 50th anniversary of the Battle of Long Tan in Vietnam, which was so pivotal in that particular war and in defining the role of those very brave young Australians who fought it; and the construction of the Sir John Monash Centre at Villers-Bretonneux in France. As we know, Monash, at the time that he took control of the Australian combined forces for the first time in the Battle of Le Hamel on 4 July 1918, created military history by bringing together for the first time the combined use of artillery, tanks, infantry and aircraft to bring a battle to its conclusion. He said to General Haig that he would conclude the battle in 90 minutes. He failed to conclude it in 90 minutes—it took him 93 minutes. This was after many months in which the allies had been trying to take control of Le Hamel.

I make these points because they point to the deep respect that Australians have for our serving personnel and our military veterans. I conclude where I started: that is to say that if this bill and those associated with it can encourage those leaving military service to register, retain and remain with the DVA by ensuring that their registration remains current and that data around them remains available so that if and when they or the members of their family believe they need the assistance that the Australian community wants to offer them, then it is readily available.

Senator IAN MACDONALD (Queensland) (11:37): Australia owes a debt of gratitude and more to our veterans, those men and women of Australia who gave so much for their country. As a nation, we honour them. This legislation, like so many other pieces of government legislation, demonstrates that recognition and support that the nation and the nation through the parliament has for those who have served their country.

In every town and village across Australia, there are memorials and monuments to our serving men and women, demonstrating the nation's thanks. That is no better demonstrated and exemplified by the wonderful building and displays at the Australian War Memorial here in Canberra, which is the most visited public institution in this city. That memorial is a clear indication of how Australians from over the centuries have recognised and honoured our veterans. I might say, in talking about the Australian War Memorial, what a wonderful job the current director, Dr Brendan Nelson, is doing in that particular facility. It has always been good and it goes from strength to strength.

Before I get onto the terms of the bill as such, I will just also pause for a moment to pay my regards and give our thanks to all of those groups in Australia who support the veterans. Clearly, as Senator Back has just mentioned, that starts with the Department of Veterans' Affairs, which over the decades has done a wonderful job in supporting veterans. The minister, Senator Ronaldson, has done an exemplary job since he has been in charge. Indeed, veterans' affairs ministers over many, many years have understood the importance of supporting and acknowledging the work that our veterans do. In addition to those in government and in this building, there are organisations right around Australia that do a wonderful job in support and advocacy for veterans. The principal of those organisations is clearly the Returned and Services League, which since almost the First World War has been providing support, advocacy, welfare and comradeship to veterans and providing a patriotism that the country can well follow.
My office is located in the northern city of Townsville. We often refer to it as a garrison city, because we are delighted to have the Lavarack Barracks in that city, which is the largest army barracks in Australia, as well as a significant Air Force base at Garbutt. Not far up the road in Cairns, we have Australia's second largest east coast naval base at HMAS Cairns. In those areas, I am well aware and well familiar with the work done to support our serving and our past service men and women by organisations like the RSL.

Because I live in the garrison city of Townsville, I interact a lot and I see the work that the Townsville RSL do to support veterans and to acknowledge the memory of those who have fallen in battle. I want to pay tribute to Bill Whitburn OAM, the current president of the RSL, and his predecessor, Mr Rod McLeod, who was there for many years and who did a wonderful job supporting veterans. I should also mention Tom Penrose, vice president; John Somers, vice president; Steve Cottam, treasurer; Squizzy Taylor; Michael Johnson OAM; David Twigg; Garry Player; Jon Daniels; and the members of the board of the Townsville RSL.

I mention the Townsville RSL particularly because I know it. They have this wonderful approach: for any battle that has ever been fought that Australians have played a significant part in, the Townsville RSL makes sure that that event is remembered and is recognised. They do that just so well. There are a lot of other groups, like the Vietnam Veterans' Association and Soldier On. There are many others; I should not start naming one or two, because you will always miss dozens of others. To all of those groups who so ably and committedly support our veterans, I want to acknowledge them and give my thanks to them.

Along the same lines, I will just acknowledge a group that in recent years has done so much to honour the memory of those who have died in the service of their country. I have mentioned the Avenue of Honour on the Atherton Tablelands near Yungaburra, which was the brainchild of Gordon and Susan Chuk, whose son was killed in Afghanistan, and others of that community—Annie Cork, Sharon Linwood, Kerry Kehoe, Peter Williams and Mike Williams—who all got together to plan and build the Avenue of Honour, which was opened by the then Prime Minister and the then Leader of the Opposition in 2013. That again shows the wonderful support that Australians give to those who have paid the ultimate sacrifice in the defence of the freedoms that their country enjoys.

I want to deal now with the provisions of the Veterans' Affairs Legislation Amendment (2015 Budget Measures) Bill 2015 and to start with the area of the bill dealing with the single appeal path. These amendments refine the current dual appeal path under the act to a single path review. Clients who do not like the decision of the first decision maker are able to seek a review of that decision by the Veterans' Review Board, with the next right of appeal being to the Administrative Appeals Tribunal. Currently there is a dual appeal path which seems to have been arrived at by default. It is an unwieldy system that creates complexities that can make the choice less than straightforward and add a level of concern to people who are applying to use that process.

The amendments which have been proposed by Minister Ronaldson have the strong endorsement of the veteran and ex-service community. I am delighted to see that they also have the strong support of the Labor Party. I note that Mr Feeney, former Senator Feeney, speaking less than a month ago on behalf of the Labor Party on 20 August 2015, said:
Labor supports this bill because it represents a modest improvement to entitlements of and services to veterans.

I commend this bill to the House.

That was the Labor spokesman speaking when this bill went through the House of Representatives less than a month ago. I repeat his final sentence:

I commend this bill to the House.

Mr Feeney—who, as I said, is the Labor spokesman—said on 6 September that he believed the amendment proposed by the government would actually speed up the appeals process. He said the review process began under the government of which he was a member back in 2007 and to date no-one had made any arguments against the changes—that is, since 2007 when, as Mr Feeney says, the former government started looking at this. Mr Feeney said:

It makes sense to have a single appeal pathway via the Veterans Review Board.

He said that there could be further reviews of the system down the track to look at the length of time appeals were taking, but—and I emphasise this—he said:

That is not a reason not to do something constructive now.

I agree with Mr Feeney on that. There is no argument that has been raised in this debate or in debate in the other chamber that gives any reason for not doing something constructive now.

Mr Warren Snowdon, who was a Minister for Veterans’ Affairs in times gone by, said:

This amendment has the support of ex-service organisations and I commend the government for putting it in.

Again, I agree with Mr Snowdon on that. Mr Graham Perrett, also speaking in the House of Representatives on 20 August, said:

The changes to be made to the review process under this bill will streamline the process into a single pathway, and that is a good thing. This part of the amendment has the full support of the ex-service organisations.

Again, Mr Perrett is correct. So I look forward to the Labor Party supporting that element of the amendments. I look forward to them supporting all elements of the amendment. I could not believe, after such a ringing endorsement and support from senior members of the Labor Party involved in this area of policy, that the Labor Party could possibly countenance any opposition to that amendment. I look forward to the support of the Australian Labor Party for that particular amendment.

The other parts of the amendment proposed by the government include legislative provisions dealing with the director of the Office of Australian War Graves. Current legislative provisions allow the War Graves Commission to repatriate deceased Australian military personnel from their place of interment in order to reinter those remains. There is no legislative provision, however, to enable the repatriation by dependents. Consistent with the announcement by Mr Tony Abbott on 25 May this year, families of veterans and dependents of Australian Defence Force personnel buried at Terendak Military Cemetery can elect to repatriate their loved ones. This amendment provides for that and clarifies the power in the Defence Act to give the director of the Office of Australian War Graves the legal authority to repatriate all those buried at Terendak subject to the wishes of the family.
The other element of this bill which I think is very important, and one I hope that all senators will support, relates to the Veterans' Vocational Rehabilitation Scheme. The Veterans' Vocational Rehabilitation Scheme is a voluntary vocational rehabilitation scheme for persons eligible under the Veterans' Entitlements Act 1986. The scheme is designed to assist eligible persons to find or continue in suitable employment. These changes include an increase in the range of rehabilitation scheme services to include physiological and medical management services. Importantly, they remove disincentives to participation in the scheme, through a more favourable adjustment to pension payments for those who are in receipt of above general rate pensions, such as the special rate or the TPI.

I will explain in a little bit more detail what those adjustments to the pension payments mean. They mean: firstly, that intermediate rate recipients who participate in the scheme will not receive less disability pension than an intermediate rate recipient who does not participate in the scheme; secondly, special rate disability pension recipients who participate in the scheme and who undertake less than 20 hours paid work per week will not receive less pension than an intermediate rate recipient who does not participate in the VVRS; thirdly, a more reasonable pension reduction regime will follow any prolonged absence from the workforce and will avoid disadvantage to participants who start the scheme but experience lengthy absences from the workforce; and fourthly, these provisions provide that an amount equivalent to the permissible earnings for special and intermediate rate recipients will be disregarded for Veterans' Vocational Rehabilitation Scheme participants when determining whether the person's reduced daily pension amount should be increased and will give them the same benefit from permissible earnings as is received by non-participants in the Veterans' Vocational Rehabilitation Scheme.

These three broad areas of amendment are all worthy of support. As I say, the minister, as his normal way, has consulted widely with veterans themselves and with veterans support and advocacy organisations. He has brought these legislative proposals to the parliament so that we can, as a nation, continue to provide the most favourable and the most beneficial support possible for those who have served their country so well in the past. I think it perhaps fitting in this year that we celebrate the centenary of the landing at Anzac Cove that we continue the work done by many governments over many years to support veterans and their dependents. I congratulate Minister Ronaldson on the work that he has done on this particular bill, on the amendments that we are debating today, but also on the work he has done particularly in this very significant year of Australia's commemoration of the 100th anniversary of the Gallipoli landings. It has been a labour of love, I know, for the minister. But there is no denying that these things are never easy. Getting the money, getting the support of cabinet, and getting all the ends tied up and the pieces put together in the jigsaw puzzle is always a challenge. I congratulate Senator Ronaldson not only on bringing this bill forward today but on the work that he has done throughout the past 12 months on the Centenary of Anzac celebration. I commend the bill, in its entirety, to the Senate.

Senator REYNOLDS (Western Australia) (11:56): I too rise to speak in support of the Veterans' Affairs Legislation Amendment (2015 Budget Measures) Bill 2015. This bill will give effect to a number of the veterans affairs 2015 budget measures to do three major things: firstly, to enhance the Veterans' Vocational Rehabilitation Scheme under the Veterans' Entitlements Act 1986; secondly, to create a single path for the review of original
determinations made under the Military Rehabilitation and Compensation Act 2004; and, thirdly, to expand the war graves regulation, making power under the Defence Act 1903 to include graves of service dependents buried in Terendak Military Cemetery in Malaysia.

I think it is very important, when having a look at bills such as this, that we take a step back and have a look at the context of these proposed changes. This bill, like all bills relating to Defence Force personnel and also to our veterans, should be looked at through the lens of the Defence covenant, which is the framework that guides how a government supports its men and women—and their families—who serve and have served in the Australian Defence Force. That is the obligation that all Australians, through our government of the day, owe these men and women. This Defence covenant should not just be seen through a single lens focused on the Department of Defence itself and what the department does on our behalf; it should really be a multifocused aperture that defines and influences the machinery of government right across the broad spectrum of policy and decision making in the various tiers of federal, state and local governments and also, of course, out into the many community organisations that support our Defence personnel and our veterans.

In an Australian society that relies today on a voluntary Defence Force, I think that the best way of describing the defence covenant is summarised in the words of George Washington where he states:

The willingness of future generations to serve in our military will be directly dependent upon how we have treated those who have served in the past.

While those words were said a few hundred years ago, I think they are just as relevant today in Australia. It is not a surprise that this quote is a foundation of the Defence Force Welfare Association, which lobbies governments for improved support to Defence families and other organisations that continue to do wonderful work on behalf of our veterans community. I think the essence of George Washington's words go well beyond this. In order to provide the framework to support those who serve and have served and to encourage others to enlist in the future, it is absolutely critical that they have reassurance that they will be provided with the necessary means not only to prosecute the political directions of the elected government of the day but also to make sure they really understand that they will be looked after when they serve and after their service and that their families will also be looked after. It really is a two-way contract between those who have put their hand up to serve our nation and all Australians.

The conclusion I have come to is that the defence contract really is about how we look after our people, and it is one aspect, but a very important aspect, of the moral obligation we all owe our service men and women. It is a framework—a very broad framework—that covers areas of equipment, training, infrastructure support, industry involvement and also the many aspects of welfare support to our Defence personnel, our veterans and their families. The opportunity to define any government, including this government, is demonstrated through how we implement the defence covenant and our moral obligation to our service men and women. Together, as a government, as a Senate and as a parliament, we have a responsibility to support our men and women in uniform, current and past, in a clear and cogent way right across all levels of government. I really believe that that ultimately defines who we are as a people and who we are as elected representatives. When looking at legislation such as that which is before us today, this is the lens that we should always keep coming back to: where
does it fit in to our defence covenant and to our moral obligation to our service men and women and to veterans? That is the lens through which I would now like to look at this current legislation.

Obviously when looking at current legislation, it is also important to look at what it builds on. In that way it is now very germane to look at what these three key provisions are building on for this government. What have we as a government done for veterans since our election two years ago? We have delivered on our longstanding commitments to deliver fair indexation for military superannuants. We have restored $1 million per annum in funding for advocacy and welfare work through the Building Excellence in Support and Training program. We have prioritised early intervention to ensure early treatment for conditions to minimise their long-term impacts on veterans and critically also on their families. We have expanded services provided by Veterans and Veterans Families Counselling Service to more veterans and their families. We have improved access to treatment for certain mental health conditions, such as PTSD, anxiety and depression, including making it easier to seek treatment without the need to lodge a claim. We have also launched a dedicated website and Facebook page and expanded e-health services for veterans and service providers to access information and to make it easier to get the support that veterans need. The government has also worked with the Australian College of General Practitioners to improve materials available to GPs to better identify service related conditions. We have also broadened DVA's reach on social media through a dedicated YouTube channel and Facebook pages, as well as releasing short videos focusing on the services provided by DVA to veterans and their families. Again, that is making services more accessible.

What else have the government done? We have also reduced the time taken to process compensation claims and we have reduced permanent impairment claim processing times by more than 40 days—again, practical assistance to help veterans and their families. But more work is still needed to drive further improvements. We have written to ADF personnel upon discharge to advise them of the services and support available from DVA. We have begun a pilot veterans employment rehabilitation program. This is important because it is encouraging our wounded, ill and injured personnel to find a pathway back to work as part of their rehabilitation. We have also released the Vietnam veterans family study, the peacekeepers study and the Rwandan health study to further identify any requirements needed by veterans of those conflicts. We have refreshed the prime ministerial advisory committee and given it a renewed and dedicated focus on the mental health issues facing veterans and their families. Again, as we all know in this chamber, it is a critically important issue and something we have to keep striving to do much better at. We have also in other ways cut red tape for veterans to make it easier to prove their identity when making a claim under DVA—again, practical implementation of a solution to a problem that really should have been dealt with a while ago. What else have we done? We have also been researching the effects of military service through a $5 million transition wellbeing study, in partnership with Defence.

We conducted a ceremony at Gallipoli on 25 April this year, attended by more than 10,000 people—including me and my family, who celebrated my own grandfather's service at Gallipoli—which marked the 100th anniversary of the Anzac landing, an absolutely defining moment in Australia's history. That again is something incredibly important not only for veterans of Gallipoli and particularly now their families but also as we move through the
Centenary of Anzac, acknowledging the stories and the contribution of all of our veterans through the many conflicts that we have served in.

We have also been supporting more than $16 million of community based commemoration as part of the Centenary of Anzac through the Anzac Centenary Local Grants Program. All of us who have been out in the community know just how successful that has been in many wonderful ways for local communities to celebrate the service of community members in many conflicts. We are also commemorating the 50th anniversary of the Battle of Long Tan with special-purpose commemoratives grants, commemoratives events in Canberra and also a mission to Vietnam for up to eight veterans of the Vietnam War—again something that is long overdue but that this government is now delivering on. We are also constructing the Sir John Monash Centre at Villers-Bretonneux in France to tell the not well-known story of Australian service and sacrifice on the Western Front during the First World War, honouring our greatest citizen soldier, Sir John Monash. Again, that has very special resonance for me, because my grandfather served at Villers-Bretonneux.

And still it continues: the government is also funding a series of domestic commemorative events to honour our centenary of service during the Centenary of Anzac, including other anniversaries of key battles during the Second World War, the Korean War, the Malaya and Borneo conflicts, the Vietnam War and also the many peacekeeping missions that Australian men and women have served in over the years. But it does not end there. We are providing funding to the Australian War Memorial to complete official histories of the conflicts in East Timor, Iraq and Afghanistan.

One of the last but also one of the most significant things for veterans is one that is not necessarily seen outside of Canberra. The minister and the secretary of the department together really have been driving a renewed focus within the department on the need for early intervention for existing veterans and for the veterans that will be separating from the defence forces and need their services.

So that is the context in which we now find ourselves today. This is a government that has done so much already for veterans, and not only for veterans but also their immediate family and also their extended families, and multigenerations of families of our veterans.

So what are the three measures that this bill now builds on? Right up front, I would like to acknowledge that it is very pleasing to see that all three measures have had very strong support from the veterans and ex-service community.

The first measure in the Veterans' Affairs Legislation Amendment (2015 Budget Measures) Bill 2015 will benefit veterans through the enhancements to the Veterans' Vocational Rehabilitation Scheme under the Veterans' Entitlements Act. Notably, the scheme is voluntary, and it is designed to assist veterans to find or to continue in suitable employment. Again, it is a very laudable action that builds on some of the other measures that I have already talked about in this place. The scheme also provides incentives for participants in relation to the work thresholds for special or intermediate rate disability pension and the treatment of income from paid work on invalidity service pension. Again, it sounds a little bit bureaucratic, but, when you have a look at the detail of this program, it is overwhelmingly good news and another important step forward in the services that we provide for our men and women who have retired from the Defence Force. The enhancements to this scheme will expand the range of services to include medical management and psychological services.
They will also result in certain special and intermediate rate disability pensioners having a smoother step down in disability pension whilst in the scheme, and they will encourage the veterans to remain or continue in the workforce—again, another very practical service—so that there is a more gradual, gentle and kind transition for those seeking to transition back into the workforce. So that is the first measure in this bill.

The second measure in the veterans' affairs legislation amendment bill will simplify and streamline the appeal process under the Military Rehabilitation and Compensation Act by changing to a single appeal path. Currently, a claimant may seek a first-tier right of review from either the Military Rehabilitation and Compensation Commission or the Veterans' Review Board but not from both. They then have a second-tier right of review to the Administrative Appeals Tribunal. Following the changes in this bill, the first-tier right of review will be to the Veterans' Review Board itself. The second-tier right of review, to the Administrative Appeals Tribunal, is not changing.

The change to a single appeal path will avoid the complexities that claimants currently face relating to different time limits for the submission of appeals, different times taken to determine the review, and the choice they make impacting on entitlement to legal aid and the awarding of costs for appeals that eventually progress to the Administrative Appeals Tribunal. Again, that is quite a bureaucratic sounding change, but, again, it is one critically important to veterans who are going through this process so that it makes it easier and much more streamlined for them to go through the process, and I think that that is a universally good thing.

It was very interesting to read the comments of David Feeney, the opposition's spokesperson on this. In fact, I looked first at Graham Perrett's comments; he said that the change to be made to the review process under this bill would streamline the process into a single pathway and that that was a good thing. That is a comment from those opposite. This part of the amendment has the full support of the ex-service organisations. Also, Warren Snowdon noted that this amendment has the support of ex-service organisations, and he also commented the government for putting it into this bill.

The third part of this bill is an amendment of the Defence Act to enable the repatriation of the remains of eight service dependants buried in the Terendak Military Cemetery in Malaysia. Again, on any reading of this bill, this is a great thing. And it is the right thing for this country to do. It can only be done if requested by the families of the deceased. On 25 May this year, 50 years after the arrival of the first troops of the 1st Battalion RAR in South Vietnam, the Prime Minister offered to repatriate the remains of 25 Vietnam veterans from Terendak and also from the Kranji War Cemetery in Singapore. He made that offer to the families of the deceased. This offer was also extended to the families of three other servicemen and eight service dependants also buried in the Terendak Military Cemetery, as I said, in Malaysia.

The background to this is that, until 21 January 1966, the bodies of Australians who died in war were buried in war cemeteries close to where they had fallen in service of our country. But, from that date on, remains were, with the consent of the families, repatriated to Australia. The decision was not retrospective. So, of the 521 Australians who died in the Vietnam War, 25 remain buried overseas under that provision.
The families of those 25 Vietnam veterans now all have the opportunity to bring their loved ones home. That is a good thing, and that is the right thing for this country to do. But, because of the limited access for families of the deceased at the Terendak Military Cemetery, due to the cemetery being on a large, high-security military base in Malaysia, the offer of repatriation has also been extended to the families of all Australians interred at that cemetery. This includes the families of the eight service dependants who died while accompanying their father or their husband on military service in Malaysia. The amendments in this bill will enable the war graves regulation made under the Defence Act to authorise the repatriation of these service dependents, as I said, if required by their families.

I note that the minister has said that the government acknowledges the Malaysian government's offer to provide any assistance towards repatriation and that the Malaysian government has also been thanked for the great care, maintenance and respect shown to these graves of Australian personnel and their families.

It is for all of those reasons that the three provisions in this bill are to be commended and supported. They are not just three stand-alone provisions. While they are three very different provisions, nonetheless they are three very important provisions that build on the nearly 25 separate measures that this government has implemented to increase support to veterans of all conflicts that Australia has been involved in and, most importantly, not only to make the process easier and fairer for them but also to ease the burden on their families and generations of families of those who have served our country. It is for all of those reasons that I strongly commend this bill to the Senate.

Senator RONALDSON (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (12:16): I move:

At the end of the motion, add "and that:
(a) that Schedule 2 of the bill be referred to the Foreign Affairs, Defence and Trade Legislation Committee for inquiry and report by 25 September 2015; and
(b) further consideration of the bill be an order of the day for the first sitting day after the Committee presents its report on Schedule 2".

I am completely at a loss as to how we have got to this position today. I do not understand how the Australian Labor Party, who have supported this matter for three years, have had their supposed political masters, by the looks of it, Slater and Gordon, come in at the eleventh hour in relation to this matter. Mr Feeney has supported this bill all the way through. Mr Feeney was still supporting this bill on 6 September. Yet, today, we have had the shadow minister putting forward an amendment. Hopefully this amendment of mine will avoid the Senate having to vote on his. Mr Feeney was going to take schedule 2 out of this bill altogether. It would have required the parliament to again legislate. The bill would have had to go off to committee and, depending on what the committee said, it would then have had to come back through by way of further legislation.

I am afraid that at base today is about those who are here to protect the rights of veterans and those who are here to protect the rights of lawyers. What the Australian Labor Party have done today is make quite clear that they want to protect lawyers before they protect veterans.

Senator Lambie, for all that she says she cares for veterans, has again chosen the path of supporting lawyers over veterans. I do not care what Senator Lambie says about me...
personally. It is water off a duck's back. After 22 years in politics, there is not much of my back that is not covered in scar tissue. But I will say to Senator Lambie that her disgusting behaviour in relation to her description of the staff of the Department of Veterans' Affairs cannot go without mention. They are a loyal and dedicated group of men and women. I am, quite frankly, proud to be their minister. Senator Lambie has not come to me with one constructive thought since she was first elected. Had she done so, it would have been given appropriate consideration. You can attack but, unless you are saying something proactive, you will be judged accordingly.

I will just go back to the words of Warren Snowdon, who was the appropriate minister, the Minister for Veterans' Affairs, when this whole issue was looked at in what was eventually known as the Campbell review. This is what Warren Snowdon said when this bill was being debated in the other place. He said:

Schedule 2 of the bill will streamline the appeals process into a single pathway for reconsideration or review of an original determination under chapter 8 of the Military Rehabilitation and Compensation Act. This amendment has the support of ex-service organisations and I commend the government for putting it in. What it will do is change the appeal process to a single path, which will avoid the complexities that claimants currently face relating to different time limits for the submission of appeals, different times taken to determine the review, the choice they make impacting on the entitlements to legal aid and the awarding of costs for appeals that progress to the Administrative Appeals Tribunal.

Graham Perrett from the other place said:

Schedule 2 of the bill concerns itself with the appeals process available for reviews of 'original determinations'. The current review arrangements create two separate pathways. As Hugh Polson says:

… The changes to be made to the review process under this bill will streamline the process into a single pathway, and that is a good thing. This part of the amendment has the full support of the ex-service organisations.

Mr Feeney said again in the other place on 20 August:

… Labor will support this bill because it does represent a modest improvement to entitlements of, and services to, veterans. I commend this bill to the House.

Then again on 6 September, Mr Feeney is quoted as saying that

…he believed the amendment would actually speed up the appeals process.

He said the review process began under Labor back in 2007 and to date no one had made any strong arguments against the changes.

"It makes sense to have a single appeal pathway via the Veterans Review Board"…

He said there could be further reviews of the system down the track to look at the length of time appeals were taking.

"That is not a reason not to do something constructive now."

This matter has been discussed with the ex-service organisations for in excess of two and a half years. Mr Bayles from the department and others have been speaking to ex-service organisations over that period of time. They were briefed about this matter on budget night, when they were told it would be introduced sometime this year.
This has the full support of the ex-service organisations. And yet Slater and Gordon, three days out from this being debated, suddenly impose themselves on the Australian Labor Party and influence them in a manner that I have not seen exhibited in nearly 22 years in public life. At the eleventh hour we have Mr Feeney, who not only was talking about referring this off to a committee but actually wanted this chamber to vote against these particular measures so it might be reviewed and have to come back again. I suspect that the words of Paul Copeland from the APPVA are true. He said this in an email to another veteran yesterday: 'The choice to have a reconsideration of appeals pathways lengthening is normally rejected. Therefore the next step is the AAT. They are streamlining the appeal process as VRB then AAT—a fairer system. The lawyers are just spewing because they cannot represent us at the VRB. Some have been known to deliberately provide irrelevant evidence at the reconsideration phase so they can just go to the AAT and get the money.' His email goes on: 'The pathway's exactly the same as the VEA, which has been time tested. With a competent advocate there should be no need to see the Federal Court of Australia and no need to pay out for lawyers. The only thing that is being stripped here is the lawyers' opportunistic use of the reconsideration pathway.'

That is from an ex-service organisation who have made it quite clear what should happen.

This schedule enables an appeal process that is threefold—not twofold, as is the current system. The introduction of the single appeal pathway for appeals under MRCA was an accepted recommendation—17.1 from the 2011 Review of Military Compensation Arrangements, known as the MRCA. The MRCA report described the single pathway through the VRB as a means of a more timely review that is less complex and less costly. As I said before, the MRCA single appeal pathway through the VRB has the unanimous support of the ex-service community.

The suggestion by Slater and Gordon, lawyers, that the VRB is not independent of the government and the department is absolutely and emphatically rejected. The VRB is headed by a panel of three members, one of whom at least has to be a former member of the ADF. New evidence which was not considered during the primary claims process can be presented at the VRB during the hearing. The Department of Veterans' Affairs is not represented at this hearing. It is a completely independent tribunal. The bill also provides for a discretionary internal review mechanism similar to section 31 of the Veterans Entitlement Act as a first step in the review process. This was also recommended by the RMCA. In July 2014 this parliament passed legislation which enhanced the powers of the VRB to improve its case management, including powers for the VRB to use alternative dispute resolution methods, such as case conferencing. This again was another recommendation from the MRCA. Indeed, from 1 January, the VRB has been conducting a 12-month trial of ADR case conferencing in its New South Wales registry with a view to possible further rollouts, if successful. Indicative outcomes are very positive that ADR can reduce the need for many appeals to go to a VRB hearing.

This is an extraordinary process that we are going through today. How a political party and how an independent senator can do what they have done today and pretend to represent the best interests of veterans is beyond me. What we have seen today is a disgraceful case of some in this Senate supporting lawyers before they support veterans. The veteran community knows full well that the VEA appeals path has worked well. It has stood the test of time, and that is why the Campbell review recommended that we go down the single appeal pathway—
to bring the MRCA pathway in line with the VEA, to make it less complex, to make it less costly, to try to get an early resolution of these matters without the need to be in the AAT. But what do Senator Lambie and the Australian Labor Party do? They want to keep a costly process in place and they want to keep a complex process in place, all for the benefit of lawyers who want the ability, as Mr Copeland said, to get some action in this. Well, I am terribly sorry but I do not support lawyers being put before veterans.

As I said, this was an accepted recommendation under the RMCA outcome. It has had extensive consultation over two or three years. I believe this bill should have gone through today. It was going through today until last Thursday or Friday when Slater and Gordon became involved. It should have gone through as non-controversial legislation. It should have been put in place now to assist the veteran community—not just this part of the bill, schedule 2, but every other part of it. We now have to wait another month before we can start the reinterment process for those men in Terendak. We now have to wait another month for the appeal process to go through. We now have to wait another month for the changes to the rehabilitation—

Senator McLucas: Do it our way.

Senator RONALDSON: I will take the interjection from the other side. How you can possibly seek to justify your behaviour today is beyond me. Have you actually read the amendment which would take schedule 2 out of this bill? Clearly not, otherwise you would not have interfered with such an ignorant comment. You have absolutely buckled to Slater and Gordon. You were prepared to take schedule 2 out of this legislation and for that you stand utterly condemned. The veteran community will be listening to this, they will see the transcripts and they will know what you have done today. They will know what Senator Lambie has said and done today. If you do not believe me, speak to the people who represent the veterans in this nation and speak to the ex-service community. You do not seriously think we would be going down this single-appeal pathway without the complete and utter and passionate support of the ex-service organisations, do you? I can assure you, parliamentary secretary, that we would not have done so.

The ACTING DEPUTY PRESIDENT (Senator Bernardi): Your comments should be addressed through the chair, Senator Ronaldson.

Senator RONALDSON: Through you, Acting Deputy President, do you think that former Minister Snowdon would have been such an enthusiastic supporter of this schedule if he had not consulted with the ex-service organisation? Of course not, and it beggars belief to think anything else. But we have heard Mr Perrett in the other place and we have heard Mr Snowdon in the other place, and the shadow minister himself—who has constantly supported every aspect of this bill—gets a phone call from Slater and Gordon three days out and all of a sudden the world has changed, it is a different world. I challenge Senator Feeney and I challenge Senator Lambie to vote for this matter in its entirety when it comes back—vote to take a complex and costly system out, to support those younger veterans that Mr Perrett in the other place referred to, and to make this a non-adversarial process as the VEA has always been. If you want to choose adversarial over non-adversarial, that is entirely your choice. That is not what the veterans' community want; they want the VEA single pathway process because it has worked and they want it because it is good for veterans—it is less costly, less complex and less imposing on them. We have gone down this path because we believe the ex-service
community is right. That you have gone down this path through the Australian Labor Party is a reflection on you.

**The ACTING DEPUTY PRESIDENT:** The question is that the government's amendment on sheet 7755, referring schedule 2 to the Foreign Affairs, Defence and Trade Legislation Committee and deferring further consideration of the bill until after the committee presents its report, be agreed to.

Question agreed to.

Original question, as amended, agreed to.

Bill read a second time.

**Reference to Committee**

Pursuant to the order of the Senate agreed to on 7 September 2015, the bill stands referred to the Senate Foreign Affairs, Defence and Trade Legislation Committee for consideration and report by 25 September 2015.

**Tax and Superannuation Laws Amendment (2015 Measures No. 2) Bill 2015**

**Second Reading**

Debate resumed on the motion:

That this bill be now read a second time.

_Senator SINGH_ (Tasmania) (12:37): I am pleased to inform the Senate at the outset that the opposition will be supporting the Tax and Superannuation Laws Amendment (2015 Measures No. 2) Bill 2015. This bill contains four schedules. Schedules 1, 3 and 4 are non-controversial, technical changes with no fiscal impact. Schedule 1 provides tax relief for certain mining arrangements, schedule 3 deals with income tax look-through treatment for instalment warrants and similar arrangements, and schedule 4 deals with certain categories of company losses.

Schedule 2 is the material schedule of this bill. It increases the statutory effective life of in-house software from four years to five years, and this means that deductions will be claimed over five years for expenditure allocated to software development pools. The measure is a recognition of the fact that software developed in-house has a longer effective life now than it had in the past. The savings are not inconsiderable either—some $420 million over the forward estimates—and it is a measure of Labor's constructive and bipartisan approach to budget savings measures that we do support this bill. We believe it meets the key tests of being equitable and efficient by aligning the statutory life of in-house software with its practical life span.

I would, however, contrast Labor's constructive approach to this particular measure with the approach the coalition took in 2008, when the effective life of in-house software was last changed. In the 2008 budget, the then Treasurer, Mr Swan, recognised that the effective life of in-house software had risen, and moved that it be extended from 2½ years to four years. At that time, the member for Cook, Mr Morrison, in the other place referred to that move as 'a completely fruitless and pointless exercise' and 'a grab for tax'. So, in 2008, the coalition displayed a lack of bipartisanship when facing exactly the same measure that we are considering now. They chose the cheap political grab over sensible and constructive support, which is what the opposition offer here today.
The Labor opposition will not be doing what the then coalition opposition did in 2008, because we recognise that the depreciation of in-house software ought to reflect its practical life span. We recognise that the practical life span of in-house software has increased. Software is now doing its job for longer in the real world, and the tax laws need to keep up with that. We will not be suggesting, as the coalition did in 2008, that this is a 'completely fruitless and pointless exercise' and 'a grab for tax'. We recognise that in-house software development is an extremely important part of innovation and an important part, therefore, of a modern economy. It is supported through the tax deduction for software development itself and through the research and development tax credit.

In this vein, the significant cuts to the research and development tax credit contained in the Tax and Superannuation Laws Amendment (2015 Measures No. 3) Bill, which is listed for debate in the Senate tomorrow, put in jeopardy the $9.3 billion of in-house software development paid out by companies with turnovers larger than $30 billion. The Parliamentary Library has estimated that research and development spending will be 0.56 per cent of GDP in 2014-15. That is equal to the lowest level since records began in 1978-79.

This is hardly surprising, given this is a government that came into this office without a science minister, a government that has been slashing jobs recklessly from the CSIRO and a government that has been cutting the research and development tax credit. It is hard to imagine how Australia goes forward as a strong and innovative nation when we have a government which is so anti science, shutting down the Climate Change Authority and cutting back funding to the CSIRO and to the research and development tax credit. Many on this side of the parliament have a passion for research and development, for science, for the development of new firms and for the ability of existing firms to innovate. But you do not get any of that when you cut back on research and development assistance.

This is a tax reform measure, and so it is appropriate that we look at the government's overall record on tax. If we look at tax as a share of GDP and at tax receipts, we see that tax receipts are predicted to rise from 22.3 per cent of GDP in the current fiscal year to 23.4 per cent of GDP at the end of the forward estimates. That puts tax considerably higher than it was under Labor. During Labor's period in office, the tax share of GDP sat at around 20 to 21 per cent. So Australians will find it strange when they hear Mr Abbott and Mr Hockey bellowing about this being a low-taxing government. All you have to do is look at the budget papers—budget statement No. 1, pages 10 to 12 and 10 to 13—to see that they give the lie to the suggestion that this is a low-taxing government. This is a government which aims to have a tax share of GDP considerably higher than Labor did. The last budget brought down 17 new or increased taxes, and, when this government brings down taxes, almost invariably they are taxes that hit low- and middle-income Australians.

We in the Australian Labor Party believe in serious tax reform. That is why during the first half of this parliamentary term we brought out a policy on fair taxation and multinationals—a move not made, I believe, since the 1990 to 1993 parliamentary term. It is a policy that will raise over $7 billion over the course of the decade by allowing more careful treatment of hybrid instruments—by allowing the Australian Taxation Office to look at how other tax offices deal with hybrid instruments, rather than being blind to the tax treatment of hybrid instruments in other jurisdictions.
Labor’s multinational tax package says that, rather than allowing companies to pick their favourite debt deduction rule, all companies should have to use the debt deduction rule that makes economic sense—that is, the worldwide gearing ratio. It is a rule that, put simply, says that if you owe a lot of money to the banks you can deduct a lot of money for your Australian operation; if you do not owe much money to the banks you cannot claim large debt deductions for your Australian operation. It is economically sensible, it is grounded in work that the OECD has been doing in their Action Plan on Base Erosion and Profit Shifting, and it adds to the budget bottom line to the tune of $7 billion over the course of the next decade. It is sensible policy.

This year, Labor has announced a package curtailing excessive superannuation tax concessions. The government’s own Financial System Inquiry found that 10 per cent of Australians receive 38 per cent of Australia’s superannuation tax concessions—more than the bottom 70 per cent of Australians receive. Indeed, if we go further up the distribution chain, we know that the top one per cent of Australians get more superannuation tax concessions than the bottom 40 per cent. This is why the government’s own Treasury secretary, John Fraser, has said that we need a rethink of superannuation tax concessions. This recognises that superannuation tax concessions are the fastest-growing tax concessions in the budget.

As the Shadow Treasurer has pointed out, current superannuation tax concessions are not fair and they are not sustainable. The forgone budget revenue from superannuation tax concessions almost doubles over the next four years, from $11.8 billion in 2014-15 to $22.4 billion in 2017-18. The forgone budget revenue, as a result of the superannuation tax concessions, will soon exceed the total expenditure on the pension. The government’s own tax white paper suggests that superannuation tax concessions are an area that ought to be looked at. The government have eschewed that recommendation, saying instead that they will not change superannuation. When they say that, they are not saying that they will not take away the low-income superannuation contribution, which benefits three million low-paid Australians, two-thirds of whom are women. No. They are willing to scrap that! They do not mean that they will not continue to increase the universal superannuation contributions, frozen at 9½ per cent. No. They intend to do that, despite the fact that they themselves benefit, as those who have served as parliamentarians since 2004 receive a 15.4 per cent superannuation contribution. Nine and a half per cent is apparently good enough for the low paid; 15 per cent is good enough for those who serve in here. We on the Labor side of this Senate are deeply concerned that the government is not willing to tackle these unfair and unsustainable superannuation tax concessions, as are so many business groups and the head of the Treasury and as the government’s own tax white paper has said.

The government’s approach to multinational taxation has been to try to shield big companies from legitimate scrutiny. Extraordinarily, the Treasurer was out recently saying that we did not need the Senate economics inquiry into multinational tax, because the government was already requiring firms with a total income over $100 million to report total income, taxable income and tax paid. It might have helped if he had also told listeners to the program that he was on that that was the measure he was trying to wind back. That is right. It is such a good measure that Mr Hockey is trying to shield almost half the firms that are affected by it.
Multinational taxation is a core part of the taxation reform agenda, which we are discussing in this bill before us in the Senate today. Unless the government are serious about tax transparency, unless they are willing to take on Labor's sensible measures on multinational taxation, we are not going to get far with a constructive bipartisan debate that will add to the budget bottom line. The government's own multinational tax measures are so woolly that Treasury cannot cost them. The bits that can be costed raise a desultory $30 million, less than one-sixtieth of what Labor's package raises. Fundamentally, that is because this government is not serious about cracking down on multinational profit-shifting.

When Labor brought a sensible multinational profit-shifting package to the parliament in 2013—under the leadership of Wayne Swan and David Bradbury, who a couple of years later received an international tax award given to the 50 most serious tax reformers around the globe—the coalition voted against it. When coalition came to office, they failed to enact the $1.1 billion package, effectively handing $1 billion instead to multinationals. When Labor came up with our package, I have to be honest, given all the government's complaining about budget emergencies I fully expected them to embrace part of it. I thought, 'Well, that is a pity, we will not get to see a Labor government embrace it, but ultimately what you want in this place is for your good ideas to be at least taken up.' We were extremely surprised when the coalition government decided instead to back the big end of town—to not embrace our package, not even in part. Well, maybe we were not all that surprised after all, because, let's face it, they do have a bit of a track record in this space.

If on the one hand they say there is a budget emergency and on the other hand they are doling out a billion dollars to multinationals, it does not seem to fit. Many Australians will be concerned about the sacking of 1,100 compliance staff in the tax office in the past year alone, including 270 from specific sections that investigate private companies. Labor's additional investments in the tax office's compliance program continue to provide dividends in the form of increased revenue for the tax office, significantly exceeding in increased revenue what we spend on it. That program is slated to come to an end, and the government has no plans, so it seems, to continue it.

In recent times there have been attempts by those on the opposite side of the chamber to talk up the degree of bipartisanship the Hawke-Keating Labor governments enjoyed as part of implementing the groundbreaking reforms that opened up our economy and led to unprecedented economic growth. An opinion piece by John Howard in The Australian Financial Review on Monday, 17 August, this year even suggested that the bulk of those reforms enjoyed bipartisan support. Paul Keating responded the following day in classic Keating style, pointing out a reform or two not backed in. Let me go through only a partial list of those tax reforms and other reforms of the eighties and nineties which were not backed in. Medicare was fought by the coalition. Native title was fought by the coalition. The petroleum resource rent tax was fought by the coalition. The HECS scheme was fought by the coalition. Capital gains tax was fought by the coalition. The assets testing of the pension was fought by the coalition. The fringe benefits tax was opposed by the coalition.

They like to come in here and talk about the legacy of the Hawke and Keating governments. They love to say they were halcyon days when Labor believed in reform and the coalition just backed it in. That huge list that I just gave you shows what a furphy that is.
The fact is that so many of the reforms on which Australia has been built, on which this country has been built—from universal superannuation to Medicare—were fought tooth and nail by the Liberal and National parties in this country. They have had to be dragged kicking and screaming to support good and sensible reform enacted by past Labor governments.

By contrast, we on this side of the Senate are today standing up and supporting the kind of reform that was opposed by those opposite in 2008 when we were in government. When we in the Australian Labor Party see sensible reform we back it in. In doing so, Labor is going to be supporting this bill and will not be doing what the coalition has done so many times throughout history when it has not backed in sensible economic reform.

Senator SINODINOS (New South Wales) (12:56): I rise to speak in support of the Tax and Superannuation Laws Amendment (2015 Measures No. 2) Bill 2015, and I welcome the fact that the opposition have indicated that they will support the bill, notwithstanding the spray that people have just heard about certain aspects of the economic history of this country going back to the eighties and nineties. Let me expand a bit on that economic history in order to correct this impression that has been going around ever since Paul Keating wrote an article to The Australian Financial Review seeking to rebut some comments by the former Prime Minister, John Howard.

The eighties was a period where several major reforms were backed in in this country, and that was done with the support of the opposition. The most significant was the flexible exchange rate. That was a very important reform which opened the way to a lot of other reform. The coalition, having gone into opposition, could have played politics with all of that but did not. They backed it in. They supported it wholeheartedly. Malcolm Fraser and John Howard had put together, through the Campbell committee, a set of recommendations to open up the banking system.

When Paul Keating came to power as Treasurer in 1983 he appointed Vic Martin to do a review in order to find a way to rationalise the Labor Party's support for those changes, which went to the entry of foreign banks and the deregulation of our capital markets. The financial services industry, which is so important today, particularly in my home state of New South Wales, and which is one of Australia's comparative advantages today when it comes to trade and investment, grew off the back of that deregulation and having a sound, robust regulatory system. That was supported by the coalition. Labor built on the work of the coalition to bring forward the recommendations of the Campbell committee.

What was the big tax reform that was attempted in the 1980s? It was the rejigging of the taxation system to put more focus on indirect tax and to take it away from direct tax. It was to reduce income tax and company tax and put more focus on indirect tax through a broad based indirect tax known as the goods and services tax. That was the big change. That was option C, and Labor laboured mightily in 1985, through the tax summit and whatever, to produce a package which included this major tax. Who was the first person who expressed support for this tax package? It was that then shadow Treasurer, John Howard. In fact, Paul Keating went up to him and signed a copy of the paper that encapsulated option C, and they talked about the importance of getting this tax reform through. What happened on option C? It was torpedoed by the then Prime Minister, Bob Hawke, because the ACTU had the final veto over that package. Isn't it funny—30 years down the track and here we are again: the ACTU has a veto over Labor Party policy. It was Simon Crean and Bill Kelty who vetoed that package. The
coalition was prepared to support a comprehensive package, but then Paul Keating decided that he would go with changes to capital gains tax, fringe benefits tax and other things, but he was not prepared to have a go with the big change, the big reform. So the coalition rightly said, 'We are not going to support piecemeal reform—we need comprehensive reform.'

That is what the 1980s were about: when bipartisanship counted on the big things, the things that would particularly impact on the public, on the person in the street, the coalition was prepared to be there. The coalition was prepared to be there on tariff cuts, which impacted on part of the coalition's constituency in manufacturing, industry and business. We are seen, in part, as a party which has some regard for business—big and small business—but we supported those tariff cuts. We did not exploit every job that was being taken out of motor vehicles or textiles, clothing and footwear. We supported those cuts right through that period, including the third set of cuts in 1991 at the height of the recession we had to have. So this talk about seeking to close down bipartisanship and trying to minimise the amount of bipartisanship is wrong. On the big calls, the coalition was there.

That changed in 1993, when Dr Hewson came along and Paul Keating decided that for political reasons he would not support a GST—what he would do was to say, 'You can have income tax cuts without a GST.' 'The budget will whirr back into surplus,' he said. He produced a set of numbers in his One Nation statement to show that this would happen almost automatically as the economy recovered; you did not have to have more hard reform. Well, we saw what happened: he opposed reform, then from 1996, when Labor went into opposition, they opposed any and every reform going. That was the sad reality of that period. All those reforms—the New Tax System in 2000—were hard fought. We had to get votes wherever we could in the upper house. So there was bipartisanship on economics in the eighties and nineties but it has since disappeared, much to the cost of the national economy.

I want to pick up on what Senator Singh said in relation to the issue of spending and taxation. She rightly said that Labor have produced a couple of proposals lately in respect of taxation. But they do not talk about the budget as a whole. They do not talk about how they are going to pay for the billions of dollars worth of promises that Bill Shorten made in his reply to the budget—$40-50 billion worth of promises—

Senator Cameron: Tell us about your first budget!

Senator SINODINOS: We needed that first budget, Senator Cameron, in order to deal with the mess that you left us, the trajectory of debt and deficit that you put us on. You still do not admit that, and this is a major issue. One of the mistakes that Ed Miliband made when he became leader of the Labor Party in the United Kingdom in 2010 was that he did not admit that Labor had botched its economic record in its last years in government and needed to start over again. He moved more to the left rather than going to the centre. Every time you want to talk about the budget, all Labor spokesmen want to talk about is more tax. But look at some of these proposals that they have put up on tax or superannuation, where they talk about taxing earnings in the retirement phase. I had a look at that when I was Assistant Treasurer, and the advice that came back from the Treasury was that this measure, which had been snuck in towards the end of Labor's time in office and had been announced but not enacted, was not workable and would not raise the money that was being claimed. At any time since then the Labor Party have had the opportunity to be briefed by the Treasury to that effect. When I came in as Assistant Treasurer, with Joe Hockey as Treasurer, there were 92 announced but
unenacted measures. We systematically went through that list to get them done. In a number of areas, such as warrants on shares, this bill deals with announced but unenacted measures which are finally being implemented by this government.

This government is also tightening up on tax in this bill. The effective life of software is being increased by a year. That will save the budget $420 million over the four years to 2017-18. On tax more generally, the coalition is looking at further measures which tighten up taxation in relation to multinationals. But we are not doing it in a harum-scarum way. We are not doing it in a dash for a media headline. We are looking at this rigorously, conscious of our obligations as part of the Organisation for Economic Cooperation and Development. We are involved—and we were involved when we chaired the G20 last year—in what is called the base erosion and profit shifting exercise, which is looking at how the changing nature of the global economy is affecting where you tax and how you tax. In a world dominated increasingly by intellectual property, this raises thorny issues about how you define tax, the point at which you tax and what, for example, 'permanent establishment' means when you are looking to find the taxing point.

These are very important issues, and the reason it is important to look at them in a multilateral way is that, first and foremost, we have double tax agreements. We have to be conscious that changing our tax system has ramifications for other countries, where income is earned in one country and potentially shifted to another country or taxed in another country. We have to be conscious that when it comes to tax rates, there is competition going on around world. There is no point putting our heads in the sand. The fact is that we compete with a lot of countries which are lowering their tax rates, particularly on corporate income. All of that is above board. Look at some of the arrangements they have in the UK now for taxing corporates: 20 per cent, 18 per cent. These are the range of issues that we have to look at. The UK recently looked at a Google tax, but we are not implementing anything unless we are completely satisfied that it is rigorous and will raise the revenue that is being claimed. That is why, in the budget, when we have taken measures around tax evasion in this sector, we do not necessarily put a number against it—we wait until we see the result. We do not want to exaggerate the potential impacts. But the Treasurer, Mr Hockey, will soon be releasing government legislation around multinational corporations.

Consistently, we have to remember that if we want lower taxes, we have got to have lower spending. We have to keep a lid on spending, otherwise we will not get tax rates down in a sustainable way. As a country, we have to make sure that we are competitive when it comes to both our tax and our spending. When it comes to tax reform, it is important that we look at how we reform personal income tax, company tax and indirect tax. It is important to look at all of this as a package. It is important to look at the costs and benefits of various concessions.

A thing that we are doing as a government is that later this year we will releasing an options paper on comprehensive tax reform and then taking a white paper to the election. If Labor wants to be serious about this, it must not focus on individual measures; it is about putting a package together. Unless you put a package together, people cannot see the ultimate impact on the budget bottom line and on their hip pocket. It is very important to put that together as a package. In the context of what the government is doing, we are also mindful of the need for a clear delineation of roles and responsibilities between different tiers of
government and to make sure that governments are in a position to raise the revenue they need to fund the services they need.

People forget that for all the vilification of the goods and services tax, it goes to the states and is used to fund essential services like health, education, police and so on and so forth. That is what it does. In fact, there were some people on the right wing of the Liberal Party who objected to the goods and services tax and said, 'That's just going to be a blank cheque for people to keep raising the rate to fund services and increase spending.' That was on the right wing of the Liberal Party. That is what they said. But we needed to rejig the indirect tax system because it was narrow and inefficient, based on sales taxes, stamp duties and the like.

Senator Cameron: Name them! Name and shame!

Senator SINODINOS: It was people like Senator John Stone, for a start.

Senator Cameron: That's one. Name them!

Senator SINODINOS: That is an example. There are others, Senator Cameron. The important point here is that Labor should not put their head in the sand. We cannot just fund increasing spending. The gap will just open up and the deficit goes up. The deficit goes up, so debt goes up. Debt is just deferred tax. Sooner or later, you have got to pay it. We cannot just keep kicking the can down the road.

The ratings agencies look at Australia and they look at our debt. When our net debt gets to about 20 per cent of GDP, they will start to ring the alarm bells if we not careful. They will start to say, 'Well, this country isn't on the right path. It's not a sustainable path.' Why is it an issue for us? Because even though we are in the G20 and we are the 12th largest economy in the world, relatively speaking, we are still a small, open economy that is still subject to external crises and still very much subject to foreign investment.

We need to attract foreign investment. A huge amount of that foreign investment into Australia is coming in the form of debt through our banking system, which then gets recycled into housing and so on and so forth. That is why during the global financial crisis, when capital markets froze across the world, we had issues with our banking system and had to provide guarantees for depositors and all the rest of it, as other countries were doing. That was because we were so interconnected with global capital markets.

This is an important bill. It is a further instalment and a further down payment on our second budget. It is an important budget which also rightly recognised the role of small businesses in our economy. It had a range of measures to support small business by cutting tax to those businesses in the tax net, giving a benefit and giving instant asset write-offs of up to $20,000 from now until 2017-18 to those businesses who are not incorporated and who are not in the tax net. They are very important measures, all of which are meant to promote the small business sector of the economy. That is a sector where you get the new enterprises which are potentially the medium and large enterprises of the future—the start-ups.

That is why we have also made good on our promise to fix up employee share ownership, which Labor had botched in 2009. That is because people who work in start-ups cannot be paid an appropriate salary, but they will take a cut of the upside of what happens when the value of a company or a start-up goes up when they finally commercialise a major new product, process or service. These are very important measures. That start-up economy is something that we need to increasingly nurture.
In my own state of New South Wales, there is a lot of work going on around promoting the fintech sector, which is technology and its application to financial services, which will disrupt existing models. It will disrupt the way the big banks operate and it will provide new products, processes and new ways of doing things. That is very important to us and it, of course, has implications over the next few decades about taxing points and how we tax. As I said before, we are increasingly living in a world where intellectual property is so important. Taxing that properly on an equitable basis between countries is going to be very, very important.

For those who want to see multilateral tax reform—particularly in this area of base erosion, profit shifting and dealing with multinationals—it is very important that the United States of America is persuaded to be as supportive as possible of these measures; without the support of the US, these measures will not be as effective as they should be. That is because so many of the corporations that we are talking about are, at the end of the day, American corporations. I am thinking of Google, Amazon and Microsoft—you can go through the list. One of the challenges we faced, and I faced when I was Assistant Treasurer, was understanding better the business model that underpins these companies and the implications that has for tax. You cannot look at tax, as I said before, through a filter of our local conditions only. You have to look at it in the context of the multilateral rules around all of this.

In the time left to me, I will just say that the OECD has done valuable work in these areas. I think it would be a pity if we just discount that work. It is complicated work; it is complex. In fact, there are people like the former Assistant Treasurer, David Bradbury, who have been involved at the OECD end of all of this. This is important work. It is rigorous. If we do things in tandem with other countries, we will get the best possible result. On that point, I will sit down.

Senator RONALDSON (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (13:15): On behalf of Senator Cormann, I thank those senators who have contributed to this debate. I congratulate Senator Sinodinos on his speech today. He articulated very clearly the government's desire. He articulated very clearly why we believe the Tax and Superannuation Laws Amendment (2015 Measures No. 2) Bill 2015 is so important. The Abbott government is determined to repair the budget and to change the outlook for Australian families and businesses. We want to make sure that future generations will enjoy the same high living standards we do. We want Australia's future to be one of prosperity and opportunity.

I turn now to schedule 1 of the bill, which relates to tax relief for certain mining arrangements. This bill keeps our promise to the resource sector. Limiting the immediate deductibility of mining rights and information will not impact farm-in farm-out arrangements or resource sector interest realignments. These arrangements will ensure genuine exploration activities and other legitimate restructuring arrangements can continue without any unintended tax consequence. This is important for both small explorers and larger scale oil and gas producers. This measure maintains the tax neutrality of a farm-in farm-out arrangement and provides tax rollover relief for an interest realignment in which the parties to a joint venture exchange interests in mining, quarrying or prospecting rights.

I now turn to schedule 2, which relates to increasing the effective life of in-house software. Schedule 2 to this bill will make a minor change to the depreciation treatment of software
used by businesses. Taxpayers can claim a tax deduction for money spent on software. This includes packaged software bought off the shelf and money spent on developing software in-house. Currently these deductions are spread out over four years. This schedule increases this period to five years starting from 1 July 2015. This change will mean that the effective life of software for tax purposes better reflects the typical useful life of software for businesses. Taxpayers will still receive the same tax deduction in total; it will just be spread out over one extra year. This schedule will save $420 million over the four years to 2017-18, helping to repair the budget.

I now turn to schedule 3. This relates to income tax look-through treatment for instalment warrants and similar arrangements. Currently some uncertainty exists regarding the income tax treatment of instalment warrants and instalment receipts. Schedule 3 to this bill removes this uncertainty. Instalment warrants and receipts enable investors to purchase assets by paying in one or more instalments. For capital gains tax purposes it is a longstanding practice for taxpayers to ignore the instalment warrants and receipts arrangement. Uncertainty has arisen about whether this practice is supported by the tax law. Schedule 3 to this bill clarifies the income tax treatment and provides certainty for individuals, businesses and superannuation funds.

I now turn to schedule 4, which relates to multiple classes of shares. Schedule 4 to this bill will ensure that the company loss rules operate as intended. This measure is part of the backlog of announced but unenacted tax measures. A number of tests are used to check whether companies are able to carry losses forward. These tests relate to the company maintaining the same ownership and control and carrying on the same business from the time the loss was incurred. Currently there are some small issues with these tests, which means that they do not always operate as intended for some taxpayers. This stops some businesses from being able to carry forward their tax losses and to use them in future income years. Schedule 4 to this bill fixes these technical issues and will provide taxpayers with much needed certainty. Full details of each of the measures in this bill are contained in the explanatory memorandum.

In conclusion, the measures in this bill are part of the government's plan to repair the budget and build the foundations for a strong and growing economy. We are committed to repairing our finances so that future generations can enjoy the same standard of living we do. This bill will ensure that genuine exploration activities and other legitimate restructuring arrangements will continue without unintended tax consequences. The bill will also increase certainty for businesses and investors, reduce red tape and improve the integrity of the tax system. These changes are another important step in clearing the backlog of announced but unenacted taxation measures. I commend this bill to the chamber.

I want to take the opportunity to take up some of the Minister for Finance's words in relation to our plan to repair the budget and to build the foundation for a strong and growing economy. While one is no less important than the other, I want to focus on the second part, which is the foundation for a strong and growing economy.

I had the honour to represent the government in China last week for China's 70th anniversary commemorations for the end of the Second World War. This nation had similar commemorative events. On Thursday it will be my great honour to join a group of men who were at the tail end of the war. As you would be aware, Mr Acting Deputy President Back, the war in New Guinea and other parts continued even after the surrender was signed. These men
were in New Guinea at the time. When I was in China, I met with the Vice President, Mr Li. We were talking about ChAFTA—our free trade agreement. When we were talking about that, I was reminded of the words of Senator Cormann about the need to build the foundations for a strong and growing economy.

On this side, we understand—as, I suspect, many on the other side understand; certainly, former members understand—that these sorts of agreements are absolutely fundamental if we are to build the foundations for a strong and growing economy. It just again exposes Mr Shorten and some of those opposite to claims of utter hypocrisy. On the one hand, they talk about Australia's future, but on the other hand they are prepared to pull apart the foundations for a strong and growing economy by not supporting ChAFTA. Everyone in this country—apart from some sections of the union movement—knows that this is a vital agreement for this nation's future. That is why the New South Wales Leader of the Opposition has now come out in support of it. That is why former trade minister Simon Crean has come out in support of it. That is why the Premier of Victoria, Mr Andrews, has come out in support of it. They presumably know that, if we are going to build the foundations for a strong and growing economy, this agreement is fundamental to us achieving that. It goes further than that. Mr Jay Weatherill, the Premier of South Australia, I understand now supports this agreement. Mr Bob Hawke, a former Labor Prime Minister, also appreciates that this will enable us to build the foundations for a strong and growing economy. Mr Martin Ferguson, a former resources minister, supports this agreement.

I have been watching those on the other side over the last two months. When the names of Crean and Ferguson are mentioned, their lips curl; I presume that they have done the same since Mr Hawke's comments. While you agree with the Labor Party, you are a party hero. When you disagree with Labor Party policy, when—having been a former ACTU president, Prime Minister or minister—you say to the Australian Labor Party, 'You are wrong, and, by doing what you are doing, you will diminish or destroy the foundations for a strong and growing economy,' all of a sudden, they do not want to know you. I say to Mr Crean, Mr Ferguson, former Prime Minister Hawke, Mr Foley, Mr Andrews, Mr Weatherill and others that have come out in support of this agreement that they know as well as I do that this agreement creates strong foundations for a prosperous economy, and the beneficiaries of that will be our children and grandchildren. This agreement is not about us. This agreement is about our kids and grandkids. This agreement is about jobs for our kids for the future. This agreement is about strong economic growth. This is about building those foundations for a strong and growing economy.

The CFMEU are dragging Mr Shorten around by the nose—presumably, with a ring through his nose. They are dragging him around, and they are calling the shots. Mr Shorten has to make a decision about whether he does support this nation's future, about whether he is going to do something that will help build those foundations for a strong and prosperous future and, indeed, about whether he is just going to continue kowtowing to the CFMEU. I saw a comment from Mr Ferguson in the Australian Financial Review on 5 September. He said words that should ring in the ears of every one of those opposite:

It's almost as if the CFMEU, in a sector that is benefiting from Chinese investment ... wants to hold the rest of the nation in terms of lower paid jobs ... for their short term political gain.

I repeat:
… for their short term political gain.

Is this just about the by-election in Canning? Is this about the opposition leader and the CFMEU making decisions clearly against the national interest, because of the Canning by-election? I am sure the Australian community hopes that it is not. I am sure the Australian community is equally as cynical as I and many others are about the motivation for this.

I invite those opposite to listen to what Minister Andrew Robb said on Insiders on Sunday morning. He put to bed once and for all this notion of Chinese workers being treated differently to any other person on a 457 visa. He put it absolutely to bed. He showed the disingenuous nature of what the CFMEU has been saying, aided and abetted by the Leader of the Opposition and those on his front bench. It has been said that what they have done is completely and utterly xenophobic. I have to say that it is hard to disagree with those sentiments. The Chinese government has not given any other nation preferential treatment in the way that we are receiving it. I am sure that that, in the main, is recognition of the trading relationship between our two nations, with China being our main trading partner. Conversely, I think we are their seventh largest trading partner. So this is recognition of a relationship built on trust, mutual understanding and an acknowledgement that, in equal parts, this is good for both our nations. That is why they are entering into this agreement and that is why we are entering into this agreement.

The CFMEU and the trade union movement have apparently spent some $12 million on an advertising campaign that is basically just lies. The CFMEU are better known for thuggery and intimidation than for having the best interests of the nation at heart. How can it be that they are driving the agenda of the Australian Labor Party? As I said before, Mr Ferguson has said that it is almost as if the CFMEU, in a sector that is benefiting from Chinese investment, want to hold the rest of the nation in lower paid jobs for the CFMEU's short-term political gain.

Again we have seen the Australian Labor Party abrogate its responsibility to Australian workers. This is no longer a party that supports Australian workers. This is no longer a party that will do those things required in the best interests of Australian workers. This is a party that is now completely and utterly beholden to the trade union movement. They have got you—those opposite—completely bound up. They are driving your agenda. They are calling the shots. They want to destroy Australian jobs. They want to hold this nation back and reduce the standard of living which this country is used to. I beg those opposite to listen to Bob Hawke, Martin Ferguson, Simon Crean, Luke Foley, Daniel Andrews, Jay Weatherill and others and pass this bill. I commend this bill to the Senate.

Question agreed to.

Bill read a second time.

Third Reading

The ACTING DEPUTY PRESIDENT (Senator Dastyari) (13:35): As no amendments to the bill have been circulated, I shall call the minister to move the third reading unless any senator requires that the bill be considered in Committee of the Whole.

Senator RONALDSON (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (13:35): I move:

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

BUSINESS
Rearrangement

Senator RONALDSON (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (13:36): I move:
That government business order of the day no. 3, Migration Amendment (Maintaining the Good Order of Immigration Detention Facilities) Bill 2015, be postponed till a later hour.
Question agreed to.

BILLS
Social Services Legislation Amendment (No. 2) Bill 2015
Second Reading

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

Senator MOORE (Queensland) (13:36): I note the minister's passionate speech in favour of a bill that we were agreeing to; I am a bit worried about how passionate it would be if we were disagreeing with the bill!

On the particular bill that we have in front of us, the Social Services Legislation Amendment (No. 2) Bill 2015: we will be moving amendments to this bill. The bill contains information around two major areas: it looks at the issue of streamlining income management, and it also looks at making changes to the aged-care measures—in particular, the cessation of a residential care subsidy for pre-entry leave and the abolition of committees.

I am going to concentrate on the issue of income management. We certainly have spent a lot of time talking about the issues around income management in this place. My friend Senator Polley, with her work in the aged-care portfolio, will concentrate on the aged-care element.

There is a particular focus in this bill on the measures of income management for vulnerable people. That issue is particularly important to people who have worked on it now for a very long time. The aspect that is critical for all of us is to ensure that income management, in whatever way it is introduced, actually provides support for vulnerable people—that it identifies their vulnerability and gives them support so that they will have the confidence to be able to organise their own finances and will be able to work effectively without coming into hardship in the process.

We are very concerned about some of the changes that are in the bill around this particular process. We know that vulnerable people and families need more assistance than just the quarantining of income support payments and the tightening of participation requirements. From the very start of the discussions about income management, we saw it as part of a wide range of elements that are put in place to support—not to punish, but to support. It is very important that people who are working through the relationship between themselves and the department, through the Centrelink process, feel as though they will have genuine support and that the relationship is not one based on punishment.
As to income management, when in government we strengthened the relationship between money management services and Centrelink to ensure that people on income management were receiving help to build their financial literacy, including budgeting, banking, savings and the awareness of the risks of payday loans. It was an intrinsic element that we worked with people to ensure that they understood how to make themselves financially independent.

There was a lot of discussion around the introduction of income management, and we had long sessions in Senate committee hearings with people who were very much in favour of forms of income management and those who were opposed. One of the elements of opposition was that they felt that introducing compulsory income management would actually mean that people would have less ownership of their own financial futures and would lose the ability to make financial decisions which would benefit them. Controlling of the welfare payment that persons received would mean they would lose any incentive or ability to understand their own finances—indeed, their financial literacy.

In government, when we talked about income management as part of the tools to be used, we wanted to embed that with interaction with the department, particularly through the social work network but also through referrals to organisations in the community that could provide extra information so that people were not just left alone in the system, because there was a lot of discussion about the need for people to engage in the system, and this was one of the tools that was going to be used. We ensured that people on income management met regularly with a Centrelink social worker, on the provision that this professional service in the department, the social work network within the department, which has such a long history of professionalism and engagement with the social welfare system, is also the element in the department which links with the wider community, so that people in society, in a community, would know that they had support. So it was an intrinsic element of the income support process that there would be this link with the social work network.

We know that this is a resources issue—that providing the numbers of trained professional social workers in the network who can have this personal interaction with clients does put an impost on the resources in the department. But we believe that this is an absolutely essential element of the system and that it is indeed that personal link that maintains people's sense that they are not alone and that there will be support for the various impacts that happen when you are receiving a social security payment. You do not get a social security payment in the income stream if you are actually having a good time; there is a sense of emergency and a sense of need. And this is why we believe that this link with the social security social welfare network is so important. We will keep stressing that, because we see that this is the issue in this bill that provides the real risk that people will feel that they are just a number in the system and that they will not have the support that they deserve to work their way through this part of their life.

As to the social security social worker system, we felt that the professional service could help them budget, ensure that their priority needs were met and address other issues in their lives impacting on their wellbeing. I think this is the most important element: that the person who is part of the system is seen through their whole lives. The circumstances which have led them to be receiving a social welfare payment can have impacts on every other element of their existence: their family, schooling, travel, and interaction with family no matter where they live—all these elements make up the person and their needs. Having this essential link—
an element in the welfare process which means that people on income management actually
work through the social security system, through the social work system—means that people
who are trained are able to ensure that, when someone might need a little bit of extra help, if
something is worrying them or if something is causing them concern which may impact on
their ability to cope and their ability to seek work, that is the kind of trigger that we believe
that the social worker network provides. To cut that—to make it not compulsory but
optional—we think is a backward step. Certainly, our support of income management has
always included the fact that it was wider than just a quarantining of payment.

Centrelink meets regularly with people on income management to help them budget
effectively and allocate their income-managed funds to priority needs. The absolutely core
aspect of the system was the fact that people could have their expenses covered, so that things
like rent, utilities, food or household items would be secure, and also that elements which had
been identified as being damaging, such as alcohol and gambling and those issues identified
earlier, would not be able to be used through the income quarantining part.

That is one element of the system. I will keep repeating that. That is one element, one tool,
of the system. It needs to be embedded in this wider interaction and wider support network.
We believe that the government want to take away that link with the social work service and,
in fact, take away some of the intrinsic support for people. We do not support that.

Labor believe income management should be targeted. We do not believe that everyone on
income support will benefit from income management. Also, clearly—and this is a message
that we have spent years trying to entrench in the system—income management is not a
punishment. It was a really important change in the process when we made the point that,
rather than being a punishment, income management was a response from the department and
government to the people who were using social welfare. People in the department have
worked so hard to get this message out—that income management is not a punishment.

That is why the vulnerable measure of income management is so important. The vulnerable
measure of income management aims to identify and help vulnerable and at-risk individuals
and their families when the Centrelink social worker has determined that income management
can help them or their families and they have been assessed by the Centrelink social worker to
be in financial hardship or experiencing financial exploitation. The person may also be
homeless or at risk of homelessness.

This comes back to, as I said, this regional professional knowledge that the social worker
network has. It is part of their job to know what is happening in the wider community and
also to be linked in to the various support networks that are around. With this specialist
training and knowledge they are able to work with a person and sense if there are dangers and
targets that need a response and to link people in with the help they deserve.

Another major element that came out consistently through the discussions in the Northern
Territory and also in the trials that we extended was around parenting and making sure that
parents and families are secure and strong if there are other issues. One of the issues that came
out was illness of a child. Another was custody of children. Also there was extended family
arrangements. It came out consistently that some of these things can impact so strongly on the
security of people. They can be much more vulnerable if they have any of these other factors
touching on their circumstances.
The Centrelink social worker aspect of the vulnerable measure is an important way in which those who most need help are identified and supported. We will not support the abolition of this measure and we will not support the removal of the vital role of Centrelink social workers.

We asked a number of questions in this area at our last round of Senate estimates. Some of the answers indicated that the department had been considering the way it would operate and how social workers would be able to be brought in to the equation if there were particular needs. But, on balance, rather than making this an optional process, Labor want to retain the compulsory element of the social worker engagement. We think that going on to a welfare payment—and the welfare payment may have income management links to it—is such a stressful situation for people. It can mean significant changes to the way they are living, the way they are able to spend money and the way they are able to interact. Having this immediate link to the social worker network makes the situation more acceptable and also makes sure that people know, as I said before, that they are not alone in the process.

In government, Labor were firm in our commitment to protecting and providing for children and vulnerable people. This commitment continues. Labor will not support the government's attempts to rip away support for very vulnerable people. We will oppose parts in this bill that will see social worker interaction and assistance stripped from those who need it most.

Labor will not support changes to income management that take away help for budgeting and prioritising money to ensure it is directed to rent, food and support for children. We will continue to support income management as a tool that is very clearly targeted towards vulnerable people to help resolve their vulnerability and as a tool that is carefully targeted towards vulnerable Australians to help manage their lives better.

Managing income support is tough. When you are on an income payment through the social security system you need to budget. We have talked about that in this place before. Some of the people on income management I have met are the most exceptional budgeters. They are on a limited income and they know exactly what their needs are to keep them and their family clothed, fed and housed. They know their budget well. We think that should be acknowledged. We think that should also be supported when necessary. Labor are focused on supporting those who need it most.

We are also aware of the budget situation. We are fiscally responsible. We oppose cuts that rip much needed support away from vulnerable families and we will also oppose changes that take away the ability to identify those people who need our support the most. We believe that this is the appropriate response to the bill in front of us.

The issues around aged care, which I know Senator Polley will touch upon in her contribution, include the cessation of the residential care subsidy for pre-entry leave when people are identified as needing support through the aged-care system. There is a time lapse when people are identified as needing to claim a bed. In that case, there were payments to the providers to allow them to receive payments for that period. We are concerned that this is yet another change at a time when we all know that there are a wide range of changes impacting on the aged-care system. Providers are under stress. They are working through a range of different issues about their staffing, infrastructure and the immense changes in rules. Those
are supported by all sides of this parliament, but they are all causing change at this particular point in time.

When a person receives an offer of admission into an aged-care facility, it can often be at short notice and people can be in crisis when this happens. Up to seven days of social leave could be used as pre-entry leave immediately before a resident entered an aged care service. Pre-entry leave gave a prospective resident time to make arrangements to enter an aged care service or to transfer from one service to another. We know that happens a lot. The area of aged care is dynamic and sometimes there are not a large number of beds available, and people do desperately seek support when they need it. It was appropriate to pay some subsidy to providers for some indirect costs during this period, including for maintenance, cleaning and administration. However, the provider was not bearing the full costs of caring for the new resident. The government axed the subsidy that provided that support to providers in the 2014-15 MYEFO, which was making a relatively small saving of, I believe, around $11.6 million. It was a relatively small saving, but the providers expressed real concern that this was yet another impost on them, when they are working towards so many changes in the aged care system.

Amidst all the other things that are happening, we are concerned that this will have some impact on people who are in a business trying to provide care for some of the most vulnerable people in our society. I know that Senator Polley will talk more fulsomely on this area, which is her responsibility as shadow parliamentary secretary. Our position on this bill is that we believe the most vulnerable could be poorly impacted by the changes. I feel particularly strongly about the issue of a social work service, because that was my background over many years when I worked in the then Department of Social Security. I did see the value of having trained professionals working with vulnerable people. They provide a very specialised service and have the skills and training to give people options and make them feel as though they have choices in planning for their futures. The income management process was always, in our opinion, linked to having those wraparound services—services like the social work network and appropriate referrals to whatever else was available in the community for financial support and financial literacy.

During the debate about income management, which went on for a long time in this place, we held to the principles of ensuring that people had support and that income management was not a punishment, but rather a tool for people to reclaim their independence and use the time to develop skills to make them stronger for the workplace and for making choices about their lives. We believe that this particular budget measure will make that more difficult and we do not support that element. We will be moving an amendment to ensure that this particular change does not occur.

Senator SIEWERT (Western Australia—Australian Greens Whip) (13:55): In the short time I have before question time, I will address a few of the underlying issues relating to the Social Services Legislation Amendment (No.2) Bill 2015 and go into more detail when I resume my remarks. Make no mistake, this is about extending income management. It is not based on evidence, and it cannot be, because the evidence that income management works is not there. The government, with the ALP's support, is extending a process that does not work and that, for some people, could be detrimental. They are expanding income management and changing the measure of the vulnerable person, because, as it says in the explanatory
memorandum, it is underutilised. In other words, they are not capturing enough people to apply income management to. It is quite obvious from reading the EM that that is what the government wants to do. Not only does it want to save money—yes, it does off the backs of vulnerable people—but it wants to expand the process of income management, which does not work. I will go into the detail of why it does not work when the debate resumes, because I will need substantial time to outline the evidence that shows income management does not work.

Another change this bill seeks to abolish the match-saving measure, which, quite frankly, will make little difference, because the evidence from estimates was that, after all this time, only 60 people managed to save some money so they could have a matched-savings payment. That fundamentally shows that this government, as well as the previous government, does not understand that you cannot save money when you are living on NewStart because you are already living below the poverty line. It is no wonder at all that the match-saving measure does not work. It would be interesting to see how many people will come off voluntary income management once they realise that they will no longer get the incentive payment, which is supposed to encourage them to stay on voluntary income management.

This bill not only extends income management, but also addresses issues around aged care. We will oppose this bill overall. We are not much concerned about getting rid of the committee, because it has not met since last year, but we do have concerns about aged care payments and the impact it will have on service providers. Let me come back to the changes of income management. In the EM the government says that it is moving away from being able to determine that a person is a vulnerable welfare payment recipient on a case-by-case basis. In other words, we are going to cease treating you as an individual. Even though we strongly disagree with income management and with the vulnerable income management measure, in the past we did at least have a modicum of support for the individual under the previous program. We no longer will have that with this proposed measure. This measure takes the decision making away from this place and moves it into—

Debate interrupted.

MINISTERIAL ARRANGEMENTS

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:00): I advise the Senate that Senator Abetz will be absent from question time today for personal reasons. In Senator Abetz’s absence, I will take questions in the Prime Minister's portfolio, Senator Payne will represent the employment portfolio and Senator Scullion will represent the agriculture portfolio.

QUESTIONS WITHOUT NOTICE

Abbott Government

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:00): My question is to the Minister representing the Prime Minister, Senator Brandis. I refer to the Abbott government's two-year anniversary and Mr Abbott's election promise to build a 'strong and prosperous economy'. Is it not true that under this government economic growth has virtually stalled, unemployment has increased, net debt has increased and the deficit has doubled?
Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:01): Senator Wong, I thank you for your question because it gives me the opportunity to acquaint the Senate and to remind honourable senators of the many great achievements of the last two years—two years in which this government has been focused on building a strong and prosperous economy for a safe and secure Australia.

Senator Conroy interjecting—

Senator BRANDIS: We hear some caterwauling over there from Senator Stephen Conroy. He is a senator who was so embarrassed by the previous Labor government—the Rudd-Gillard-Rudd government—that he refused to even be a member of it; he refused to even serve in it. That was the government that we replaced two years ago today, and in that time 335,000 new jobs have been created. In this year alone, 163,000 jobs have been created—that is an average of more than 23,000 jobs every month this year. Jobs growth over the past year has been stronger in Australia than in any one of the G7 nations. Under the Abbott government, female workforce participation has reached record levels with 171,000 more women in jobs today than at the time of the 2013 election. Environmental approvals have been given to 176 projects that were stalled under the Rudd-Gillard-Rudd government, unleashing more than $1 trillion worth of economic potential. We have introduced tax cuts, including tax cuts for small business, taking the rate of small business taxation to its lowest figure since 1967.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:03): Mr President, I ask a supplementary question. I refer to Mr Abbott’s election promise to build a strong ‘powerhouse economy’ delivering more jobs. Is it not true that under this Prime Minister more than 800,000 Australians are now out of work—the highest level in 20 years?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:03): What I do know is that, with the creation of 335,000 new jobs, unemployment is lower today than it was projected to be under the Labor government. Senator Wong, I know you do not like hearing the good news. I know that you went into opposition two years ago today pulverised by the whole experience you had of six years of directionless government in which this country went nowhere. But the Abbott government is absolutely determined to unlock the economic potential of this nation and that is why we have invested in $50 billion of new infrastructure spending since we came to power and that is why we have freed up investment with the $1 trillion worth of projects that are now underway or about to be underway. (Time expired)

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:05): Mr President, I ask a further supplementary question. Is it not true that the economy has gone backwards since the Abbott government’s first damaging budget? I ask this minister, is it any wonder that the Deputy Leader of the Liberal Party and many of her colleagues want Treasurer Joe Hockey gone?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:05): Poor Senator Wong—you never graduated from university politics, did you? You never quite left the nest of university politics at the University of Adelaide. The reality is that as a result of
the very budget decisions that this government has made, we have reduced Labor's budget
deficit from $48 billion when Senator Wong was the finance minister to $7 billion over five
years—that represents a reduction in the budget deficit of approximately one half of one per
cent of GDP every year. These are the decisions, Senator Wong, that your government did not
have the spine to take; these are the decisions that you as finance minister were unable to
take—you took our country from a situation of no debt to a situation of unprecedented debt.
In two years we have begun to reverse that trend. (Time expired)

 DISTINGUISHED VISITORS

The PRESIDENT (14:06): I inform senators that we have present in the chamber today
the Speaker of the House of Assembly, Parliament of Tasmania, the Hon. Elise Archer; and
the Clerk of the House of Assembly, Parliament of Tasmania, Mr Shane Donnelly. On behalf
of senators, I welcome them warmly and, with the concurrence of senators, I ask that the
Speaker take a seat on the floor of the chamber next to me.

Honourable senators: Hear, hear!

Speaker Archer was seated accordingly.

QUESTIONS WITHOUT NOTICE

Trade with China

Senator REYNOLDS (Western Australia) (14:07): My question is to Senator Cormann,
the Minister for Finance and Minister representing the Treasurer. Will the minister advise the
Senate about the opportunities the China-Australia Free Trade Agreement delivers to the
Australian economy?

Senator CORMANN (Western Australia—Minister for Finance) (14:08): I thank Senator
Reynolds for that very important question. The historic China-Australia Free Trade
Agreement is a central part of our plan for stronger growth and more jobs. The Australian
economy continues to grow, despite the biggest fall in our terms of trade in about 50 years.
The Australian economy continues to grow when other commodity based economies, like
Canada and Brazil, are actually in recession. Australia as a trading nation always needs to
look for opportunities in key markets around the world to get better access for our businesses
to sell their products. China, the second biggest economy in the world and a key market for
Australian product, is a very important market for us, and the opportunities for Australian
services providers and for Australian agriculture and fisheries exporters are indeed significant.

Already $9 billion worth of agriculture and fisheries product is exported into China every
year. Already about $7 billion worth of services are exported to China every year. As a result
of the China-Australia Free Trade Agreement, we will be able to grow that strongly, moving
forward, and that will create more jobs and more opportunities here in Australia. Don't take
my word for it. Let me talk to the Senate through the voice of agricultural producer Geoff
McLarty, in the seat of Canning, at Pinjarra. He said the trade deal with China is the 'best bit
of news' of the past years. He said:

He still has a bad taste in his mouth from Labor's ban on live exports in 2011 and does not share
Opposition Leader Bill Shorten's concerns about the FTA jeopardising Australian jobs.
I am quoting him directly:
'The free trade agreement is one of the best bits of news we’ve had in the last few years,’ he said. ‘Beef prices have improved generally, but to be able to export—’

(Time expired)

Senator REYNOLDS (Western Australia) (14:10): Mr President, I ask a supplementary question. Will the minister inform the Senate how the China-Australia Free Trade Agreement will support growth and jobs in Australia’s financial services sector?

Senator CORMANN (Western Australia—Minister for Finance) (14:10): I thank Senator Reynolds for that very insightful supplementary question. Australia’s financial services sector provides high-skill, high-wage jobs for Australians. The Financial Services Council has said that the China FTA will create 10,000 new jobs in its sector alone by 2030 and add $4 billion to economic output. While Australia has the third biggest asset management industry in the world, less than five per cent of managed funds are sourced offshore. Today, China is a nation with a household savings pool of US$8 trillion, and it is predicted it will see one billion of its people, or 70 per cent of its population, move into the middle class by 2030. There are great opportunities here for providers of financial services here in Australia. There are great opportunities here—

Senator Ian Macdonald: And Labor wants to stop it.

Senator CORMANN: and, as Senator Macdonald quite rightly points out, Labor wants to stop it—although the Leader of the Opposition is increasingly isolated in Australia when it comes to that. (Time expired)

Senator REYNOLDS (Western Australia) (14:11): Mr President, I ask a further supplementary question. Can the minister advise the Senate of any risks to the China-Australia Free Trade Agreement and their implications for new investment, growth and jobs?

Senator CORMANN (Western Australia—Minister for Finance) (14:12): The risks to the great opportunities for our economy and the jobs that come with the China-Australia Free Trade Agreement are the militant unions across Australia, like the CFMEU, and a Leader of the Opposition that is too weak to stand up to them. We have a Leader of the Opposition who wants to be Prime Minister who cannot even stand up for the national interest on an issue as significant, as important, as this. We have a Leader of the Opposition who cannot even stand up for the national interest when former Prime Minister Hawke, former trade minister Simon Crean and former foreign minister Bob Carr and all of the Labor leaders at the state level can see what is right—that we should unequivocally support this very good deal for Australia. We have a pathetic Leader of the Opposition here in Canberra who cannot see what it is right, who cannot do what is right, for Australia’s national interests and who is out there doing the bidding of a militant union movement and who, quite frankly, is not focused on the national interest and is not focused on jobs and growth. (Time expired)

Economy

Senator DASTYARI (New South Wales) (14:13): My question is to Senator Cormann, the Minister for Finance. I remind the minister of his boast to this chamber on the day before the winter recess that this government is ‘heading in the right direction, when it comes to implementing our plan for stronger growth, more jobs and repairing the budget’. Can the minister confirm that, under this government, last quarter’s economic growth rate was just 0.2 per cent, worse than both Greece and Spain?
**Senator Conroy:** Worse than Greece and Spain? Worse than Greece and Spain?

**Senator CORMANN** (Western Australia—Minister for Finance) (14:14): Senator Conroy may think that the strength of the Australian economy is a laughing matter. It is not actually a laugh matter. This is about growth and jobs and better opportunity for people across Australia. When we came into government we were confronted with a weakening economy, rising unemployment and a budget position that was rapidly deteriorating. Of course, what Senator Dastyari would know if he looked at Labor's last budget is that, by the end of June 2015, the unemployment rate was lower than had been anticipated in Labor's last budget. He would know that the Reserve Bank governor has clearly outlined that the unemployment rate is forecast to be lower than had been anticipated. Why is that? Because employment growth in Australia is stronger than what it has been. In the economy, we have had more than 335,000 new jobs created since we came into government, and 19,100 on average a month. That is more than four times as many as the last year of Labor in government. What I would say is that the growth rate and the unemployment rate are what are called lag indicators.

**Senator Wong:** Oh, right!

**Senator CORMANN:** Senator Wong can laugh as much as she likes. They are lag indicators. We inherited a very bad trajectory. We inherited that trajectory after Labor put more and more lead into our saddlebag: the mining tax, the carbon tax, more than 21,000 new pieces of red tape, the fiasco in terms of live exports—you name it. What did we do? We took the lead out of our saddlebag. We made sure that Australia’s economy was more competitive. We know the cost of doing business and making sure that we are more productive. Let me say: if we had stayed on Labor's bad trajectory, economic growth in the last quarter would have been worse. We are now in a stronger position than we would have been if we had not done all of the work that we have done implementing our economic plan for stronger growth and more jobs. If we had stayed on Labor's bad trajectory, Australia would be in a much weaker position now. We are now in a stronger position than we would have been, if we had not been implementing our plan.

**Senator DASTYARI** (New South Wales) (14:16): Mr President, I ask a supplementary question. Can the minister confirm that under this government the nominal growth rate of 1.8 per cent in 2014-15 is the weakest since 1961-62?

**Senator CORMANN** (Western Australia—Minister for Finance) (14:16): What I would say to Senator Dastyari is that he should have done his own research before accepting a question from his tactics committee, because the nominal growth rate in 2014-15 actually turned out to be stronger than what was anticipated in our budget. If you were going to pick on one example, that was actually a bad example to pick on. What I can confirm is that the Australian economy this year has had one of the strongest growth rates in the developed world. As the acting Leader of the Government in the Senate has said in his answer, our employment growth rate is stronger than any of the G7 economies; it is stronger than the UK; it is stronger than the US. We are performing well, given that we are facing the biggest fall in our terms of trade in 50 years. We have iron ore exports representing more than 20 per cent of our national export income going from a price of $180 a tonne to the fifties right now—and you think it is not going to have an effect on the economy. Hello! Hello! It is having an effect. And, given all of that, the Australian economy is actually performing very well.
Senator DASTYARI (New South Wales) (14:18): Mr President, I ask a further supplementary question. Can the minister confirm that, if the government had not increased spending, economic growth for this quarter would have been zero?

Senator CORMANN (Western Australia—Minister for Finance) (14:18): That assertion is false, false, false. This government is actually spending less than Labor was going to spend. Expenditure growth under this government is lower than it was anticipated to be under the previous government. I assume that what Senator Dastyari is referring to, given the communist sort of approach to taxation that people like Senator Doug Cameron previously advocated on the scrutiny of new taxes committee, is that our tax cuts in the May budget are somehow expenditure. Tax cuts are not expenditure. Tax cuts enable businesses to keep more of their own money. Tax cuts to small business enable business to invest in their future success. Tax cuts to small business enable small business to be more successful and, of course, to employ more Australians. It is unashamedly a part of our long-term plan for stronger growth and more jobs. You are the high-taxing party. We are the low-taxing party. (Time expired)

Trade with China

Senator SINODINOS (New South Wales) (14:19): Mr President, my question is to my friend and colleague the Minister for Human Services, Senator Payne, representing the Minister for Trade and Investment. Can the minister outline the benefits emerging from the China-Australia Free Trade Agreement? How does this agreement complete a successful trifecta of trade agreements that will create new jobs and opportunities for Australians, particularly in New South Wales?

Senator PAYNE (New South Wales—Minister for Human Services) (14:20): I particularly want to thank Senator Sinodinos for that question as a fellow senator for New South Wales, because in the state of New South Wales, where half of the state's two-way goods trade is with our FTA trifecta countries, these are deals which were worth more than $53 billion last year alone. So the potential is absolutely extraordinary. Our trifecta of trade agreements is with the major economies of North Asia. They are very powerful neighbours and they are going to help us diversify this economy—which it needs, after all the years those opposite had in government. In particular, our landmark free trade agreement with China is going to open up huge opportunities for Australian resources, for agriculture, for manufacturing, for service industries. It will create thousands upon thousands of jobs into the future. Just like the trade deals with Japan and Korea, which are already in operation, the benefits from ChAFTA to Australian businesses, Australian workers and Australian companies will flow immediately.

In fact, if we implement ChAFTA this year, it will provide a double bonus effect of tariff cuts for our exporters—one round of tariff cuts this year and a second round of tariff cuts in January 2016. So how irresponsible is it to play games with these issues? How irresponsible is it to reject the advice of Labor figures like Simon Crean, like John Brumby, like Kevin Rudd, like Craig Emerson, like Martin Ferguson, like Labor premiers Daniel Andrews, Annastacia Palaszczuk, Jay Weatherill and ACT Chief Minister Andrew Barr? They have all thrown their support behind this deal. Why? Because they have the capacity to see the opportunities it will provide for business in their jurisdictions. They have the experience to know what it can mean
for this country. They know why it took 10 years to negotiate this deal and why the delays from the other side are so unhelpful. We need to pass the deal now. *(Time expired)*

**Senator SINODINOS** (New South Wales) (14:22): Mr President, I ask a supplementary question. Will the minister inform the Senate how the government is ensuring that businesses are aware of the opportunities presented by these trade deals?

*Senator Cameron interjecting—*

**Senator SINODINOS**: What activities are underway to ensure that businesses both big and small can reap the benefits of these transformative agreements?

**Senator PAYNE** (New South Wales—Minister for Human Services) (14:22): I note Senator Cameron says breathlessly, 'It's an advertising campaign,' which was of course secretly hidden in the budget papers in May of this year—some $24 million at the time—to raise awareness and assist businesses to take advantage of the enormous opportunities which are going to be presented by the FTA. We are rolling out a range of initiatives to promote the benefits of these agreements, to raise awareness and to encourage more businesses to export. It is not rocket science. Even Senator Cameron should be able to deal with it. It is about helping more businesses export, employ more Australians and promote this country internationally. All of those things—an innovative dashboard, FTA seminars across the country, enhanced helpdesk support, information kits and materials and other promotional activities to boost uptake—are going to encourage Australian business to do more work in this region, to engage more proactively with China and to create more business and more employment opportunities. *(Time expired)*

**Senator SINODINOS** (New South Wales) (14:23): Mr President, I ask a further supplementary question. Can the minister outline to the Senate how specific companies are set to benefit from this trade trifecta? Is the minister aware of specific case studies that have emerged so far from the free trade agreement advocacy program?

**Senator PAYNE** (New South Wales—Minister for Human Services) (14:23): I can do that, Senator Sinodinos. Last week in Parramatta in Western Sydney, the Minister for Trade and Investment, Andrew Robb, addressed a very popular free trade agreement seminar on just this subject. We all know that Western Sydney is an absolutely vital part of our economy, with two million people and over 150,000 local businesses. For a company like RBK Nutraceuticals from Seven Hills, the demand for their health supplements is increasing in China, Korea and Japan. Under the FTAs, RBK is set for a triple bonus of benefits, with Korea's eight per cent tariff to be eliminated by 2018, Japan locking in duty-free access and China's 20 per cent tariff to be fully lifted within four years. That can only help improve RBK's competitive position. It makes it easier for them to grow, prosper and employ more Australians—more people in Western Sydney—which is exactly what these trade agreements are all about. *(Time expired)*

**Asylum Seekers**

**Senator DI NATALE** (Victoria—Leader of the Australian Greens) (14:25): My question is to the Minister representing the Prime Minister. There are now 60 million displaced people worldwide, the largest number since World War II. Four million Syrian refugees are now displaced as a result of the conflict in Syria. Half of those people are children. It is an unfolding humanitarian catastrophe. Given those circumstances, why has the Prime Minister...
responded by saying that he will not increase the current humanitarian intake beyond the paltry 18,000 that was announced last year, meaning that not one additional refugee will be settled in Australia?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:26): Thank you for that question. It is a very important question, and I am indebted to you for raising it. The Prime Minister has sent the Minister for Immigration and Border Protection to Europe overnight to confer with the UN High Commissioner for Refugees, Mr Guterres, on how Australia can do more to deal with what you correctly describe as an unfolding humanitarian crisis. As you note, it is the case that Australia has announced already that it will be setting aside 4,400 places in our refugee and special humanitarian programs for Iraqi and Syrian citizens affected by those conflicts. Currently there are 13,750 places in the humanitarian and refugee programs. That will be increased to 18,750 places in 2018 and 2019. However, there is one premise of your question that I do not accept. You say that is a paltry number. It is per capita the highest number in the world. My source is the UNHCR Projected Global Resettlement Needs 2016 document, which tabulates the proportionate contributions of all the nations in the world to resettlement needs. We are all moved by this crisis. The Australian government has moved swiftly to see what more we can do, but do not make light of what we already do.

Senator DI NATALE (Victoria—Leader of the Australian Greens) (14:28): Mr President, I ask a supplementary question. The UN High Commissioner for Refugees recently declared that when it comes to global displacement we are witnessing a paradigm change dwarfing anything we have seen before. Considering that there is a shortfall of $810 million in the UNHCR's capacity to deal with the Syrian crisis, will the Prime Minister commit additional funds to support the efforts of the United Nations to address this crisis?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:28): Yes. In fact, since 2011 Australia has provided $155 million in humanitarian assistance for the Syrian crisis, and one of the matters that my colleague Mr Dutton will be discussing in Europe is other ways in which Australia can provide more assistance to deal with this crisis. All of us in this chamber know that the demands of people displaced from various trouble spots in the world is greater than the capacity of prosperous nations to absorb them. We must prioritise. That is why the Australian government has made a decision to recast its priorities to put the needs of the Syrian and Iraqi asylum seekers at the top of our humanitarian and resettlement programs. Those are the matters that were discussed—(Time expired)

Senator DI NATALE (Victoria—Leader of the Australian Greens) (14:29): Mr President, I ask a further supplementary question. Given that dropping bombs on IS targets does nothing to address the primary driver of this crisis—that is, the Assad regime—given that it will not make Syrians safer, given that it will not make Australia safer, given that it will instead fuel extremist hate, given that it will continue to lay the groundwork for future terrorist activities, will you now rule out any aerial bombardment of Syria?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:30): Senator Di Natale, I know that you feel passionate about this and I respect your passion.
Senator Wong interjecting—

Senator BRANDIS: Senator Wong, I thought you might have enough respect for the topic not to interject. Senator Di Natale, Australia is doing what it needs to do—it is reprioritising to ensure that these people are at the top of our humanitarian and refugee resettlement priorities.

Senator Di Natale: Mr President, I raise a point of order on relevance. The question asked specifically whether this government would rule out aerial bombardment of Syria.

The PRESIDENT: Thank you, Senator Di Natale. I will let the minister continue. I think the minister is being relevant to the question.

Senator BRANDIS: It is a reprioritisation within a program that is already, per capita, the most generous in the world, according to the UNHCR itself.

Senator Di Natale: Mr President, I raise a point of order. My question did not go to the issue of the humanitarian intake. It went specifically to any commitment to aerial bombardment of Syria. That was the question. He has not addressed that issue.

The PRESIDENT: I draw the minister's attention to the full extent of the question.

Senator BRANDIS: Senator Di Natale, the displacement does have a cause. It is caused by circumstances in Syria and northern Iraq. With respect, Senator, it is foolish for you to suggest that ISIL has little or nothing to do with these circumstances. (Time expired)

China-Australia Free Trade Agreement

Senator LINDGREN (Queensland) (14:32): My question is to the Assistant Minister for Immigration and Border Protection, Senator Cash. Can the minister correct misleading claims about the labour market testing provisions applicable to the China-Australia Free Trade Agreement? How do these labour market testing provisions compare with free trade agreements signed by the previous government?

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (14:33): I thank Senator Lindgren for her question. I can inform the Senate about the incorrect and misleading claims in relation to labour market testing and the China-Australia Free Trade Agreement. The China-Australia Free Trade Agreement, as those of us on this side and certainly the majority of Australians know, will not remove any requirement to hire Australian workers first. Australian workers need to know that there is a wilful and dishonest campaign of deceit being run by the militant union movement, and in particular by the CFMEU, that is totally endorsed by the Australian Labor Party. In fact, I have before me—

Senator Wong: Mr President, I raise a point of order. The minister is misleading the Senate. Chapter 10 of the agreement removes labour market testing.

The PRESIDENT: There is no point of order. You are debating the issue.

Senator CASH: Senator Wong, considering that you used to work for the CFMEU, I am not surprised that you stand up here and defend them, given that, I assume, you also received the parliamentary briefing to members of the Australian Labor Party—

The PRESIDENT: That is disorderly, Minister.
Senator CASH: from the CFMEU, on—goodness gracious!—why the China-Australia FTA is basically not a great FTA. Well done! Here are your talking points, from the CFMEU to members of the parliamentary—

Senator Moore: Mr President, I raise a point of order. I am concerned about the minister behaving in a disorderly way. You drew it to her attention, but she just kept on going, waving the piece of paper around. If that is the way it is, I will keep jumping up every time she does it.

The President: Thank you, Senator Moore. All senators know that they cannot use props in relation to their answers or in relation to any aspect of debate.

Senator CASH: As I said, under IFAs Australian workers will continue to be given first priority and first opportunity for any jobs. I say to Australians, if this ChAFTA does not go through there will be no jobs. That is what those on the other side do not seem to understand. We on this side understand that when you sign free trade agreements you create job opportunities for Australians. That is what we on this side of the chamber are all about. The stance of those on the other side is made all the more hypocritical given that the labour market testing provisions in the chapter are identical to those in other free trade agreements signed by those on the other side, including the free trade agreement signed with Chile. (Time expired)

Senator LINDGREN (Queensland) (14:36): Mr President, I ask a supplementary question. Can the minister correct misleading claims that the China-Australia Free Trade Agreement allows for foreign workers to undercut Australian workers?

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (14:36): I absolutely can. In correcting the misinformation I am only too happy to be joining Labor luminaries such as former Prime Minister Bob Hawke, former trade minister Simon Crean and the Labor premiers in Australia. The list goes on and on. I can confirm that, under IFAs, companies will not be able to pay lower pages to foreign workers. The project agreement program makes it very, very clear that all overseas employees under a project labour agreement must be employed under terms and conditions that are no less favourable to the employer’s Australian workforce.

The IFA MOU also states clearly that Chinese workers must be engaged in accordance with Australian law and regulations, including applicable Australian workplace law, work safety law and relevant Australian licensing regulations and certification standards. These requirements are not subject to negotiation.

Senator LINDGREN (Queensland) (14:37): Mr President, I ask a further supplementary question. Will the minister advise the Senate how other provisions contained within the China-Australia Free Trade Agreement compare to free trade agreements signed by previous governments?

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (14:38): ChAFTA is just like the trade agreements that have come before it, including those signed by senators opposite. This includes the Chilean agreement and the Thai free trade agreement, for example. In terms of the agreements that were signed by Labor, they also included movement of natural person provisions to facilitate the entry of trade related roles, such as senior executives of
companies and personnel required to service specialised equipment purchased from overseas. The provisions within the ChAFTA, in this regard, are the same.

However, there is one point of difference that those on the other side may wish to know about. In respect of the ChAFTA, it is that Australia has agreed to the investment facilitation agreements for companies to encourage large-scale investment in Australia. The provision under which workers will enter Australia under an IFA is consistent with Labor's own enterprise migration agreements policy. In fact, it is arguably stronger, as we have made sure that labour market testing under the IFA will be absolutely mandatory. (Time expired)

Climate Change

Mining

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (14:39): My question is to the Minister representing the Minister for the Environment, Senator Birmingham. Last week, the government finally announced its so-called safeguard mechanism, the cap above which big polluters are meant to be fined. Yet the environment minister has actually admitted that the government has budgeted zero, because it does not expect any fines to be imposed. It has also set a cap which allows businesses to pollute the highest that they have in five years and it includes multiple get out of jail free chances for businesses to breach that cap. With the first limb of Direct Action paying polluters to pollute and with the second limb now allowing polluters to increase their emissions, why is the government designing a climate policy that is designed to fail?

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (14:40): I thank Senator Waters for her question. At the outset, let me make it clear that I completely reject the assertion at the end of Senator Waters's question. The truth is that this government will ensure that Australia meets its climate change targets, just as Australia has always done so. Australia met its targets under the Kyoto protocol, Australia will meet the five per cent bipartisan target for reduction by 2020 and Australia will meet, ultimately, the target that our government has released for a 26 to 28 per cent reduction by 2030.

In relation to the safeguard mechanism, the safeguard mechanism complements our Emissions Reduction Fund and will commence on 1 July 2016. We have released draft rules and regulations for consultation around that safeguard mechanism. We seek to strike the right balance with this. We are tackling the emissions and making sure that we meet our targets, while ensuring that Australian businesses have the flexibility they need to be able to grow and to continue to create jobs in the future.

We are having extensive consultations with the business community to make sure that this safeguard mechanism is appropriate and accurate, but it has always been our commitment and our expectation that there would be zero budget revenue from the safeguard mechanism. It is our clear expectation that businesses will find that this is an appropriate mechanism and they will adhere to it, and therefore they will not be paying penalties under it. It will not be necessary for them to do so, because we will be able to deliver the emissions reductions—as we are already doing through the Emissions Reduction Fund—at appropriate cost and at the lowest cost for that abatement. That will meet our targets. We have already seen that success from the first round of options under the Emissions Reduction Fund where we have secured
reductions at a far lower cost than the carbon tax the previous government had in place. It is at a far, far lower cost and will get us to the 2020 target quite comfortably. (Time expired)

Senator Waters (Queensland—Co-Deputy Leader of the Australian Greens) (14:42): Mr President, I ask a supplementary question. With the Pacific Islands Forum leaders summit on this week, our Pacific neighbours know all too well that coal is not good for humanity. Entire nations in our regions are at risk of being completely inundated and yet the Abbott government's plan will keep Australia as the world's biggest climate polluter per capita. When will this government finally show some regional leadership by acting on global warming and reinstating the climate adaptation funding that it completely axed from the foreign aid budget?

Senator Birmingham (South Australia—Assistant Minister for Education and Training) (14:43): Firstly, I would point out to the Senate that this government did reinstate funding for the National Climate Change Adaptation Research Facility that the previous government had actually axed. The government have been quite serious about supporting climate adaptation and we are quite serious about working with our friends and neighbours in the South Pacific to ensure that we assist them through these issues.

Equally, I will highlight to Senator Waters the success of the first Emissions Reduction Fund option. That first option is delivering some 47 million tonnes of abatement alone. That, of course, is making sure that Australia will deliver on the 2010 target; but it is doing so at a far lower cost than we saw from the carbon tax of the previous government, which was generating a tax churn of around $9 billion per annum. Instead, we have gone to the market, we have secured the lowest cost abatement and we are supporting that to meet the targets that we are determined to deliver.

Senator Waters (Queensland—Co-Deputy Leader of the Australian Greens) (14:44): Mr President, I ask a further supplementary question. Today is the 79th anniversary of the extinction of the Tasmanian tiger, which each year is commemorated as Threatened Species Day.

Senator Ian Macdonald: Do you have a question?

The President: Order on my right!

Senator Ian Macdonald: This is question time!

The President: Order! Senator Macdonald!

Senator Waters: Mr President, can I ask you to bring Senator Macdonald to order. He is just painful.

Honourable senators interjecting—

The President: Order! Senator Waters, you have the call.

Senator Waters: Australia has the worst mammalian extinction rate on the planet—

Senator Ian Macdonald: Do you have a question?

The President: Senator Macdonald!

Senator Waters: and yet the environment minister just forgot about two crucial threatened species conservation advices in his haste to approve the Adani Carmichael coalmine. How many more coalmines, destroying habitat and worsening global warming, will this government bend over backwards to approve?
The PRESIDENT: Order! Before I call the minister: Senator Waters, that question bordered on not being supplementary to the primary question, but I will allow the minister to answer the portion of that question he deems fit to answer.

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (14:45): Thanks, Mr President. I think you are onto something, if I could say so, in regard to your suggestion to the senator about the relevancy of her supplementary. But I am happy to take the opportunity to point out that this is a government that, as I emphasised in the first two questions, will meet Australia's climate change targets as we have always supported meeting Australia's climate change targets. We will ensure they are met; whilst at the same time we will uphold every aspect of the legalities and conditions around the Environment Protection and Biodiversity Conservation Act to support and protect Australia's threatened species. We will deliver on both of those aspects, and that is exactly what we were doing.

I appreciate that Senator Waters wants to try to conflate issues around the approval of coal mines and climate change with threatened species protection under the EPBC Act and attempt, as the Greens would have, to say no to every single possible development in Australia. That is not what this government will support. We will support jobs and development while protecting the environment. (Time expired)

Trade with China

Senator CANAVAN (Queensland) (14:46): My question is to the Minister for Indigenous Affairs, Senator Scullion, who is representing the Minister for Agriculture. Will the minister update the Senate on the benefits of the China-Australia Free Trade Agreement for Australian farmers, especially beef exporters?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:47): I thank the honourable senator for his question. The last time I was asked a question on this matter I was able to report to the Senate that the Chinese economy imported some $115 billion worth of agricultural and fisheries products from around the world. They reported in 2014 an additional $3 billion, which makes a total of almost $119 billion. What an opportunity for Australian farmers and fisheries! What an incredible opportunity!

One of the most important things is that it is a particularly important area for beef production right around Australia. Whether you are in Central Queensland, the Northern Territory, the Kimberley or anywhere in Australia, this is such an important matter. For Australia to have negotiated in the China free trade agreement a reduction in tariff of between 12 and 25 per cent on beef products over nine years means $270 million worth of benefit to Australia producers that can be invested into infrastructure and, most importantly, invested into jobs. We also had the recent ratification of the health protocol on live feeder and slaughter cattle into China—another 10 per cent reduction in tariffs over four years. The agreement provides significant advantage over our competitors, which is what this is all about. China does not only have Australia to deal with. There are so many people who want to compete with us, whether it is on fibre, fisheries or food production. Of course, this does not happen by accident. We are deliberately going about consistently removing the blockages at the end of our supply chain, because we know that that is in our nation's interest.
Senator CANAVAN (Queensland) (14:49): Mr President, I ask a supplementary question. Could the minister further outline how the China-Australia Free Trade Agreement builds on the government's plan for rural and regional Australia, especially on the government's white papers on Northern Australia and agricultural competitiveness?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:49): I can indeed. We told the Australian people prior to the last election that we would ensure that we built on the fifth pillar of our economy, agriculture, and that is exactly what we are doing. We have delivered the agricultural competitiveness and the Northern Australia white papers, and we are ensuring that we are going to capture the opportunities presented by a world that is hungry for our top-quality soft commodities.

We are investing in our transport infrastructure, our water infrastructure and our capacity in research and development because we know that being in front of the game in all of these areas is going to make us significantly more competitive. We have delivered on the trifecta of three new free trade agreements on top of 42 key market access gains. We have restored all our suspended markets and made 14 key market access improvements and actions to maintain market access right across our portfolio. (Time expired)

Senator CANAVAN (Queensland) (14:50): Mr President, I have a final supplementary. Can the minister inform the Senate of the implications for primary producers of the threats to the China-Australia Free Trade Agreement being ratified?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:50): As it happens, right now we can see that those opposite, in their kowtowing to their union masters, are putting the interests of their own political party in front of the interests of Australian primary producers. It is not the first time that we have seen this happen. I have been here long enough to observe the many occasions under which they put their own political interest ahead of the interest of this nation. This is against the advice of every single commodity and farming representative in this country. It is also against the advice of those luminaries in the Labor Party who did not put the interests of their party above the interests of the nation. People like Bob Hawke and Simon Crean say you have it wrong—and of course they do have it wrong. What is in the national interest is to get out of the way of a prosperous future for this nation. (Time expired)

Canning Electorate

Senator LINES (Western Australia) (14:52): My question is to the Minister representing the Prime Minister, Senator Brandis. Why is the Prime Minister cutting $5.8 billion from Western Australia's hospitals over the next 10 years, including $3.5 billion from the South Metropolitan Health Service and the WA Country Health Service, which both serve the Canning electorate?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:52): Senator Lines, I am afraid that the proposition that you have put to me is entirely false. During tight budgetary conditions, I can inform you that the Commonwealth is increasing annual funding for Western Australia's hospitals by 27 per cent over the next four years, on top of growth of 16 per cent in 2014-15. So, Senator Lines, you can come in here with the misinformation that we know the Labor Party specialises in, but the facts are a 27 per cent increase in funding for
Western Australian hospitals by the Commonwealth over the next four years on top of the 16 per cent increase in 2014-15. By the way, we are also increasing funding for Western Australian schools by 42 per cent over the next four years, on top of a growth of eight per cent for Western Australian schools in 2014-15.

As well as that, Senator Lines, you might be interested to know that the government is investing $5.2 billion in Western Australia to build the infrastructure of the 21st century, including: $925 million for the Perth Freight Link, $675 million to the Gateway at Perth airport, $615 million to the NorthLink WA Swan Valley Bypass and $308 million to upgrade the Great Northern Highway from Muchea to Wubin. The Abbott government has given Western Australia an additional $500 million for infrastructure projects which will be exempt from the GST distribution system. So, Senator Lines, contrary to what you assert in your question, not only on hospitals but across a whole range of policies, Western Australia has been treated very well by this government. *(Time expired)*

Senator LINES (Western Australia) (14:55): Mr President, I ask a supplementary question. Why is the Prime Minister cutting $3.15 billion from Western Australian schools over the next 10 years, including $193.5 million—

*Senator Cormann interjecting—*

The PRESIDENT: Order, Senator Cormann!

Senator LINES: Mr President, should I start the question again?

The PRESIDENT: Senator Lines, you shall start the question again.

Senator LINES: Why is the Prime Minister cutting $3.15 billion from Western Australian schools over the next 10 years, including $193.5 million from schools in the Canning electorate?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:55): Senator Lines, once again, I am afraid you have misled the Senate. In fact, it was when Mr Bill Shorten was the minister that $1.2 billion was taken out of the Commonwealth budget for schools in Western Australia, Queensland and the Northern Territory. As I pointed out before, the Abbott government has increased school funding to Western Australian schools by 42 per cent over four years—42 per cent, $619 million, over the next four years. Since the 2013 election—Senator Lines, you might be interested to know—the Abbott government has created almost 45,000 new jobs in Western Australia, many of them in the Canning electorate. More than 170,000 pensioners with modest assets, including those in Canning, have had their payments increased by an average of—*(Time expired)*

Senator LINES (Western Australia) (14:56): Mr President, I ask a further supplementary question. Why is the Prime Minister backing an increase to the GST, exposing Canning families, who are already doing it tough, to even higher costs of living?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:57): Mr President, the last refuge of a scoundrel is a GST scare campaign. So far as I am aware, Senator Lines, the only leader of government in Australia who is openly calling for an increase in the GST rate is the Labor Premier of South Australia, Mr Jay Weatherill. The Prime Minister, Mr Abbott, has said no such thing. What the Prime Minister, Mr Abbott, is
very proud of is that: under this government Commonwealth expenditure on hospitals in
Western Australia will increase by 27 per cent over the next four years; under this
government Commonwealth expenditure on schools in Western Australia will increase by 42
per cent over the next four years; and under this government an additional $5.2 billion will be
invested in Western Australian infrastructure, much of it in the electorate of Canning, to meet
the needs of the people of Western Australia and the particular needs of the people of
Canning.

Trade with China

Senator JOHNSTON (Western Australia) (14:58): My question is to the Assistant
Minister for Education and Training, Senator Birmingham. Can the minister inform the
Senate of the government's response to the current misleading campaign about the China-
Australia Free Trade Agreement allowing unqualified workers into Australia?

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and
Training) (14:58): I thank Senator Johnston—a passionate advocate for jobs, trade and
growth in the Australian economy—for this question. The China-Australia Free Trade
Agreement emphatically does not change the requirement for Chinese workers working in
Australia to meet Australian standards. There is, though, quite a misleading campaign
underway in relation to this. It is a misleading campaign coming, it seems, from none other
than those opposite, led by the man who pretends to be the alternative Prime Minister of
Australia, Mr Shorten. Mr Shorten, last week, was in Western Australia. In Western Australia
he said:

… if we're going to bring in plumbers who might come and work on your house or electricians who
might go into your roof, what we want to make sure of is that their skills, and training and safety
knowledge are up to Australian standards.

They will be up to Australian standards, because they will have to meet exactly the same
standards in terms of qualifications and skills as any other 457 worker coming into Australia
or indeed as any Australian undertaking such jobs. This is a complete fabrication by Mr
Shorten. I heard Senator Wong, in response to Senator Cash's answer before, talking about
people who just keep fibbing. It is Mr Shorten who is fibbing and it is Senator Wong who is
fibbing. Mr Shorten backed it up the following day, last Friday, when he said:

… it is important that their skills and accreditation … that their skills and safety standards are up to
Australian standards.

They will be. Under ChAFTA, wages and employment conditions will apply just as they do to
anyone else working in Australia. Relevant licensing requirements will apply, including
identity, work history, qualifications, references, documents and the processes under Trades
Recognition Australia. Australians can have confidence in the plumbers, electricians and
others who may work under this agreement. (Time expired)

Senator JOHNSTON (Western Australia) (15:00): Mr President, I ask a supplementary
question. Can the minister assure the Senate that unqualified electricians from any country,
including China, are not allowed to work in Australia or to threaten the safety of Australians?

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and
Training) (15:01): I can absolutely confirm to Senator Johnston that there are no
circumstances in which unqualified electricians or other tradespeople would be entitled to
work in Australia. We have been working to try to make sure that those who spread these falsehoods understand that they are wrong. Relevant departments, including my own, have been correcting a number of inaccuracies and meeting with people who are making these claims about unlicensed workers operating in Australia. They even met with the Electrical Trade Union on 8 July to attempt to set them straight. But I note that they continue their misleading campaign. They are running robocalls around the country, claiming, 'Electricians who do not meet our licensing or registration standards will still be able to enter Australia and do electrical work.' This is just wrong and false. What is worse though is that they are running it as a scare campaign. They say that people's property, safety and, most importantly, people's lives are at risk. This is a complete falsehood from the unions, from Mr Shorten and from all of those opposite. (Time expired)

Senator JOHNSTON (Western Australia) (15:02): Mr President, I ask a further supplementary question. Can the minister outline to the Senate the benefits the China-Australia Free Trade Agreement will bring by opening up more opportunities and jobs for Australians?

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (15:02): The benefits are immense, and those opposite should acknowledge this and stop their campaign of lies and fear in relation to ChAFTA. China is a trading partner with a trade program with more than $150 billion, a services market worth $7½ billion, but with enormous potential to grow that market. We can see across agriculture, resources and energy, banking, health and aged care, and professional services, including, importantly, education and training, enormous opportunities to grow trade with China.

In the education space, ChAFTA provides an opportunity for more Australian education providers to access Chinese students and to provide more opportunities for those Chinese students, with an additional 77 providers in the first instance, with more, we hope, to come. On full implementation, 95 per cent of Australian goods exported to China will be tariff free. So it is up to those opposite to decide whether they will run the fear campaign or start listening to people like Bob Hawke and— (Time expired)

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

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS
Abbott Government

Senator POLLEY (Tasmania) (15:03): I move:

That the Senate take note of the answer given by the Attorney-General (Senator Brandis) to a question without notice asked by the Leader of the Opposition in the Senate (Senator Wong) today relating to the economy.

There was not any defence from Senator Brandis in his contribution today in this chamber. When he spoke about the few jobs that have been created, he could not respond in relation to the 800,000 Australians that are out there looking for work. That is the highest unemployment figure for 20 years—two decades. When those opposite try to defend the indefensible, it gives us a lot of avenue to respond. It is not just what we are saying and what we are hearing when we are out in the community talking to workers, talking to members of the community and visiting interest groups. It is out there in the community that the Australian public have given up. They have no trust in this government. They have particularly lost trust in the Prime
Minister and they have certainly lost trust in the Treasurer. We have heard, in the conversations that have been had between the deputy leader, Ms Bishop, and the Prime Minister, that one of the ways that she sees that things can be resolved for the good fortunes of this government is to replace Mr Hockey as Treasurer.

I draw the attention of the Senate to an article by Lenore Taylor in *The Guardian* on Friday. It was a good article. We know that those opposite mostly get their references and research from *The Australian*. The article states:

All these "wars", of course, have a political purpose – to silence dissent, sideline unwanted advice and distract from critical scrutiny – the same motivations for systematically removing Labor appointments from boards and advisory groups and defunding or sidelining groups that advocate for the poor, the sick, the disabled, the disadvantaged, refugees or the environment.

We know this because we hear it every day when we are out in the community. People have lost confidence in this government. People who are out there trying to find employment are desperate. What has this government done? It has done nothing but make cuts. When Tony Abbott was going into the last election, he promised to be the Prime Minister for jobs, jobs, jobs. We know that he has failed, failed, failed. He has not delivered on that commitment, not by any stretch of the imagination.

I have to say that those opposite have got nothing to celebrate after being in government for two years, because what is underpinning this government is that it is a government that has broken all its promises. They were empty promises. So, even when Tony Abbott says, 'If it's written down then you can take it as gospel,' that is not true because of all the backflips; all the slogans and policy objectives that they went to the last election with—no cuts to health, no changes to the pension, no cuts to education—have all been broken. And we know what they are trying to do to higher education in this country.

But, as I said, with the highest number in 20 years of Australians looking for work—800,000—those people on that side should hang their heads in shame. And then we had Senator Brandis come in and say, 'The unemployment figure wasn't as bad as we thought,' as if that is supposed to give us some light relief!

This was also the government that went to the last election promising that there would be lower taxes, fewer taxes and fairer taxes. And what has it turned out to be? It is a government of taxes. This is despite what those opposite are saying because they are scared of the reaction that they are going to have in Canning in Western Australia's election. That is, this government is all about increasing the GST. There is no mistake. That is firmly on their agenda. And what they will do is: they will stifle the states for funding so that they will try and force the states to accept that there needs to be an increase in the GST. And that is the most unfair tax. The Australian community no longer believes anything that this government says, and they certainly do not believe anything that Mr Abbott says.

Quite often we hear from those opposite referring back to the fact that John Howard was very unpopular in his first term of government and yet they went on to win the next election. Well, the people of Australia will decide who will win the next election. But this government is bereft of policies, ideas and vision for this country. *(Time expired)*

**Senator O'SULLIVAN** (Queensland—Nationals Whip in the Senate) (15:09): When I first arrived here as a freshman senator, one of the most intimidating things I found was when you were put on to the speakers list for speeches on the motion to take note of answers.
caused a slight panic, because you were not sure of what the subject matter was and whether you would be equipped to respond. Today, the Labor Party have done us a tremendous service by giving us an opportunity here to speak about the economy!

Senator Polley: Keep telling yourself that!

Senator O’SULLIVAN: Senator Polley, before you leave the chamber: whoever wrote your speech forgot to mention the 335,000 new jobs. This is a government that just lives and breathes jobs and stimulus for the economy.

Senator Polley interjecting—

Senator O’SULLIVAN: I know you do not like it, but you should sit and listen quietly while I educate you on this issue.

We have delivered three free trade agreements. Let us look at the current one. It is going to create tens of thousands of jobs in this nation, and you people had every opportunity to try to prevent it. I make a prediction: in the next couple of weeks, you will have to roll over. You are going to have to roll over because the pressure that is coming your way from within the Australian labour movement and within the business community will be just too great for you to bear. I will be looking with great interest to see what reason you use to cloak yourself as you back off. You will go backwards so quickly when the time comes, your shadow will remain in place!

We inherited an economy that was on its knees after six years of Labor chaos. We had to get rid of the carbon tax that you were never going to introduce! I am pleased that Senator Polley brought up the issue of promises. ‘There will be no carbon tax under my government’—two people said that; one was Gillard and one was Abbott, and only one of them was telling the truth; the other one was not telling the truth. That carbon tax was bringing industries in our nation to their knees. And that was even before we get on to the impact it was having on the cost of living for ordinary Australians.

You see, your problem, on that side, when you want to talk about the economy, is that you do not understand what an economy is. You simply do not understand. You come from a trade union background where your whole life is devoted to trying to take something off somebody else. You are not wealth creators. I understand that. There are some things that Labor is strong at. The economy is not one of them.

Twenty-seven years ago I could still do push-ups and run six kilometres. That is how long ago it has been since you delivered a surplus!

Senator Brandis: How long ago?

Senator O’SULLIVAN: Twenty-seven years ago, Senator Brandis. It is a long time, and I know that it would be hard for you, looking at me now, to think that that might ever have been the case.

Senator Dastyari interjecting—

Senator O’SULLIVAN: You have got no expertise here, can I say to you, Senator, because you were about five the last time your mob delivered a surplus. You cannot have an enduring economy unless you produce a surplus. A surplus is that amount of money that is left after you have done what you have had to do, excluding borrowings. And do you know what happens when a nation turns in surpluses and it has its budget in order, just in the
manner that we are doing? You employ people. It constantly surprises me that the Labor Party has turned into an anti-job political franchise. When you make money, when you have surpluses and the receipts of the nation are strong, we invest them—just as we had done, despite the economic conditions, with a $50 billion infrastructure program. They tell me that that is just about seven Snowy River schemes, relatively. And what does that do? That puts money into the economy. That creates jobs—J-O-B-S. Those jobs then start to get into the micro-economies of our country. They create more employment. There is more investment.

And do you know what happens with more investment? You need more jobs. So one thing the Labor Party can no longer do is to lecture this side of the House in relation to employment opportunities. Everything we are doing—the free trade agreements, the abolition of the carbon tax, the introduction of 335,000 additional jobs—

*Opposition senators interjecting—*

**Senator O'SULLIVAN:** That got a squeal out of you then, because not one of you have mentioned it, and I will bet you a carton of stubbies, Senator—through you, Mr Deputy President—or a carton of anything you drink that you will not—

*Senator Lines interjecting—*

**Senator O'SULLIVAN:** No, I have been caught before; I had to pay for an airfare to somewhere or other, when I told him to go and deal with the Ebola scheme; that cost me five grand! I am happy to do this. I bet you that not one of you mentions the impact of all those additional jobs on this economy in our term of government.

**Senator Lines (Western Australia) (15:14):** I rise to speak on the motion to take note of answers by Senator Brandis to questions on jobs and a strong economy, both of which we have yet to see materialise under those opposite. Again, they are living in a parallel universe. Remember the famous quote from Mr Hockey: 'Just go and get a good job with good pay.' The jobs that have been created are low-paid jobs. They are low-paid, part-time and casual jobs. It is time those opposite revealed the truth about those jobs. They are not high-paying, good jobs where people can rely on an income. That is the truth of it.

There was another thing we heard today in response to the question I put to Senator Brandis. He told me that the only premier in the country calling for an increase in GST is Mr Weatherill. Again, that is completely wrong from the government because in July of this year their very own Colin Barnett, the man who has single-handedly wrecked the Western Australian economy, particularly for the people in the Canning electorate, said he wanted a GST increase. He even named the increase. He wants it to go up to 12.5 per cent. Again, when those opposite attack, they should at least get their facts right.

But let's just be clear about what the Abbott government's inaction has done for the people of Canning. It will mean that their health services will be down $3.5 billion because cuts have been made to the South Metropolitan Health Service and the WA Country Health Service, which serve the Canning electorate. Most of those opposite do not travel south of the river, but I lived in the Canning electorate for 12 years. In fact, as a young person, I went to school in the Canning electorate. My children went to the local hospitals. My children went to the local schools. These are the schools that those opposite have taken funding off. In fact, in the seat of Canning, almost $2 million has been taken out of schools. These include the primary school that my children attended, the high school that I attended and the health services that I
and my children used when for 12 years I lived in the seat of Canning. Make no mistake, the Premier of Western Australia, the wrecker of Western Australia’s economy, along with the Abbott government, wants an increase to the GST.

We have had two years of the Abbott government and two years of suffering in the electorate of Canning. Let me tell you some other things about the seat of Canning. It has the highest number of pensioners in a metropolitan area. That is completely lost on those opposite as they rip money out of health services, make going to the doctor more expensive, increase fuel taxes and incur additional cost to pensioners. There is no regard for that.

In relation to education, where we have seen almost $2 million ripped out of the seat of Canning, let me inform the Senate that Canning has one of the highest truancy levels in a metropolitan area. Again, what action have we seen from those opposite? We have seen absolutely nothing. Between 2009 and just last week, we have had two Auditor General reports in Western Australia looking at the issue of truancy right across the state of their mate, Colin Barnett, the wrecker of the Western Australian economy. There have been two reports put out on Western Australian schools, and the premier has said categorically that there is no plan to attack issues of truancy in Western Australia. So we have very high truancy levels in the seat of Canning.

In Mandurah—none of those opposite would know where Mandurah is, but it is in the seat of Canning—youth unemployment is the highest in the country. It is way, way above the national average—14.6 per cent of young people in Mandurah in Canning have no job prospects and are completely out of work. Since those opposite have been in power, 1,000 more people in Canning have had to rely on income support because there are no jobs and because the jobs those opposite have created are low paid, part time and casual. That is the truth of it.

The people of Canning know about the ChAFTA. When I speak to them, they tell me they are very worried about their jobs. They are very worried about health. They are very worried about education. And they are very worried about the Prime Minister. It does not matter whether they vote for us or they vote for the Liberals; they are united that the Prime Minister has to go. (Time expired)

Senator IAN MACDONALD (Queensland) (15:19): It is almost un-Australian the way the Australian Labor Party continue to talk down the economy and continue to say untruths about the economy and misrepresent the facts. The simple fact is that, since this government has been in power, some 335,000 additional jobs have been created in this country, many of which are in the electorate of Canning. The previous Labor speaker seemed to be making a policy speech for Canning and not talking on the subject of this debate at all. But I am sure the people of Canning are worldly and intelligent enough not to follow the lies and lines of the Australian Labor Party and particularly the union movement.

One of the things that the Abbott government is doing to bolster the economy is creating new jobs through additional trade opportunities around the world. The China free trade proposal is a great example of that. We all know the benefits that will come from the China free trade agreement, and yet the Labor Party continue to talk it down. One would almost think that they are xenophobic and anti-Chinese in their approach to this particular proposal.
The lies that the union movement tell about the free trade agreement are legion. We understand why the Australian Labor Party are mouthing the words of the ETU and the CFMEU. It is because the union movement generally, including the ACTU and the ETU, control the Australian Labor Party. They determine the preselection of all of the senators sitting opposite. They control the parliamentary Labor Party. Most of the shadow cabinet are former union hacks. That might be okay if the union movement actually represented Australian workers, but the union movement represent only 17 per cent of Australia's workers. That means 83 per cent of Australian workers choose not to join a union. You can well understand why, when you see the miserable efforts of the unions to help workers. They are pretty good at helping themselves, as the royal commission has shown, and pretty good at putting their hands in the workers' pockets, but not much good at helping workers. That is why only 12 per cent of workers in the private sector—which is mining, agriculture, services, finance—choose to join a union. That is, 88 per cent of workers in those areas determine not to join a union. When you have the Electrical Trades Union continuing rogue house calls across the country to say the China free trade agreement will endorse electricians who do not meet our licensing or registration standards, that is simply a lie.

Senator Conroy: That is true.

Senator IAN MACDONALD: It is simply a lie. We do not allow unqualified electricians from any country—including China—to work in Australia and threaten the safety of Australians. I might add that that is quite different to the Labor government, which was allowing untrained people to put pink batts into people's houses, causing regrettable and lamentable deaths of people who were untrained. Under this government, electricians will only operate in Australia if they meet Australian standards. The campaign by the Electrical Trades Union and the ACTU in particular comes from the concern that, by representing only 12 per cent of Australian workers, the union movement sees that it is facing the end of its rort-laden career. The only chance they have of continuing to be relevant in Australia is that they can somehow get the Australian Labor Party back into government. They, representing only 12 per cent of Australian workers, will then control Australia. This is a conspiracy, I think, of major proportions. You only need to look at those numbers to understand what a scourge on the Australian economy the union movement is—(Time expired)

Senator DASTYARI (New South Wales) (15:24): Thank you, Mr Acting Deputy President—

Senator Brandis: Has your membership of the Media Entertainment and Arts Alliance been confirmed?

Senator DASTYARI: No, I am a proud member of the Transport Workers Union and the United Services Union.

The DEPUTY PRESIDENT: Senator Dastyari, resume your seat.

Senator Ian Macdonald: On a point of order, Mr Deputy President. Could you please tell the speaker you are the Deputy President, not the Acting Deputy President?

The DEPUTY PRESIDENT: Thank you for that, Senator Macdonald. Consider yourself told, Senator Dastyari.

Senator DASTYARI: Thank you, Mr Deputy President, and I apologise for not upholding your office. Senator O'Sullivan unfortunately is no longer here, but he did issue a challenge to
me that in my speech I would refer to the failure of this government to create jobs. I want to say to Senator O'Sullivan: challenge accepted; I drink Tooheys Extra Dry and you can deliver them to my office. We have a government that has increased unemployment since it came to office two years ago from 5.7 per cent to 6.3 per cent, a 13-year high. We had the extraordinary situation on the Insiders program where the trade minister, Minister Robb, spoke about the achievements of this government and actually cited employment—which has really been a failure. When the government's defence is that it could have been worse or that it should have been worse, that is no defence at all. For the first time in 20 years more than 800,000 Australians are out of work—800,000.

Senator Conroy: Is that a record?

Senator DASTYARI: It is a record. It is a 20-year record. Why is it a record? Because consumer sentiment is 10 per cent below where it was—

Senator Ian Macdonald: Under Keating it was 12 per cent.

Senator Bushby: Over a million under Keating and a lot fewer people in the country.

Senator DASTYARI: This obsession with Paul Keating, which those opposite have, baffles me. Consumer sentiment is 10 per cent below where it was at the time of the election and—something that is very dear to the hearts of those on the conservative side—new taxes and charges mean Australians are paying more tax than at any time since the Howard government. They are rising each and every budget year. Some have accused me at different points of taking a communist approach to taxation, and I would remind them that—and they may or not be the finance minister of Australia—under his leadership of Australian finances, new taxes and charges mean that Australians are paying more tax than at any time since the Howard government. Yet we have rampant multinational tax avoidance.

The budget deficit has doubled in the last 12 months and the Australian economy is stuck at below-trend growth of two per cent with annual growth trending down since the Treasurer's damaging first budget. It is also worrying that the nominal growth rate of just 1.8 per cent is the weakest since 1961-62. I understand that this is a government that is desperate to take us back to the 1960s ideologically, but I am disappointed that it needed to take the economy with it. Its claim to be a fiscally conservative government—

Senator Conroy: Fiscal vandals.

Senator DASTYARI: if it was not for the rampant increase in government spending, economic growth for this quarter would have been zero. That makes the claims from the finance minister, made just before the winter recess, that the government was 'heading in the right direction' when it comes 'to implementing our plan for stronger growth, more jobs and repairing the budget' so ridiculous. It is so ridiculous that at its two-year mark—its second birthday, for which I seem to remember the gift is wool—

Senator Bilyk: Are they trying to pull it over our eyes?

Senator DASTYARI: That is the reference I was going to make, but I thank you for jumping in there and spoiling my timing. An economic growth rate of 0.2 per cent is worse than both Greece and Spain—0.2 per cent. This is a government that has failed. It has failed at its two-year mark—and let's hope its second birthday is the last one we will be celebrating.

Question agreed to.
Climate Change

Mining

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (15:30): I move:

That the Senate take note of the answer given by the Assistant Minister for Education and Training (Senator Birmingham) to a question without notice asked by Senator Waters today relating to climate change policy.

In question time, I began by asking the minister: with the announcement of the so-called safeguard mechanism—which is the most erroneously named policy that you could possibly conceive of—how on earth does the government believe that anyone will take it seriously on climate change when its safeguard mechanism is in fact a cap above which big polluters are not meant to pollute and yet the cap has been set so high that even the government acknowledges that it is not likely to have to fine anybody for breaching it? That is what happens when you set a cap on emissions that is not really a cap at all. It says that businesses on a facility-by-facility basis can emit as much as they like—in fact, up to their high point in the last five years.

I asked the minister: why bother designing a carbon policy that is simply designed to fail? Unfortunately, I did not receive a response to that question, but the response that I did receive was quite telling. The minister again harped on about apparently being proud of Australia being on track to meet a five per cent carbon pollution reduction target, which has absolutely no scientific credibility and everybody knows it. He then took the opportunity to reiterate his government's further woeful targets, for which the Prime Minister has conveniently selected a different baseline year to try to make his targets appear slightly less pathetic. When you take it back down to the baseline that the rest of the world uses and that Australia was using until two weeks ago, the target that has been announced is less than half of what the science says is necessary to avoid dangerous global warming. I am afraid I found the minister's response once again terribly unconvincing.

I asked the minister: with the Pacific Islands Forum leaders summit on this week and with the potential for some of our regional neighbours to be completely inundated, will our Prime Minister, who I understand is attending that forum later in the week, really try to insist to those nations that coal is good for humanity when they are facing a sea-level rise that will see the end of their very nations? Unfortunately, I did not jot down anything of note from the minister's response to that one. When the government have axed the funding for climate change adaptation for overseas nations, which we used to provide as a wealthy nation as part of our foreign aid budget, it is pretty clear that they have given up on caring. They are simply so wedded to the coal industry that they are blinded by the donations that they receive from that fossil fuel industry.

I then asked: given that global warming is one of the key threats to threatened species, along with things like invasive species and habitat loss—part of which is further driven by global warming—is the minister going to conveniently forget about any other conservation advices that are meant to protect threatened species like he did when approving Adani's mega-coalmine, which would be the largest coal mine in the Southern Hemisphere? The minister was perhaps a tad embarrassed by that and stood up and accused me of conflating global warming with threatened species loss. Yes, indeed there is a link between global warming and
threatened species loss. That is kind of what the scientists have been saying for quite a while now, folks. It is not just me saying that. I am pleased that you have finally come to the realisation that there is in fact a link between global warming and threatened species loss. There is still a chance to accept that very basic fact and to perhaps even think about doing something about it. Today is Threatened Species Day, when we commemorate the extinction 79 years ago of the Tasmanian tiger, the thylacine, and yet are still on track for the worst biodiversity loss and the worst mammalian loss of the whole planet. We have a government that simply falls over itself to approve every single coalmine application that crosses its desk and every single coal seam gas application. It happily takes the donations from the fossil fuel sector and the approvals roll out.

I conclude by saying: when you have a climate policy—if you can even call it that—which, in its first prong, pays polluters to pollute and then, in its second prong, allows polluters to increase their pollution, you are effectively paying polluters to increase their pollution. We used to have a system where polluters had to pay to pollute. Now the taxpayer pays polluters to increase their pollution. It is really indicative of this nation's utterly impoverished record of the last two years. Happy Threatened Species Day, Abbott government. I hope that this is your extinction.

Question agreed to.

NOTICES

Presentation

Senator Williams to move:

That the Senate notes that:

(a) the 43rd Australian Test cricket captain, Mr Michael Clarke, has retired from International cricket;
(b) the position of Australian cricket captain is regarded by many Australians as second only in stature to the office of Prime Minister;
(c) Michael Clarke:
   (i) captained Australia in 47 of his 115 test matches, 74 of his 245 one day internationals and 18 of his 34 T20 games,
   (ii) is the 4th highest run scorer in Australian test history with 8,643 runs,
   (iii) retires with a highest score of 329 not out compiled in 2012,
   (iv) led Australia to a 5 nil victory over England in the 2013-14 Ashes series and captained and top-scored in Australia's One Day World Cup victory in March 2015,
   (v) amongst many awards during his career, was named as a Wisden Cricketer of the Year in 2010 and Wisden's Leading Cricketer in the World in 2012, and
   (vi) displayed outstanding leadership of Australian cricket and in leading the nation's mourning at the tragic passing of fellow Australian player Mr Phillip Hughes in November 2014; and
(d) the Australian Government is providing over $1.4 million to Cricket Australia in 2015-16, principally to encourage increased participation, including the new Sporting Schools initiative.

Senator Biilyk to move:

That the Senate—

(a) notes that—
   (i) National Asthma Week was held from 1 September to 7 September 2015,
(ii) the theme of National Asthma Week 2015 was 'You Care We Care—One Asthma Community',
(iii) asthma affects around one in four children, one in seven adolescents and one in ten adults,
(iv) 2.3 million Australians currently have asthma,
(v) asthma is the number one cause of hospital admissions amongst young children, and
(vi) while many in our community lead highly successful lives despite their asthma, asthma continues to be a significant burden for too many, including those who live below the poverty line and for Aboriginal and Torres Strait Islander people; and
(b) congratulates Asthma Australia for its work promoting National Asthma Week and raising community awareness of asthma.

Senators O'Sullivan and Canavan to move:
That the Senate notes—
(a) the ambition of the Indian Prime Minister, Narendra Modi, to bring 24/7 power to some 50 million households—the poorest of the poor—still living without electricity, by 2022;
(b) that India's Council on Energy, Environment and Water states that to manage its energy system over the next 10 to 15 years it is not a binary choice of coal or no coal, it has to be about cleaner coal combined with nuclear and hydropower;
(c) that a failure to exploit Australia's thermal coal exports will mean a higher global use of less efficient sources of thermal coal, and consequently higher levels of global carbon emissions;
(d) that Australian thermal coal exports are of the highest quality coal found anywhere in the world, generally reporting an energy content above 5 500 Kcal/kg which compares favourably to Indonesian coal which has an estimated range of between 4 200 and 5 200; and
(e) the importance of the ongoing development of the Australian coal mining industry, particularly in the Galilee Basin which, as the Queensland Minister for State Development, Mr Anthony Lynham, noted 'We can mine coal in Queensland, where we have the highest mine safety record in the world, we mine coal with environmental rigour, and we mine coal that's very efficient and economic to burn' and 'If we don't allow this to go ahead, coal is one of the most prolific minerals on Earth; there are many other sources of coal, but none as good as the coal we mine here'.

Senator Lazarus to move:
That the Senate—
(a) notes the significant contribution of Mr Bart Cummings to the Australian racing industry;
(b) recognises Mr Cummings' outstanding achievements, including:
   (i) becoming a Member of the Order of Australia in 1982 as recognition for his services to the racing industry,
   (ii) his induction into the Sport Australia Hall of Fame on 11 December 1991,
   (iii) being awarded a Centennial Medal and carrying the Olympic torch in 2000,
   (iv) being an inaugural inductee into the Australian Racing Hall of Fame, and
   (v) winning an extraordinary number of renowned racing events for his consistent efforts, including but not limited to:
      • 12 Melbourne Cups,
      • 32 Derbys,
      • 24 Oaks,
      • 7 Caulfield Cups,
      • 5 Cox Plates,
• 4 Golden Slippers,
• 5 Doncaster Handicaps,
• 13 Australian Cups,
• 11 Mackinnon Stakes,
• 8 Newmarket Handicaps,
• 5 Caulfield Guineas,
• 5 Thousand Guineas, and
• 16 Sires Produce Stakes; and

(c) acknowledges the passing of Mr Cummings and offers its sincerest condolences to his family, friends, industry colleagues and the broader racing community for the loss of such an extraordinary Australian icon.

Senator Leyonhjelm to move:

That the Select Committee on the Murray-Darling Basin Plan be authorised to hold private meetings otherwise than in accordance with standing order 33(1) during the sittings of the Senate, from 10 am, as follows:

(a) Thursday, 10 September 2015;
(b) Thursday, 17 September 2015;
(c) Thursday, 15 October 2015;
(d) Thursday, 12 November 2015;
(e) Thursday, 26 November 2015; and
(f) Thursday, 3 December 2015.

Senator Gallagher to move:

That the Senate—

(a) notes significant support across the Australian community for a transition to an Australian republic with an Australian head of state; and
(b) acknowledges that any steps towards an Australian republic would require widespread community engagement which could include: holding a constitutional convention to discuss potential models for an Australian republic, a plebiscite to gauge support of the Australian population on a change from a constitutional monarchy to an Australian republic with an Australian head of state as well as a preferred model of appointment, and a constitutional referendum to adopt the preferred model for an Australian republic with an Australian head of state.

Senator Fifield to move:

That the provisions of paragraphs (5) to (8) of standing order 111 not apply to the following bills, allowing them to be considered during this period of sittings:

Aged Care Amendment (Independent Complaints Arrangements) Bill 2015
Banking Laws Amendment (Unclaimed Money) Bill 2015
Broadcasting Legislation Amendment (Primary Television Broadcasting Service) Bill 2015.

Withdrawal

Senator LEYONHJELM (New South Wales) (15:35): Pursuant to standing order 78(1), I give notice of my intention at the giving of notices on the next day of sitting to withdraw business of the Senate notice of motion No. 1 standing in my name and Senator Muir's name
for today, proposing that the Customs (Prohibited Imports) Amendment (Firearms and Firearm Magazines) Regulation 2015 be disallowed.

Presentation

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (15:35): I give notice that, on the next day of sitting, I shall move:

That the provisions of paragraphs (5) to (8) of standing order 111 not apply to the following bills, allowing them to be considered during this period of sittings:

Aged Care Amendment (Independent Complaints Arrangements) Bill 2015
Banking Laws Amendment (Unclaimed Money) Bill 2015
Broadcasting Legislation Amendment (Primary Television Broadcasting Service) Bill 2015.

I also table statements of reasons justifying the need for these bills to be considered during these sittings and seek leave to have the statements incorporated in Hansard.

Leave granted.

The statements read as follows—

STATEMENT OF REASONS FOR INTRODUCTION AND PASSAGE IN THE 2015 SPRING SITTINGS

AGED CARE AMENDMENT (INDEPENDENT COMPLAINTS ARRANGEMENTS) BILL

Purpose of the Bill
This bill will introduce a 2015 Budget measure in the Social Services portfolio, which will transfer responsibility for aged care complaints from the Secretary of the Department to the Aged Care Commissioner.

Reasons for Urgency
The measure is intended to commence on 1 January 2016.

STATEMENT OF REASONS FOR INTRODUCTION AND PASSAGE IN THE 2015 SPRING SITTINGS

BANKING LAWS AMENDMENT (UNCLAIMED MONEYS) BILL

Purpose of the Bill
This bill will improve the unclaimed moneys provisions in a number of ways by:

- extending the required period of inactivity before accounts are transferred to the Government to seven years;
- exempting children’s accounts and foreign currency accounts;
- removing a legislative inconsistency that can result in active accounts being transferred to ASIC; and
- introducing additional privacy protections (such as ceasing publication of the unclaimed moneys gazette) to help prevent Australian’s with unclaimed accounts from being taken advantage of.

Reasons for Urgency
These changes are due to commence on 31 December 2015. It is important to give industry certainty about the announced changes as soon as possible and provide them with sufficient time to adjust systems and processes prior to commencement.

In addition, there are large regulatory savings for industry and individuals associated with this bill; however a delay in the introduction of legislation could increase implementation costs as changes to
systems and processes would have to be completed faster than initially expected. This could potentially erode the regulatory savings associated with this measure substantially.

STATEMENT OF REASONS FOR INTRODUCTION AND PASSAGE IN THE 2015 spring SITTINGS

BROADCASTING LEGISLATION AMENDMENT (PRIMARY TELEVISION BROADCASTING SERVICE) BILL

Purpose of the Bill
The bill will implement a reform arising from the review of the digital television regulatory framework, providing flexibility for free-to-air broadcasters to deliver programming on their primary television services in either high definition (HD) or standard definition (SD) formats.

Reasons for Urgency
The measures in the bill would remove provisions preventing commercial free-to-air television broadcasters and national broadcasters from offering coverage of major sporting events such as the AFL and NRL grand finals in HD on their primary services. While removing these events from the anti-siphoning list would enable them to be broadcast on a HD multichannel, broadcasters prefer to show these events on their primary service because this service typically attracts significantly larger audiences than their multichannels.

Passage of the bill in the 2015 Spring sittings would allow but not require commercial free-to-air broadcasters to televise the 2015 AFL and NRL grand finals on 3 and 4 October, respectively, on their primary services in HD.

BUSINESS

Consideration of Legislation

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (15:37): I move:

That general business order of the day no. 66, Social Security (Administration) Amendment (Consumer Lease Exclusion Bill) 2015, be considered on Thursday, 10 September 2015, under consideration of private senators' bills.

Question agreed to.

Leave of Absence

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (15:37): by leave—I move:

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

Question agreed to.

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

That leave of absence be granted for Senator Wright from 7 to 10 September 2015, for personal reasons.

Question agreed to.

NOTICES

Postponement

The following items of business were postponed:
General business notice of motion no. 816 standing in the name of the Leader of the Opposition in the Senate (Senator Wong) for today, proposing an address to the Governor-General, postponed till 8 September 2015.

**COMMITTEES**

**Reporting Date**

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

- Economics References Committee—Australia's naval ship building industry—extended from 28 August 2015 to 26 February 2016.
- Economics References Committee—cooperative, mutual and member-owned firms—extended from 30 November 2015 to 26 February 2016.
- Education and Employment References Committee—Australia's temporary work visa programs—extended from 14 October 2015 to 11 February 2016.
- Education and Employment References Committee—private vocational education and training providers—extended from 16 September to 14 October 2015.
- Finance and Public Administration Legislation Committee—Australian Government Boards (Gender Balanced Representation) Bill 2015—extended from 8 September to 10 November 2015.
- Legal and Constitutional Affairs References Committee—Commonwealth payments relating to asylum seeker boat turn backs—extended from 15 September to 11 November 2015.

The DEPUTY PRESIDENT: Does any senator require the question to be put on any of those proposals? There being no-one, I shall proceed to discovery of formal business.

**Environment and Communications References Committee**

**Reference**

Senator McEWEN (South Australia—Opposition Whip in the Senate) (15:39): At the request of Senator Urquhart and Senator Brown, I move:

That the following matter be referred to the Environment and Communications References Committee for inquiry and report by 30 April 2016:

The environmental, social and economic impacts of large capacity fishing vessels commonly known as 'supertrawlers' operating in Australia's marine jurisdiction, with particular reference to:

(a) the effect of large fishing vessels on the marine ecosystem, including:
   (i) impacts on fish stocks and the marine food chain, and
   (ii) bycatch and interactions with protected marine species;

(b) current research and scientific knowledge;

(c) social and economic impacts, including effects on other commercial fishing activities and recreational fishing;

(d) the effectiveness of the current regulatory framework and compliance arrangements; and

(e) any other related matters.

Senator COLBECK (Tasmania—Parliamentary Secretary to the Minister for Agriculture) (15:39): I seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave is granted for one minute.
**Senator COLBECK:** The government does not support this reference. The matter of the Small Pelagic Fishery has been referred by the Labor Party to two scientific panels, which have been reported and have been the subject of significant scientific research that has been published by the government as we committed to prior to the election.

People ask why there is a reluctance to invest in Australian primary industries and the use of this Senate inquiry to play politics with this matter is a clear example of why. There is a business out there that is trying to get on with conducting its business in this fishery, which has been approved and supported by institutions such as the CSIRO Institute for Marine and Antarctic Studies and SARDI in South Australia. The science is quite clear that this fishery can be sustainably fished and managed, yet the Labor Party wants to play politics with it.

**The DEPUTY PRESIDENT:** The question is that the motion moved by Senator McEwen at the request of Senator Urquhart and Senator Brown be agreed to.

The Senate divided. [15:45]

(The Deputy President—Senator Marshall)

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MOTION

First Speech—Senator McKim

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (15:48): I move:

That consideration of the business before the Senate on Wednesday, 9 September 2015, be interrupted at approximately 5 pm, but not so as to interrupt a senator speaking, to enable Senator McKim to make his first speech without any question before the chair.

Question agreed to.

Aboriginal Recognition in Western Australian Constitution

Senator SIEWERT (Western Australia—Australian Greens Whip) (15:48): I move:

That the Senate—
(a) notes that legislation amending the Western Australian Constitution to recognise Aboriginal people as the first peoples of Western Australia recently passed in the Lower House of the Western Australian State Parliament; and
(b) calls on the Federal Government to keep up the momentum in moving towards substantive Constitutional Recognition for Aboriginal and Torres Strait peoples in Australia’s Federal Constitution.

Question agreed to.

MATTERS OF PUBLIC IMPORTANCE

Asylum Seekers

The DEPUTY PRESIDENT (15:48): The President has received the following letter from Senator Siewert:

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

The Abbott government's failure to commit to the intake of an additional 20,000 refugees from Syria, despite escalating conflict and all-time high levels of human displacement.

Is the proposal supported?

More than the number of senators required by the standing orders having risen in their places—
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 DI NATALE (Victoria—Leader of the Australian Greens) (15:50): I rise today to speak in support of the four million people who are now fleeing the war in Syria, two million of whom are children. These are not people who are seeking a better life; these are people who are running for their life. If you look at the global context here, what you find is that we are at an unprecedented time in human history where the number of displaced people has reached almost 60 million. Now almost one in 100 people across the planet are either refugees, internally displaced or seeking asylum. And what we see in response to that here in Australia is that our humanitarian impact has been static, it has not changed, it has not responded to what is, in the words of many experts, a paradigm shift in terms of the global displacement of people.

And one of the biggest drivers of that global displacement is the war in Syria. We have four million people registered with the UNHCR who are fleeing for their lives—they are refugees—and that ignores the eight million people who are internally displaced in Syria. On the border of Syria we have Lebanon, which has a population of close to four million people, one million of whom are refugees, many fleeing from Syria. One cannot forget the tragic human stories such as the body of that young child dragged out of the water who has become the human face of the unfolding humanitarian catastrophe.

How should Australia respond? What does a decent, welcoming, strong country do in response to an unfolding humanitarian catastrophe? Do we turn our backs, or do we respond with decency and compassion? The Greens say, ‘Let us respond with decency and compassion.’ That is why we have called for an immediate intake of 20,000 Syrian refugees over and above the existing humanitarian aid program. Twenty thousand refugees are only a drop in the ocean, as some have said and doing nothing in the global context—as others have said. But making a material difference to the lives of 20,000 people—that, in and of itself, should be enough.

But it is not just that increase in 20,000 refugees that the Greens have called for. We have also said that there has to be an immediate injection of funds to the UNHCR so that they can do their job of processing people and help them to seek refuge in other countries, given the circumstances in Syria. And yet what has been the response of this government? Not one additional place to that already committed. Not one additional refugee settled in Australia. The announcement from the Abbott government that it would increase its humanitarian program last year to 18,000 is set in stone. And in the face of this unfolding catastrophe they have not committed one additional place.

But worse than that: their response in the face of the Assad regime, which is the primary driver of what is happening in Syria, is, ‘We will drop bombs from a distance on the people of Syria,’ targeting IS and completely ignoring what the underlying driver of that conflict is—and that is the Assad regime. How on earth, when faced with the tragedy that the world is now confronting, can we have a country like Germany saying, ‘We welcome you. We'll look after you. We'll provide you with protection.’ and have an Australian government that says, ‘We will bomb you. From a distance we will—like the coward that is this Prime Minister—drop bombs on you, and we will ignore the plight of those people who need our assistance—
Senator Bernardi: Mr Deputy President, I rise on a point of order. I think Senator Di Natale should reflect on the language he has used to describe the Prime Minister. I would ask him to withdraw it.

The DEPUTY PRESIDENT: Yes, I think that was a breach of the standing orders. It was a personal reflection and I will ask you to withdraw that, Senator Di Natale.

Senator Di Natale: If Senator Bernardi takes offence at the statement that the Prime Minister is a coward then I will withdraw—

The DEPUTY PRESIDENT: No. Senator Di Natale, it is not about Senator Bernardi taking offence; it is an offence to the Senate. I simply ask you for an open withdrawal.

Senator Di Natale: I am happy to withdraw, Mr Deputy President. The fact remains: we have a choice. It is bombs or it is refuge. We have a choice. This government is seeking the coward's way out. Strong people offer protection; cowards drop bombs from a distance.

Senator Bernardi (South Australia) (15:55): It would be remiss of me in making a contribution to this debate not to reflect on the history of the Greens movement and what I find to be the hypocritical nature of this motion before the Senate.

Let me remind the Senate and anyone listening that the Greens were responsible for the very policy agenda implemented by the previous Labor government which saw 50,000 people arrive in Australia illegally and which saw 1,000 or more people drowned at sea because that government did not have the courage and the wherewithal to say that what they were implementing was absolutely wrong. I find it a bit sanctimonious for Senator Di Natale to bring in these emotive arguments, and particularly to characterise this as some sort of humanitarian mission by using the terrible image of that young boy who was picked up from the beach after having drowned at sea.

The facts remain that that terrible image was not brought about by recent events in Syria or Iraq. That boy and his family had lived in Turkey for three years. The money for that boy's father to pay the people smugglers was sent from Canada. The father sent them on that boat so the father could get dental treatment. They were in no fear, they were in no persecution and they were in no danger in Turkey. It was a tragic circumstance, but it is a tragic circumstance that was brought about by very similar policy circumstances to what the Greens espoused when they were running the government with the Labor Party.

People were drowning at sea because of the incentives that were being provided by their cockamamie humanitarian ethos. It is much more humane for people to go through an orderly migration program, to be put in a place where they are safe and where they do not have to take such tempting things.

We know that what is happening in the Middle East is a tragedy. But as the Prime Minister said many moons ago, 'In Syria, there are no good guys. There are bad guys and bad guys.' He was mocked for that. The Greens and others would have you believe that the Assad regime, for all its faults, is somehow worse than what the world is confronting with ISIL, or Islamic State. The barbarism of Islamic State, which is on display for all to see and which is spreading across the Middle East—with far too little resistance, I have to say—needs to be confronted. If they are the enemy of the world then we need to destroy the enemy. That is the simple fact, because if you do not destroy them they will continue to come back again and again. And the Greens would have us destroy the Assad regime rather than destroy ISIL.
When it comes to those who are displaced in the Middle East I make this point: there are millions of them who have not been accepted into many of the Gulf nations, such as Qatar, the United Arab Emirates, Saudi Arabia, Kuwait or Bahrain. They have offered zero resettlement places to Syrian refugees. I would also make the point that these are wealthy nations. In many cases, they are used to the influx of millions of people for the annual visit to Mecca, where millions of Muslims visit Saudi Arabia. They can be accommodated and dealt with accordingly. Why couldn't the same thing be done with those who are displaced in their own region? It is not simply up to the West or Australia to punch above their weight. It needs a global response, and that should start in the Middle East.

With respect to Australia, we already punch well above our weight on humanitarian refugee placements. Per capita, we outdo New Zealand, America, the UK and France, because we are very generous. The Prime Minister has made it very clear that we are going to do our best to allow 4,000 additional persecuted minorities placement and settlement in Australia with their families, with a focus on women and children. Where I go, people would welcome that. People would welcome those who are truly persecuted, who have been displaced and who have been persecuted for decades if not hundreds of years. The Christians in the Middle East are among the most persecuted people on earth. Wherever they go, they are not free to practise their religion. They are attacked, humiliated and mocked. If we can provide safe haven to them, then I say we should do it. And that is what the Prime Minister has said.

I also want to make the point that a lot of the criticism of the efforts that are going on internationally ignores the fact that perhaps the greatest trade going on now is in false Syrian passports. There are enormous records of Pakistani nationals ditching their identities and claiming to be Syrians in order to get refugee status. There is a myth growing up around this that, somehow, to highlight some of the issues with this is to deny there is a problem. Of course there is a problem, but you cannot just open your borders and allow any number of people to come through without serious checks and scrutiny. That has happened in other nations and it happened in Australia under a previous government. We need to be cautious. I urge European nations to be cautious and many of them are exerting some caution. Some of the Middle Eastern nations are also being cautious because they are concerned about the identities of some who are purporting to be refugees.

There is no doubt at all that this is an emotive topic, but, in many respects, much of this has been foretold by Middle Eastern experts for quite a few years. There was a great celebration about this Arab Spring and the opportunities it would open up in the Middle East, but there were some more cautious amongst us who said, 'If you're going to replace a particular form of government or a particular leader, you best be very careful about what you replace it with.' And we are seeing the dislocation. As bad as the Gaddafi regime was in Libya—I spent some time there and I can tell you it was absolutely appalling—what is going on in Libya today is even worse. The Assad regime continues to have a great many negatives attached to it, but, if you look at what is happening in Syria as a result of the intervention by the Islamic State and at what is happening in Iraq and various other places around the Middle East, it is a true tragedy.

Are we being forced to choose between bad and worse? There are no good guys in this argument, but to simply say we should allow another 20,000 people purporting to be Syrian or escaping the Syrian conflict into our country because it is the whim of the Greens party is, I
think, absolute folly. We need to continue to have a measured humanitarian migration program in this country. The Australia people want to open their hearts and open the bounty we have in this country to those people who want to come through the appropriate channels. For all the emotion, the rhetoric and the victimhood statements that the Greens and others will want to make, we have to make sure that the facts actually match up with what is in our best interest and with what is actually going on around the rest of the world.

Australia needs to continue both to play a leading role in the battle against Islamic State—I have no doubt about that and no question in my heart—and our very generous humanitarian refugee intake program, which is specifically focused on those persecuted minorities who have no safe haven anywhere in the Middle East, rather than those who, perhaps, can find safe haven in any number of countries in the Middle East. At this stage, I do not believe there is any need for hundreds and hundreds of thousands of people to be ditching their identification and trying to get into Europe for reasons of safety. Many of these people have been very safely ensconced, working and housed in places like Turkey for many years. This seems to me to be becoming an opportunistic cycle which is masking the true humanitarian need that is the responsibility of all Western nations. That is the challenge for us—to distinguish between those who are being opportunistic and those are truly in need. Australia will back those truly in need.

Senator SINGH (Tasmania) (16:05): Isn't it ironic that some two years ago the Abbott government, when it was elected, reduced Australia's humanitarian intake of refugees by almost one-third. Our intake went down from 20,000 to 13,750, at a time when the UNHCR is reporting the highest figure on record of forcibly displaced people in the world—some 59.9 million. Over one-half of those are child refugees. With more than four million Syrians now having fled their country, the world is dealing with the worst refugee crisis since World War II. Of course it demands an urgent and compassionate response. Of course it demands that our country do its part over and above its annual humanitarian intake. Our intake, as I just highlighted, was already reduced by almost a third two years ago. We must play our part as a global citizen. Australia is a wealthy country, and we are better placed than many nations to make a strong and urgent contribution.

I note the contributions to this debate by those government senators who talk about saving lives at sea. It is a mantra we hear time and time again in this parliament. If the government is serious about saving lives at sea it must do more to resettle those in need, before they have no other choice than to make that perilous journey. That is the situation we are currently in. This is the largest humanitarian crisis since World War II. We do not need an immigration minister to fly halfway around the world to have meetings in Geneva to work out what the Australian community already knows needs to happen.

Labor has made a call today for the government to implement an additional 10,000 humanitarian places for refugees displaced by the conflict in the Middle East, for those most in need, determined by the UNHCR, so that they can be settled here, brought to Australia—a safe haven. There have been similar calls from civil society. I noticed that Amnesty International has called for the resettlement of 20,000 Syrian refugees. Both the opposition and civil society are asking our government to do what any good global citizen would do, and that is to increase Australia's humanitarian intake, just like our European neighbours are doing, to help those most in need. It is vital for Australia to support as many Syrian refugees...
as we can, starting with the people considered most in need by the UNHCR, and on top of that to provide the UNHCR with the support it will need for its ongoing humanitarian relief efforts in response to the Syrian crisis. Labor has called on the government to immediately implement an extra $100 million in that vein.

Why do we do this? We do it because we have the capacity, because we have the ability and because our values tell us to do it. It is simply something we should be doing immediately. We do not need Minister Dutton to come back and tell us about something that we already know needs to happen. In fact, some state Liberal premiers even know that this needs to happen. I note that Will Hodgman, the premier of my home state, and the premier of New South Wales are trying to talk to their Liberal federal counterparts. Where is the government here? It sounds like it is completely alone in its position of not acting on this issue. It is deeply disappointing that Prime Minister Abbott would choose to merely reschedule the refugee waiting list and displace other people who are in desperate need instead of showing genuine compassion and increasing our overall intake.

Our intake currently stands at 13,750. It is not enough in itself, let alone when you add the Syrian refugees who need settlement and need to come to our country. We have to increase our humanitarian intake, just like we did in 1999, when 4,000 Kosovars came to Australia in desperate need for a global citizen like Australia to act, and just like the 2,000 East Timorese did around the same time, when Australia then acted. That is what is needed again now. That is what Labor is calling for, just like Germany has done. In fact, Germany has been remarkable in its efforts, as have a number of other countries, such as the UK and, dare I say it, Lebanon, in the role it has played. Lebanon, a country one-ninth the size of Tasmania, with a population of some four million people, has taken in 1.2 million Syrian refugees—and here we are debating whether we should increase our humanitarian intake by 10,000 or maybe 20,000 or keep it as it is, at a mere 13,000. We can do way, way better than this.

Germany, another small country in terms of land and size compared with ours, is saying it will take up to 800,000 refugees. We are a rich, wealthy nation. I sincerely ask our Prime Minister to take the politics out of this. This is about head and heart, but both of those things mean that we should act bipartisanly, together, in ensuring that we bring these refugees from the Middle East, from Syria and Iraq, to our shores. I think that is what the Australian public wants, too. I think the Australian public would respect a compassionate government that is frank about its desire to support refugees, protect children from harm and abuse and stop people taking that perilous journey at sea. (Time expired)

Senator HANSON-YOUNG (South Australia) (16:13): I rise today to speak in favour of this motion before us on our intake of refugees from Syria. As the world gathers, mourns and uses its collective strength to respond to what is an unfolding global crisis—a humanitarian catastrophe—it is important that Australia does not isolate itself from our global community. We know there are more refugees and people seeking protection and needing safety than there have been since World War II. And that is not, of course, just from Syria—although there are millions of people who have already had to flee their homes because of the Syrian crisis—but also includes people from Afghanistan, Iraq, Libya and Eritrea and many other African nations in particular.

There are more people in the world today who need protection, safety and a helping hand than we have seen since World War II. Australia has to step up, and that means we have to
take more people. The Greens, along with civil society organisations, have suggested that at the very least we could take an extra 20,000 people as an emergency intake. It is a pretty small number; it is modest but it would be a meaningful action to show that Australia does at least care about what is going on in the rest of the world. Germany are taking 800,000 asylum seekers this year—that is one per cent of their population—Austria are taking thousands and the UK are now under pressure to increase their numbers. The reason why nations take courage and use their strength to protect people when they are in need is that the way a nation treats refugees is very instructive of how they would treat everybody else if they could get away with it. The reason why we need compassion in today's world is that we are living in a global community, we are incredibly interconnected and we have to take responsibility when our fellow human beings are in desperate need of help.

I travelled to the Syrian refugee camps in Jordan last year and I also went to the settlements and the camps in Lebanon. In Lebanon, one in four people is a Syrian refugee. One of the impacts on that very small country is that schools in Lebanon are now having to run three sessions a day in order to try to ensure that Syrian children, refugees who have had to flee across the border, do not totally miss out on getting an education. That country is struggling under the weight of these people all on its own, with very little help from the international community until now. The push is on and the opening of hearts around the world is happening. People are responding in some of the most wonderful ways—we have seen homes and spare rooms being opened up in places like Norway and Sweden, where people are saying that they have a spare room or that they have space in their house to take in somebody who is in need. Those citizens are demanding action from their political leaders.

Tony Abbott is kidding himself if he thinks that that type of community desire is not happening here in Australia as well—it is and the push is on. Australians want our nation to be a country that stands up when it matters, that helps people in need and does not turn its back when a child is crying out for help. Australians want Tony Abbott to do more. The Prime Minister's glib response in the last week to the rest of the world's grieving over the death of the young Syrian boy found on the shores of Turkey has been an international disgrace. He seems to be stuck like a robot in the mantra of 'stop the boats' and he has not caught up with the fact that we are talking about people—human beings, children—and you cannot just turn your back on them.

Australians want our nation to restore what has previously been a rich history of helping and of taking in asylum seekers and people fleeing for their lives and needing protection—just like we did in the Vietnam War when we took tens of thousands of people, just like we did with Tiananmen Square when we took tens of thousands of people and just like we did when we took people who were fleeing for their lives and caught up in the Kosovo conflict. Australia has done this before and we can do it again but it must mean taking more people, giving more financial assistance and, dare I say it, not dropping bombs on those people who have so far been left behind.

There has been a myth peddled through this parliament in the last 24 hours—Tony Abbott believes that Australia does more than any other country. I tell you what, I would like the Prime Minister to go to Germany and tell Angela Merkel that we do more than her country. It is laughable and it is a sick joke for Tony Abbott to tell us here in Australia to not worry because we are doing more than anybody else—everybody knows that is not the case.
Australia has been shutting the door to people in need for far too long and it is time we reopened the door and opened our hearts and acted with decency.

Senator RUSTON (South Australia—Deputy Government Whip in the Senate) (16:21): It is with a great sense of sadness that I stand here today to talk about what is obviously an international situation of quite significant humanitarian impact. One of the things that you always have to do when you are a responsible government of any country is take a responsible and considered approach when you are dealing with these sorts of issues—particularly international issues and ones of the kind of magnitude which we find ourselves being confronted with today.

With in excess of four million Syrian refugees displaced from their country of birth, there is no doubt that this is a significant international issue. But we also need to be very mindful that we are dealing with not just these refugees but also the crisis that is unfolding within the countries of Syria and Iraq themselves. It was a little disappointing to listen to the emotional speech by Senator Hanson-Young that I have just been subjected to. I think it would have seemed a little more genuine perhaps if she had not used it to score political points against the Prime Minister, who I believe is taking a very considered and responsible approach to dealing with this issue that has escalated extraordinarily over the last few weeks.

The government has said today, as it has been saying over previous days, that it will take a considered approach to increasing the level of funding in humanitarian assistance. As we speak, the Minister for Immigration and Border Protection, Mr Dutton, is overseas having discussions with the UNHCR and other agencies in relation to what the best response from Australia would be to assist the international community and others involved in this issue to try and deliver the best possible outcome for those people who find themselves in this extraordinarily unfortunate position. I believe it is difficult for any of us to understand how terrible it would be to find yourself in a situation where you had to flee your country out of fear for your safety, for the safety of your family and for your lives.

The government has been very clear that it believes that the unfolding crisis in the Mediterranean requires a further international response. We as a country were inundated by over 50,000 irregular maritime arrivals over the previous government's reign and we saw the consequences of that number of people arriving in our country, so we can understand that the number of people turning up in Europe are causing a major crisis for those countries.

We already have a significant resettlement program for Syrian refugees. The government has already set aside 2,200 of the 11,000 places, in the offshore component of the current humanitarian program, for the resettlement of Syrian refugees who have fled to their neighbouring countries, and a further 2,200 places were set aside for Iraqis. Nearly 40 per cent of the places available in the offshore component of last year's humanitarian program and 30 per cent of the overall program were set aside for Iraqi and Syrian refugees, so there is no doubt that Australia takes and will continue to take very, very seriously its responsibilities in relation to this issue.

Another thing that we have been very clear about is that vulnerable women and their dependants be able to benefit from the women at risk visa program by making sure they get priority when considering the assistance that Australia is going to offer.
Finally, it is worth noting that, since 2011, the Australian government has provided $155 million for humanitarian assistance in response to the Syrian crisis. Around half of that assistance has been delivered inside Syria, with the remainder being provided to neighbouring countries to assist the refugees and their host communities in their efforts to assist these displaced people. Things like water, food, health care, education, emergency supplies etcetera have been provided. I think a considered and responsible approach to dealing with this crisis is what is needed now.

Senator McALLISTER (New South Wales) (16:26): This week, the whole world has been party to a Syrian family's grief. Their anguish is painfully personal. Their tragedy, unfortunately, is not. It is shared not only by the parents of the countless children who have died while they were trying to reach safety but by the parents of the estimated 12,000 children who have been killed in Syria in the fighting that has claimed their schools and their homes and that ultimately claimed their lives. The numbers are so big as to be unimaginable—over 220,000 people dead and more than 11 million people displaced inside and outside of Syria's borders. These figures tell us what anyone with a heart knows: the fighting in Syria is more than a security issue; it is a global humanitarian crisis.

Weeks ago, the member for Sydney pointed out that this was the case and suggested that this humanitarian crisis required humanitarian assistance. In response, the Minister for Foreign Affairs joked about picnic hampers for terrorists. Well, last week's harrowing images changed that conversation. There is no room today for glib remarks about the suffering of millions.

It is difficult to look at the crowds of desperate faces on the beaches in Turkey or at the train stations in Hungary and not want to do something. Labor believes there is a place for action not only by countries that Syrian refugees can reach but by countries who can reach Syrian refugees. We as Australians can do more. That is why we want to give places to 10,000 Syrian refugees above and beyond our ordinary humanitarian allocation. Today, we called on the Prime Minister to convene a bipartisan emergency meeting between state premiers, community leaders, the government and the opposition to work out how we can accommodate these people who need our help.

The families who have reached Europe are the most visible faces of Syria's humanitarian crisis, but there are more than four million refugees hosted by five countries that border Syria. In Lebanon, one in every five people is a Syrian refugee. It is unfair and unrealistic to expect these countries to shoulder this responsibility alone. That is why we call on the government to commit $100 million to humanitarian efforts in the region. This would buy rehabilitated schools for over 950,000 schoolkids, as well as food assistance for over 100,000 affected Syrian people. It would buy essential immunisations for over 1.4 million children under five and housing solutions for over 20,000 families as well as provide safe spaces and quality care to 50,000 women and girls.

Across Europe, people have opened their hearts and their homes, from the Pope calling for every parish to host a family to the Finnish Prime Minister offering to host refugees in his family home. Even as the newsreels show us the worst of human nature in Syria, the stories of German authorities overwhelmed by donations of food and blankets show us at our best.

I have spoken to so many people and organisations here in Australia who are motivated by the same sense of generosity and compassion. I want to take this opportunity to thank each
and every one of them. We are lucky to have a network of people who work hard to make sure that the refugees are not merely admitted into our country but are made to feel a part of our community. That is the Australia I recognise and the Australia we recognise in ourselves.

There have been too many people in this debate who have wanted to talk only to our darker sides and stoke our fears. This week proved them wrong. People across Australia have hugged their children a little tighter and said that we are a country that wants to help. Labor calls on the government to let Australia do just that.

Senator LEYONHJELM (New South Wales) (16:31): Having won life's lottery, most Australians understand we have a responsibility to share some of the spoils. When we share our luck with refugees, we profoundly improve the lives of people and their children for generations. It is an unambiguously great thing to do. I consider helping to negotiate an increase in our refugee intake from 13,750 this year to 18,750 in 2018-19 as one of my proudest achievements.

Now, by some measures, we lead the world in resettlement of refugees. But there are currently millions of refugees seeking asylum around the world, not just in the Middle East. There are plenty from our region—like Burma, Vietnam, Sri Lanka and China—who we could make into great Australians. It is well known as well that the religious minorities in the Middle-East—Yazidis and Christians in particular—face severe persecution. There is a broad consensus in this place that our refugee intake should continue. The only question then is: how many refugees should we take and at what cost? The problem is that taking refugees is expensive.

I am advised by the Immigration Department that the current refugee intake costs us about $1 billion a year, including language and training courses, social services and welfare. The Australian government does not have surplus money for charity. Just as a family that is deeply in debt should not be giving their money away, neither should a government. What's more, there are storm clouds on the economic horizon. If the economy heads south, as it just might, an overly generous refugee intake could cause resentment. It can be too easy for middle-class parliamentarians, who can expect never to have a refugee as a neighbour, to be blissfully ignorant of the potential costs to social cohesion. However, Australia has proven itself as a great absorber of people from many backgrounds over many decades. I believe it is possible both to double our refugee intake and to pay for it. We can achieve this by cutting foreign aid.

Foreign aid has been accurately described as money taken from poor people in rich countries and given to rich people in poor countries. The money we spend on resettling refugees does far more good for people who need our help. The American writer Bob Lupton described the problem with foreign aid in this way: 'When you give something the first time, there is gratitude; when you give something a second time, there is anticipation; the third time, there is expectation; the fourth time, there is entitlement; and the fifth time, there is dependency.' That is where we stand with foreign aid—where something designed to do good ultimately causes harm. This might also explain why foreign aid has proven itself to be a poor diplomatic tool. At the height of tensions regarding the executions of Australian drug smugglers in Indonesia, mentions of our generosity to Indonesia were treated with contempt.

Doubling our refugee intake would cost around a billion dollars a year, while abolishing foreign aid would save around $3½ billion a year. We are better able to look after people here than we are at making foreign aid effective overseas. So my proposal would do more good.
overall, while sparing the taxpayer. Labor, the Greens and parts of the coalition have called for more refugees, without calling for spending cuts to pay for this. This is not a responsible approach by adults.

I challenge all those proposing an increased refugee intake to accept that there is a trade-off between spending money on refugees and spending money on foreign aid. I challenge them to accept that refugee resettlement does more good than foreign aid. And I challenge them to commit to an increased refugee intake, even if it is funded by cutting foreign aid. *(Time expired)*

**Senator IAN MACDONALD** (Queensland) (16:36): It is good to enter this debate after a very thoughtful contribution by Senator Leyonhjelm which I could not find a lot of argument with until he got onto the bit of abolishing foreign aid. Senator Leyonhjelm, if you had been to Papua New Guinea, Fiji, Vanuatu as I have recently and seen how Australia’s foreign aid is used, you would not be making quite the same comments. Since Ms Julie Bishop has been the foreign minister the whole way of delivering foreign aid has changed. Whilst some of your comments may have been valid in times past, I think nowadays the Australian government is ensuring that the aid that it gives is getting directly to the cause for which it is given.

There are literally millions and millions of genuine refugees around the world. I have always raised in this chamber, particularly in the days of Labor governments when they were opening the borders to people smugglers and people who were quite clearly economic entrants into Australia rather than genuine refugees, that every time you let in one of these people who are coming here for a better life—and I do not blame them for trying—you halt those genuine refugees who have been waiting in squalid refugee camps around the world for years for their turn to come to Australia. That is why I have always thought we should have an ordered system of migration into our country that looks at genuine refugees. I would love it if every person in the world who wants to come to Australia could come to Australia, because we are indeed the lucky country and we are blessed with riches and natural wealth, but we simply cannot take everyone. As other speakers have said, Australia punches well above its weight when it comes to the acceptance of refugees. We have a program that is better per capita than any other place in the world. So Australia has nothing to be ashamed of.

I confess that I do not know enough about the call for Syrian refugees. I just wish that the Syrian people could sort out their own problems. I note that on Facebook—not always a good authority—there are questions about how many other Middle Eastern countries are taking refugees. It is a question that I must ask of the appropriate authorities. There is a push for Australia, Europe, Britain and America to take more Syrians, but are the very, very wealthy countries in the Middle East taking their share? I do not know the answer, but I do intend to find out.

This debate today is a typical Greens motion. It is all care and no responsibility. You get a warm feeling in calling for these things, but somewhere along the line we have to have an ordered system that fairly brings into Australia the quota which the Australian people believe is appropriate for this country—and, as I say, as Australians, we have nothing to be ashamed of. We have the best refugee intake per capita of any country in the world. I often lament that these problems in the Middle East and elsewhere happen, and we who live hundreds or thousands of miles away in Australia can never understand how people in their own countries
cannot sort out their own problems and stop these issues. But I guess that is a question that needs to be explored at another time.

I congratulate the government on what it has done so far. It has increased the number of refugees coming in. I am cautious about announcements by our Prime Minister that there will be more Syrians brought in, because if more Syrians are being brought in it means others who have been waiting in squalid refugee camps around the world for years and years have to wait yet another year. That concerned me under Labor’s open door policy, and it concerns me now, if I understand what the Prime Minister has announced. I have not questioned the Prime Minister about that, and we will be looking at that in the future. But I do congratulate the government for what it has done to date, and I congratulate every Australian for being part of the best refugee intake system in the world.

Senator CAROL BROWN (Tasmania) (16:42): I too rise to speak on this matter of public importance. It is a matter of grave importance not just here in Australia but across the globe. I am saddened by the Abbott government's failure to take real action to increase Australia's intake of Syrian refugees and I am disappointed by the Abbott government's failure to show any moral leadership on this issue.

This government is quick to offer up military support, but it is slow to do anything to address the growing humanitarian crisis that is the result of the escalating conflict. As Senator Macdonald said in his contribution, he was concerned about the Prime Minister's announcement that those refugee places would displace other refugees that are waiting to come in. All he has to do is go and ask the Prime Minister to make an additional intake, because it is this Abbott government that is making this decision.

The cost of this humanitarian crisis was given a face and a name last week when harrowing photographs of the body of three-year-old Aylan Kurdi brought home the tragic reality of the crisis. Images of the lifeless body of little Aylan were splashed across papers and have brought worldwide attention to the plight of displaced Syrians. These are heartbreaking images. Even more heartbreaking is the knowledge that Aylan is just one of the many children who have died trying to escape the escalating conflict in Syria. Just as heartbreaking is the knowledge that children will continue to die unless real action is taken.

The cost of this humanitarian crisis was given a voice last week when asylum seekers forsaken in a Budapest train station chanted in unison. Their voices rose in unity with one message to the world: 'We are human! We are human!' They are mothers and fathers, daughters and sons. They are neighbours. They are human. But our response cannot be measured in our tears for the people. Our response must be measured in the lives we save. Australia must play its part. We must ensure that we are part of the solution.

This is an emotive issue, and rightly so, because we are talking about people's lives. We are talking about children's lives, as we were reminded last week. Those opposite have repeatedly shrugged off calls for Australia to do more when it comes to accepting additional asylum seekers by claiming that we take more refugees than any other nation through the UNHCR on a per capita basis. We have heard that in the contributions here today by some of the government senators. On the face of it this statement may be true, but it is only by virtue of the fact that many nations do not work through the UNHCR resettlement program. According to the Refugee Council of Australia, Australia is not the world's most generous country when
it comes to accepting refugees. In fact, according to the Refugee Council of Australia, Australia does not even rank in the top 20 countries.

We are a wealthy nation. We can afford to do more and we must do more. But any further support provided by Australia cannot come at the expense of asylum seekers from other countries. This is exactly what Mr Abbott's proposal would mean. If Australia increases the number of asylum seekers we welcome from Syria without increasing the cap on our humanitarian intake, it will simply mean that we are turning our backs on those seeking asylum from other countries. We cannot in good conscience do this. Simply allocating existing places to the Syrian refugee crisis is not taking real action. This is simply not good enough. This is why, earlier today, Labor called on Mr Abbott to convene an emergency meeting of state, community and religious representatives to work towards Australia making an offer of an additional 10,000 humanitarian places for refugees displaced by the conflict in the Middle East. This increase must be on top of our current intake of 13,750 places. This is a significant but completely reasonable increase. Labor is also calling on the government to immediately contribute an extra $100 million towards humanitarian relief efforts in response to the Syrian crisis. It is time that this government realised that our defence response cannot be our only response to the greatest humanitarian emergency of our era.

Labor is committed to ensuring that Australia plays our part in meeting humanitarian need across the globe. That is why Labor has committed to increasing the humanitarian refugee intake from 13,750 to 27,000 and has committed to providing more than $450 million over the next decade to the UNHCR. It is incumbent upon us to do more to help those seeking safety from war and persecution. We are a nation of great compassion, of great diversity and of great possibilities. It is time that we were also a nation of great leadership on the Syrian refugee crisis.

Senator XENOPHON (South Australia) (16:47): The images and reports coming from Europe arising from the Syrian conflict are shocking and heartbreaking. Australia has seen its own share of tragedy on our borders, including more than 1,200 deaths at sea in recent years of asylum seekers callously exploited by people smugglers. This is a refugee emergency the like of which Europe has not seen for 70 years. We must not ignore the genesis of this conflict, the evil that is ISIS—Daesh—and the brutality of the Assad regime in Syria. We must also not ignore the fact that the fall of Saddam Hussein in Iraq, welcome as that was, was followed by bungling and reckless mismanagement that many sensible commentators believe contributed to the rise of ISIS and instability in the region.

The exodus of Syrians from the Middle East demands an exceptional effort from good international citizens like Australia. We cannot claim to be surprised. In 2013 World Vision head Reverend Tim Costello visited Syrian refugee camps and called for an increased humanitarian response. Just this morning, Tim Costello spoke about the need for more humanitarian aid in those camps. Now it has come to this. According to World Vision, after five years of conflict in Iraq and Syria more than 220,000 people have lost their lives and 7.6 million people have been displaced from their homes, with half of those being children. The wealthy nations of Europe are rising to the challenge. Australia is a big country with a big heart. Surely we can do more to respond to this humanitarian crisis. Pope Francis has called for members of his church to open their hearts and homes to refugees. It is a sentiment that we must also heed.
Unambiguously, we need a strong border protection policy. That is why I have supported the Abbott government in its approach, with concessions including an increased humanitarian intake. However, the eminent persons group headed by Sir Angus Houston in 2012 spoke of the need to have an increased humanitarian intake in addition to tough policies. That is why I agree that we need to do more, and that is why I believe that we need to significantly increase our humanitarian intake.

The ACTING DEPUTY PRESIDENT (Senator Seselja): The time allotted for the discussion has expired.

DOCUMENTS

Consideration

The ACTING DEPUTY PRESIDENT (Senator Seselja) (16:50): We will now proceed to consideration of documents. The documents are listed on pages 5 to 7 of today’s Order of Business.

Australian Institute of Health and Welfare

Senator SIEWERT (Western Australia—Australian Greens Whip) (16:50): I move:
That the Senate take note of the document.

This is a particularly important piece of work, again highlighting the importance of the Australian Institute of Health and Welfare. It gives us a good view of the welfare of our country. It points out that we have made some progress in some significant areas, but it also points out that there are concerns in a number of areas. I want to pick out a couple of those areas, although, given the body and strength of this work, I only have time to pull out a certain amount. In particular I want to point out some of the issues that are particularly affecting Aboriginal and Torres Strait Islander peoples and the points that are made in the report. For example, it talks about Indigenous youth. I must note here that I always use 'Aboriginal and Torres Strait Islander peoples', because that is what I have been asked to use. I apologise to the people who may read this in the future. I am actually using the words that are in the report.

However, it points out the overrepresentation of Indigenous youth in our justice system and finds that:

In 2013–14, on an average day, 920 young people aged 10–14 were under youth justice supervision (rate of 7 per 10,000 population). This was less than the 1,031 young people … in 2009-10.

This drop was mainly due to a fall in the number of young males under supervision … There was, however, a small overall increase in the number of young females under supervision …

However, it does say that:

The vast majority (82%) of young people aged 10–14 who were under supervision on an average day were supervised in the community.

That is good. But it also said:

Indigenous young people aged 10–14 were 23 times as likely to be under supervision and 36 times as likely to be in detention as young non-Indigenous people.

In 2013–14, there were 8,027 young people aged 15–24 under youth justice supervision (excluding Western Australia and Northern Territory), with 6,364 or 79% of these aged 15-17.
Despite making up only 4% of those aged 15-24 in the population, Indigenous young people made up 31% of those aged 15-24 under youth justice supervision.

It is appalling that we still have these rates of young people being overrepresented in our justice system. We must actually start properly and seriously addressing these issues and the underlying causes of this overrepresentation in the justice system. The problem here is not only for the young people. There is a much higher likelihood that once a young person has had an interaction with the justice system, and particularly for an Aboriginal and Strait Islander young person, they are more likely to have an interaction with the justice system as an adult. This is where issues around justice reinvestment and starting to focus on justice reinvestment are so important.

Some of the other issues for Aboriginal and Torres Strait Islander peoples come up in here, such as the issue around employment. In 2012-13, which are the latest figures in this report, just under half of Aboriginal peoples aged 15 to 64 were employed. In fact, the report does show that we have had a bit of an improvement in the situation of Aboriginal and Torres Strait Islander people being employed, but—again—it is still not good enough. I think we have a long way to go on the programs that we are developing to address employment. The medium work income for an Aboriginal and Torres Strait Islander household was $465 in 2013. This equates to just over half of the $869 medium income for a non-Indigenous household. That was after adjusting for differences in household size and composition.

This clearly highlights that we have a significant way to go to close the gap. We urgently need to address these particular issues to make sure that we are on track for closing the gap. Unfortunately, it reflects the figures that we saw with the report on closing the gap. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

COMMITTEES

Legal and Constitutional Affairs References Committee

Membership

Senator PAYNE (New South Wales—Minister for Human Services) (16:56): by leave—I move:

That senators be discharged from and appointed to the Legal and Constitutional Affairs References Committee as follows:

Discharged—Senator Moore as a substitute member for Senator Collins for all committee inquiries

Appointed—

Substitute members:

Senator Gallagher to replace Senator Collins for the committee's inquiry into Commonwealth payments relating to asylum seeker boat turn backs

Senator Moore to replace Senator Collins for the committee's inquiry into a popular vote on the matter of marriage

Participating member: Senator Collins.

Question agreed to.
BILLS
Asian Infrastructure Investment Bank Bill 2015

First Reading

Bill received from the House of Representatives.

Senator PAYNE (New South Wales—Minister for Human Services) (16:57): I move:
That this bill may proceed without formalities and be now read a first time.

Question agreed to.

Bill read a first time.

Second Reading

Senator PAYNE (New South Wales—Minister for Human Services) (16:57): I move:
That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

Mr Speaker, today I am introducing legislation to enable Australia's membership of the Asian Infrastructure Investment Bank.

Asia faces a major infrastructure financing gap, which is estimated at US$8 trillion over the current decade. US$8 trillion of economic infrastructure that is vital for growth in the region.

In a significant step to address this challenge, Australia is moving towards becoming a founding member of the Asian Infrastructure Investment Bank, which will help fund major infrastructure projects throughout Asia.

This is a global multilateral initiative that will strive to bring best practice for the delivery of much-needed infrastructure to the region. It will catalyse private sector investment and will co-finance projects with other development banks and private sector financiers.

Australia's prosperity and economic growth is tied closely to the region. It is therefore important that Australia is involved in major regional economic initiatives like the Bank.

On the 29th of June this year, I gave effect to the Government's commitment to join the AIIB by being the first to sign the Bank's Articles of Agreement in Beijing, followed by 49 other countries.

The decision to join the Bank was made following extensive discussions with key partners inside and outside the region. This included participating in negotiations on the Bank's design with 56 other prospective founding member countries.

These negotiations resulted in a commitment that the Bank will be based on best practice. This will ensure that all members will be involved in the direction and decision making of the Bank.

As the fifth-largest regional shareholder of the Bank, Australia will be able to influence the Bank's decisions and strategic direction.

Membership of the Bank will provide an opportunity to further strengthen Australia's engagement with the region. It will also enrich our relationships with other member countries, such as New Zealand, Singapore and Vietnam.

Australia will continue to work with China and other members to establish an institution that is effective, accountable and transparent and complements the work of other institutions.

Australia will lead a constituency on the AIIB Board of Directors. Negotiations on the composition of this constituency with established partners in the region are well advanced.
The AIIB will have a strong commercial focus, and it will work together with World Bank and Asian Development Bank and learn from their long experience in promoting infrastructure in the Asian region.

Mr Speaker, this Bill will implement Australia's obligations under the Bank's Articles of Agreement.

First, it will provide an appropriation for the payment of Australia's capital contribution to the Bank.

The Bank will initially have US$100 billion of total authorised capital and is expected to start operating by the end of the year.

Australia's initial shareholding will total around US$3.7 billion, including US$738 million in paid-in capital. The remaining US$2.9 billion in callable capital will be a contingent liability against the Commonwealth.

Australia's contribution will have zero direct impact on the underlying cash balance, fiscal balance and net debt, as we are purchasing a shareholding in the Bank.

Second, the Bill will authorise me, as the responsible Minister, to issue promissory notes to the Bank to discharge Australia's financial obligations.

Third, the Bill will also enable regulations to be made to extend necessary privileges and immunities to the Bank, its staff and experts and consultants performing services for the Bank.

Mr Speaker, membership of the Bank will provide valuable trade and economic opportunities for Australia. Australian firms will benefit from improved infrastructure throughout the region, which will also help our commodity exporters.

The Bank will help build new and improved infrastructure, which in turn will drive increased demand for our commodities and for Australian services. Services such as engineering, construction management and finance.

In addition to the great benefits for the countries themselves, new ports and railways in countries such as India or Indonesia also mean that Australian companies can reach new and expanding markets.

Better port facilities in India could provide extra capacity for Australian commodity exporters. Similarly, Australian fund managers could help design and co-finance toll road projects across South East Asia.

Mr Speaker, the Asian Infrastructure Investment Bank will lift the living standards of many citizens across Asia. It will enrich their countries through higher productivity and growth in the region.

A stronger Asian region underpins a stronger Australian economy.

Debate adjourned.

Tax Laws Amendment (Small Business Measures No. 3) Bill 2015
Migration Amendment (Strengthening Biometrics Integrity) Bill 2015
Medical Research Future Fund Bill 2015
Medical Research Future Fund (Consequential Amendments) Bill 2015
Assent
Message from the Governor-General reported informing the Senate of assent to the bills.

Social Services Legislation Amendment (No. 2) Bill 2015
Second Reading

Debate resumed on the motion:
That this bill be now read a second time.
Senator SIEWERT (Western Australia—Australian Greens Whip) (16:58): When we left off debate on the Social Services Legislation Amendment (No. 2) Bill 2015 just before question time, I was expressing my deep concern that this particular bill is continuing and extending income management, making it much harder for those who are going to get caught up under the vulnerable persons mechanism. This particular piece of legislation also takes away the matched saving provision and also the voluntary income management incentive payment, saying that those payments are no longer needed. I very strongly suspect that those people who are receiving the payments—because there are more people who have received the voluntary income management incentive payment—had they been consulted, would not agree with the government that the payments were no longer needed. A number of people have received those payments. As I was saying, not many people have received matched savings payments, because it is so hard to save money when you are on income support. Earlier, I did not want to stop halfway through the evidence that I was going to address on the evaluation of income management. The government should take on board the findings of this evaluation—and this applies to not only this particular issue but also the matter of the healthy welfare card, which will be debated sometime in the near future in this place.

I would like to draw the Senate's attention to the report *Evaluating new income management in the Northern Territory: final evaluation report 2014*. The findings in this report, while specific to the Northern Territory, can be used to look at other areas where income management is used. This evaluation report says:

- 90.2 per cent of those being income managed in the Northern Territory are Indigenous.

Remember that this follows our expansion of income management and is not just about the original 73 communities. It estimates that 1.3 per cent of non-Indigenous people and 34 per cent of Indigenous people aged 15 years and over living in the Northern Territory during the period of this report were subject to income management. The report says:

Most people are on income management for extended periods with many, at the end of 2013, having been income managed for more than six years.

Remember when the Howard government first rolled this out and then when the Rudd government expanded it, income management was about teaching people how to manage their money. They would be put on that for a while and then they would be moved off it. I will come back to that issue again because it gets pointed out in this evaluation quite significantly. The report goes on to say:

Over 60 per cent of Indigenous people currently being income managed were on income management introduced as part of the Northern Territory Emergency Response.

When the process was rolled out, particularly when it was expanded, people could apply for exemptions from income management. The report says:

Few exemptions have been granted and most exemptions have been granted to non-Indigenous people—surprise, surprise!—

who have an exemption rate of 36.3 per cent compared with 4.9 per cent for Indigenous people.

Indigenous people have both a low rate of application for exemptions and a high rejection rate for those who do apply. Almost all exemptions have been granted for people with dependent children and 0.6 per cent of those without children had gained an exemption.
The program elements designed to build financial capabilities have not been successful. This is from the evaluation of the Northern Territory new income management process. Despite over 29,400 people having been on compulsory measures, only 1,139 people—that is, 3.9 per cent—have completed an approved money management course. That is an old figure. We were given a new figure in Senate estimates earlier in the year. Substantial groups of people subject to income management felt that income management is unfair, embarrassing and discriminatory. The evaluation could not find any substantive evidence of the program having made significant changes relative to its key policy objectives, including changing people’s behaviour. The evaluation found that, rather than building capacity and independence, for many the program has acted to make people more dependent on welfare. This is the income management program that is supposed to help people change their lives!

Chapter 9 of the evaluation said that, across a wide range of child health indicators, there is no evidence of any consistent positive change. No evidence! No evidence of any consistent positive change. When the data is taken as a whole it not only suggests that there has been very little progress in addressing many of the substantial disadvantages faced by many people in the Northern Territory. It also suggests that there is no evidence of changes in aggregate outcomes that could plausibly be linked to income management. Are you getting the message here? I am talking to both the government and the opposition here. Both the government and the opposition have facilitated and put in place income management. Where is your evidence base for saying this works?

The conclusion chapter, chapter 15, explains that the aims of income management are to improve the wellbeing of people receiving income support payments and to improve outcomes for themselves, their families, the communities they live in and the Northern Territory as a whole. Whether it achieves these aims is the basis upon which it should primarily be assessed. A wide range of measures related to consumption, financial capability, financial harassment, alcohol and related behaviours, child health, child neglect, development outcomes and school attendance have been considered as part of this evaluation. Some of these are at the individual level and others are more widely across the population. Despite the magnitude of the program, the evaluation does not find any consistent evidence of income management having a successful systematic positive impact. It goes on to talk about how many people have been in the program.

At the household level across a wide range of measures there has been no aggregate improvement in financial wellbeing, although some groups report an improvement in the level of financial harassment they experience. They also report more frequently having to ask others for money and that there has been no reported reduction in harassment at the community level. Again, the evaluation report that the government paid for and which was done by the Social Policy Research Centre at the University of New South Wales has found that income management has not produced the results. Not long after this report came out, I heard one of the members of the government say: 'That's because we weren't income managing enough. It's because we were only income managing 50 per cent.' Please read the report!

The report also looked at the vulnerable income management provisions targeting vulnerable income management in the Northern Territory. It identified a group of 150 highly
vulnerable individuals at the time of the evaluation. In this group, some positive outcomes from income management had been reported. It says:

… the evidence we have collected suggests, that while income management is one of the tools that can assist in harm minimisation for this groups, they also need other supports.

This is the critical bit here:

Furthermore, it is unlikely that income management can effectively build the capabilities of this group, but rather they will need this intervention on an ongoing basis.

They need a whole lot of services for this vulnerable group. Again, for this group, I would argue that you need those wraparound services and you need to be providing and building the other services needed by this group of people. It says that it is unlikely to effectively build the capabilities.

As Senator Moore pointed out, when the Labor Party brought in these measures they were particularly keen to ensure that the support given to people and the assessment of the use of this was done on a case-by-case basis. We spent a long time in estimates and in the committee process detailing how that would work and making sure that people were not arbitrarily put on this particular measure in order to put them on income management, and we were assured that that would happen. The explanatory memorandum for this particular bill now says:

Exemptions from being a vulnerable welfare payment recipient are streamlined to refer solely to a person's rate of welfare payment, rather than also to require subjective assessment of a person's circumstances.

So we are moving completely away from a case-by-case basis, and we are not looking at people's personal circumstances. Then, to make matters worse, the government say, 'This is simply administration.' So a person's case-by-case assessment, a person's personal circumstances, are disregarded in order to simplify administration. This measure will be used to put classes of people who the government considers vulnerable onto income management. As I said in my opening remarks, this is about putting more people on income management, by changing the vulnerable income management measure.

As you can tell, I am very concerned about this bill. I am very concerned about these measures, about income management, about the flawed approach that is being taken to help people and about the fact that this is now going to be extended into the so-called healthy welfare card process with no evidence base. This is the final report. There were reports in the lead-up to this that showed similar sorts of results—that income management was not addressing people's circumstances, and that it was not improving the circumstances of the people that it was targeted at.

This bill also addresses some aged care issues, and I will briefly touch on those. I have contacted some stakeholders in relation to the reduction of the grant payment at the beginning of when people are going into aged care. I have heard that people are concerned and providers in particular are concerned, particularly because this is yet another stress on their budget line items. They have budgeted for a number of days of service and staff provision. The sector are saying that they have real concerns about not being granted seven days for a recipient entering care. Those seven days give providers, residents and their families time to organise the significant move into residential aged care. We heard in the inquiry into the aged care reforms Living Longer Living Better that there is often a little bit of time before people can take up
their particular place when they are moving into residential aged care, and it is a huge change for people.

Without the ability to fund this time—either through continuation of the subsidy or through the ability to recoup costs from the recipient—there will be unnecessary pressure on people to push their entry into care. It will also have a compounding effect on the provider's bottom line. They are very concerned about it. The concerns are that it prejudices the resident's ability to access entry to a facility if the resident is not ready to move into the facility immediately when called. Most residents and families need at least four days to a week—sometimes more—to organise their affairs and get ready for this very major step. Providers do not reduce staffing or costs when they are waiting for a new resident and when there is a room or a bed potentially empty. So, when new residents are entering the facility, those staffing and other costs are still there. They are very deeply concerned about the impact of this legislation. Indeed, they think it may in fact lead to giving priority to those residents who are ready to move in promptly, because of the added costs when residents do not. It will make it difficult for residents and families who may need more time to settle affairs and to take this step. We do have concerns about that particular provision.

As I said earlier, we are not so concerned about the other measure—the Aged Care Planning Advisory Committees. I understand that those committees have not met for some time. Because there is so much wrong with this bill, we will be opposing it. We are opposing the income management provisions, and we are opposing the aged care schedule.

Senator LINDGREN (Queensland) (17:13): I rise today to speak to the government's Social Services Legislation Amendment (No. 2) Bill 2015. This bill continues our good work in improving our social services system so that those who most need support can get support. Given how Labor has left the nation's finances, this government has had to take the responsible steps to get the budget back into order. This bill is just part of that process, but it is also an important step in ensuring that we take the right steps to protect the most vulnerable people through the income management regime.

This bill contains three schedules. Schedule 1 proposes changes to the Social Security Act and the Social Security (Administration) Act to continue income management and the BasicsCard for two additional years to maintain support for existing income management participants and to streamline the income management program. Schedule 2 proposes changes to the Aged Care Act to cease payment from 1 July 2015 of the residential care subsidy to residential aged-care providers for holding a place for up to seven days prior to a care recipient entering care. The schedule also proposes consequential amendments to fee and leave provisions. Schedule 3 proposes to remove provisions from the Aged Care Act that allow for the establishment of aged-care planning advisory committees. Each of these measures is important to maintain the strength and sustainability of our social services system.

I note that the Community Affairs Legislation Committee also held an inquiry into this bill. While no public hearing took place, there were a number of submissions raising concerns about the income management regime. This reflects ongoing philosophical objections by certain groups to income management measures. However, we need to note up-front that income management programs have been in place since 2007 and have assisted around 25,000 Australians. Income management programs continued from 2007 throughout the Rudd-Gillard-Rudd governments. This is a program that is responding to some of the most serious
instances of social and economic disadvantage. It is an acknowledgement that sometimes people need significant help to get on their feet and we have a responsibility to provide that help. It is a program that is necessary and it should continue. This bill enables it to continue and, in fact, improves the scheme so that it is more efficient and better able to help people in need.

Schedule 1, regarding income management, was the most contentious of the issues brought before the committee and no doubt will take up most of this debate. So it is worth spending some time on this issue and clarifying exactly what this bill will do. We know all too well how, in some of these most vulnerable families, the basics of food and shelter are not being provided to children, so it is vital this program remains in place to give vulnerable families a chance to get the basics right. To ensure vulnerable people benefitting from income management continue to receive support, Minister Morrison announced that the government has committed $146.7 million to extend a streamlined version of income management to all existing locations until 30 June 2017. This will align end dates across all 12 locations across Australia. The alignment extends to the income management element of Cape York welfare reform, which will also continue until 30 June 2017. This will enable income management to continue to provide additional support in disadvantaged locations for vulnerable people, children and families.

The government is uniquely positioned through the provision of welfare and family payments to use income management to support vulnerable families by assisting them to stabilise and take control of their financial circumstances. This new funding also includes a limited expansion to new locations which might need the additional support that income management provides. This is particularly in response to the tragic case of Chloe Valentine, who tragically died as a result of neglect by her parents and was let down by the system set up to care for at-risk children, and one of the ways she was let down was by the fact that her parents saw her as an easy way to get more welfare money that they could spend on drugs. That is how serious this issue can be, and it is these sorts of scenarios that income management is meant to address. In this context, Minister Morrison announced on 14 August this year that the child protection and voluntary measures of income management will be introduced in the Greater Adelaide region from October this year.

This bill will streamline the program while ensuring continued support to people who benefit from income management. Streamlining includes the removal of social worker assessed referrals through the vulnerable welfare recipient measure, as this was an underutilised tool by social workers and highly resource intensive. The removal of this will also allow social workers to better service their vulnerable clients. There was some contention about this particular part of schedule 1 in the committee process, with concerns raised about how this process would work. However, it was made clear that this measure does not change a person's ability to access a social worker or social workers being able to make assessments. This particular mode of assessment was not really used as it was intended, so it is appropriate that it is removed. There remain a number of measures of vulnerability that will be applied before a person is put on income management, and I am confident these will be sufficient. Further changes in schedule 1 will allow participants to continue to adjust how they use their funds to meet priority needs at any time; however, they will no longer be required to discuss these arrangements with Centrelink every eight weeks.
I also note this schedule includes the phased removal of the matched savings payment, which offers people on the compulsory measures up to $500 in matched savings if they complete an approved money management course and have demonstrated an appropriate savings pattern over a 13-week period. This will cease from 31 December 2015 as these payments were largely undersubscribed and costly to administer. Similarly, there will be a phased removal of voluntary incentive payments, which offer individuals a payment of $250 for every continuous period of 26 weeks. These payments will cease on 28 December 2015, which is the day 26 weeks after 30 June 2015, as evaluations have shown that incentive payments are not the main driver for people commencing income management and that they can create a dependency on the program.

Finally, the BasicsCard Merchant Approval Framework will undergo administrative and policy changes that will simplify the model, improve customer experience and remove unnecessary customer contact. This new, streamlined improvement to the income management regime will achieve a saving of $36 million over two years.

It is worth also taking the time to briefly touch on the other two schedules of this bill. Firstly, there are amendments in relation to ceasing the residential care subsidy for pre-entry leave. These amendments formalise the ceasing of payment of residential care subsidy to residential aged-care providers for holding a place open for a care recipient. These changes better target aged-care expenditure by only paying care subsidies on behalf of people who have actually entered permanent residential care.

The savings associated with this measure as stated in the explanatory memorandum have largely been realised through amendments to the Aged Care (Subsidy, Fees and Payments) Determination 2014 and the Aged Care (Transitional Provisions) (Subsidy and Other Measures) Determination 2014. The amendments in the bill formalise these changes in the principal act.

Previously, subsidies for the pre-entry period were paid to providers for up to seven days at the rate of 30 per cent of the full residential care subsidy that will be payable once the care recipient enters care. Care recipients will still be able to take pre-entry leave prior to entering an aged-care service. The provider will not be able to recoup any lost residential care subsidy from the care recipient. However, the aged-care provider will still be able to charge the care recipient the standard resident contribution for the pre-entry period.

Previously, any days taken as pre-entry leave were counted as part of the care recipient’s entitlement to 52 days of social leave from the aged-care service. Under these amendments, the 52-day cap on social leave will not include any leave that was taken as pre-entry leave. This ensures any pre-entry leave taken by a care recipient does not negatively impact on their ability to take other forms of leave from the residential care service.

The impact of lost pre-entry leave payment revenue should be considered in the context of other recent aged-care changes, such as the redirection of the former government’s workforce supplement into the general pool of aged-care funding and the introduction of a higher level of accommodation supplement. The government is expected to provide $11 billion for residential care subsidies in 2015-16.

Finally, schedule 3 relates to the aged-care planning advisory committees. On 15 December 2014, as part of the 2014-15 Mid-Year Economic and Fiscal Outlook, the
government announced that the Aged Care Planning Advisory Committees would be abolished, with ongoing functions to be performed by the Department of Social Services. This forms part of the Smaller Government reforms to reduce the size and complexity of government, streamline services and reduce the cost of government administration. The Aged Care Planning Advisory Committees’ role was to provide advice in relation to the distribution of aged-care places. However, the last of these committees expired in September 2014. These amendments repeal the now-redundant relevant provisions in the Aged Care Act 1997.

The government remains committed to engaging with stakeholders and obtaining local intelligence as part of a needs-based planning framework. Consequently, the department has consulted with a broad range of aged-care stakeholders to help inform the distribution of aged-care places in relation to the 2015 Aged Care Approvals Round which was announced on 15 August 2015.

The income management regime has been an integral part of our social services system now for eight years, and it has been supported by governments of both major parties. It is important that we continue to modify the regime and adjust as circumstances change so that it can continue to support vulnerable families.

These changes need to be looked at in the context of the need for cutting red tape and for budget repair. We need to make sure our social services system targets those most in need and provides adequate support for those who need it.

This bill is an important step in ensuring the sustainability of our social services system while also ensuring it continues to be most effective where it is most needed. I understand that there is, both here in the debate in this place and in the work of the community affairs committee, some contention about these income management measures. It is clear to me, though, that the proposed changes, together with the government’s additional investment in financial wellbeing, will deliver more streamlined and cost-effective management programs. Furthermore, this bill provides ample flexibility for the minister so that vulnerable persons criteria remain responsive to the needs of the day.

It is important that we get this issue right. Vulnerable Australians need the income management program to help them get back on their feet. We need to make this program as simple and efficient as possible. This bill does that, and I commend it to the Senate.

Senator POLLEY (Tasmania) (17:27): I rise to speak on the Social Services Legislation Amendment (No. 2) Bill 2015, and I do so following on from the contribution that Senator Claire Moore made earlier in the day where she outlined the Labor Party’s position in relation to the general outline of this legislation. But I want to focus my comments on the bill’s two amendments to aged care. They appear to be innocuous enough—but only if taken in isolation.

The first measure ceases payment of the pre-entry leave subsidy. Unfortunately, the contribution by the government senator before me clearly does not have an understanding of what this is really going to mean, not only to the aged-care sector but also to the families of those who are considering moving into aged-care homes. The message from the government is quite clear. I think they have demonstrated that every day of the two years that they have been in office, and that is that you are on your own, particularly if you are some of the most vulnerable members of our community. Certainly that has been most apparent in this area of
policy when it comes to older Australians and aged care in particular. Pressure is going to be placed on the sector to cover that period of time when they cannot recoup that income when they need to make sure the room and facilities are up to scratch and the time when families need to consider all the issues that they have to consider when trying to decide on making what is, for most people, a fairly significant move in the latter part of their lives. So, to me, this is yet again another attack on the budget bottom line of the aged-care sector.

We know this government is very fond of cutting and not really doing anything when it comes to consultation with this sector in particular. But what is more galling is that the Prime Minister, prior to the last election, said that he would bring in a government of no surprises and no excuses. Yet every other day and every other week in the past two very long years that is what we have got—backflips, changes and cuts without any consultation at all. Unfortunately, the aged-care sector has been one sector that has suffered greatly.

The bill also abolishes the Aged Care Planning Advisory Committee as part of the government's small government reforms. This seemed harmless enough at first as well, but now it is clear that this smaller government reform can only be achieved by increasing the burden on the sector, pickpocketing from the aged-care sector. So, once again, it is going to have a real impact on the aged-care sector. One might even say that the government has increased red tape for the sector, something that the sector is not very happy about.

This government is quick on its feet when it comes to cutting funding but differs quite dramatically when it comes to implementing any real reforms. A case in point is the slow and dithering implementation of Labor's Living Longer Living Better reforms to aged care, which were introduced with bipartisan support and extensive consultation over the period of the last Labor government. The reforms were not short-sighted. They were not politically motivated. They were about setting a framework for the next decade to ensure that older Australians and their families and the sector knew the direction they were going to be taking. We know how important it is for the community to understand the challenges around ensuring that we have the world's best aged-care homes and facilities and support to keep people in their own homes as long as we can.

Mr Abbott promised to continue rolling out these reforms before coming into government, and the aged-care sector was quite relieved about that. It was quite relieved because there have been so many changes and a lot of upheavals. There was extensive consultation by Minister Butler and the Labor government, and the sector was assured by the opposition under Mr Abbott at that time that those reforms would be rolled out. But after two years in government Mr Abbott still has no plan to deal with Australia's ageing population. Labor's Living Longer Living Better reforms have been undermined by a consistent lack of oversight and interest. They have been undermined by the assistant minister, who has never had his eye on the ball. I have spoken on many occasions in this chamber about the fact that the assistant minister so blatantly demonstrates his lack of care and compassion for and interest in this very important sector. As a result, a great deal of avoidable anxiety and stress has been caused in the sector.

This is not something that only we on this side of the chamber are aware of. It is what the sector is talking to us about regularly. It is in constant contact. People in the community are concerned about the direction that this government is taking in a whole range of areas, but, I can assure you, aged care is firmly on their agenda. They have a great deal of concern about
the lack of direction. In fact, the performance and administration of the aged-care portfolio under this government has been, at the very least, very disappointing.

In fact, this government have demonstrated that they are bereft of any leadership when it comes to the issues to do with ageing in this country. They are bereft of any vision for this country when it comes to looking after older Australians. It has been clearly demonstrated that they cannot even implement a framework that was put in place by the previous Labor government. They are very quick to come in here and espouse that they inherited debt and deficit. We all know what they have done on that. They have just increased it. Growth and everything else is slowing down. But that they are not even being able to implement a good policy that was supported not only by the sector itself but by the community leaves me speechless as to the lack of compassion that has been demonstrated by this government.

Since September 2013 there is only one thing that this government have demonstrated, and that is that they are only interested in cutting. They have made cuts to the aged-care sector—we know that. We on this side understand, as does the Australian community, that this government have no idea what they are doing when it comes to age care. The government have an integral role to play in ensuring that we can meet the needs of older Australians now and into the future. I am truly concerned that this government's dithering, delays and disarray are creating even further anxiety and concern for aged-care workers, aged-care providers and older Australians and their families, who will be the ones who will feel the brunt of this government's lack of leadership and vision.

Mr Abbott and his Liberals—and it is not just Mr Abbott; it is Mr Morrison, who is the minister who has the overarching responsibility when it comes to aged care, and the assistant minister—have set a very poor record for aged care in this country. The sector has received numerous kicks in the gut—no consultation, no warnings, just hit after hit. They have a record of fuelling anxiety and uncertainty in the sector and the wider community which is entirely avoidable.

Senator Fifield has overseen a number of chaotic, reactive and often ideologically driven decisions, including, firstly, axing with no consultation or warning the $17-a-day dementia and severe behaviour supplement paid to residential aged-care providers. He came into this chamber on 26 June and just announced the cut. That is the level of competency of this government.

Secondly, he announced the flying squads. We will have a lot of fun with the flying squads at Senate estimates. We will have a flying squad that will zoom in and come up with a model for individual care. The whole problem with the flying squad is that, when they put the tenders out, they asked the people tendering for this contract to come up with a solution on how the flying squads are going to work. We do not know whether there will be a flying squad in New South Wales and one in Victoria. Will there be one in Tasmania? Will there be one in Western Australia? How many flying squads will there be? How much money will be used to administer these flying squads? Honestly, it beggars belief. You put out for tender this idea of flying squads without any consultation and without a pilot project to see whether they will work—

Senator O'Sullivan: That's the normal thing. You are showing your ignorance.

Senator POLLEY: Honestly, it demonstrates a bereft vision in this sector.
This government also promised to develop an Aged Care Workforce strategy, which the sector, the workers and the community are still waiting to see. Once again, it is null and void—no action. This is Dementia Awareness Month—a very serious topic and one that we need to talk to the community about so they understand that people live with dementia. It is an issue that we need to give more airplay to. At the forum held by the Parliamentary Friends of Dementia today, a gentleman talked about how he is living with dementia. One of the very good things that he said today was that his diagnosis was caught early. That is fantastic; it means that the message is starting to get through to the community. They also talked about early onset dementia. We know it was this government that cut $20 million from the Dementia and Aged Care Services fund for innovative aged care services, including dementia care and risk reduction. It has also abandoned the Younger Onset Dementia Key Worker program.

It is time for the Abbott government to take some leadership, to show some compassion and to take aged care seriously. We know that Mr Abbott does not give this issue the same profile as we did when we were in government—we actually had a cabinet minister responsible for ageing in this country. That is the weight the Labor Party puts to a policy that is so essential and that affects every older Australian. We cannot overestimate the value of having a minister in the cabinet to voice their concerns and to have a strong voice at the table when they are setting out the budget. Quite clearly, this minister and the assistant minister are not up to their jobs. That is really disappointing because so much has already gone into building this framework. I do not know why I am surprised that they have failed the Australian people on aged care—they have broken all their other promises—but all the hard work had been done. The consultation had been done; the sector was there willing and able to implement the Living Longer Living Better strategy. It had been agreed; it had cross-party support. But the government has failed in administering and rolling out these changes. It has all become too hard for the government and so it has slowed things down. We have also seen further cuts—$20 million has been cut from the Dementia and Aged Care Services fund.

You put money into research, and that is admirable. I salute you for investing in dementia research. Of course, we have to do research—we have to find a way of preventing dementia in the first place. Those people currently living with dementia deserve respect and they deserve a government that will prioritise the investment into their care so they can continue to live in their communities. We should be doing more to ensure that we have dementia friendly communities. We should take a leaf out of the book of Scotland or the UK or Japan: they are establishing friendly communities and dementia friendly programs to ensure there is a good profile for dementia in the community. Dementia does destroy people's lives; early onset dementia in particular can be very difficult for families. It is critical that we do everything we can to ensure that people living with dementia and their families have the support in the community that they need.

It is fair to say that the Australian government under Tony Abbott has failed the Australian community when it comes to aged care. It has failed the fairness test in so many areas that I could mention. We talk about health cuts and education cuts, but, when it cuts money for those people with the severe behavioural issues associated with dementia, that is fundamentally unAustralian. It really is unAustralian to keep attacking the most vulnerable in this country. They should be able to expect more from their government, and it should not
matter what colour that government is—whether it is a conservative government, and this is a very conservative government, or whether it is a Labor government. It is really the responsibility of government to deliver the respect and the care to those most in need.

Senator McKenzie interjecting—

Senator POLLEY: There are interjections from the doormats down the other end, who are leaving rural and regional communities trailing behind when it comes to dementia. They are supposed to be the party that speaks up for rural and regional Australia, but on so many issues they fail that test. What we did for older Australians when we were in government and the plans we put forward, Senator Ronaldson, you will never ever be able to match because your government fails the test when it comes to leadership and your government has failed the test of fairness every single day for two very long years. I remember giving speeches about the eleven long years of the Howard government. I can tell those people who are going to read this or who are listening, this government's past two years of government have been two of the worst years in this country's history. That is how it will be recorded because this government has attacked the most vulnerable in this community in a whole range of areas—if you look at pensioners, if you look at health and if you look at education where they are trying to stop young Australians going to university unless their parents have a big credit card. That is not the sort government that this country deserves; that is the government that the Australian community has lost faith in. The Australian community has lost trust in Tony Abbott and his government. It is not just us on this side of the chamber saying this, it is a reflection of what all the polling is saying. But, more importantly, it is what people say to us one-on-one in every corner of the community that we go to—whether it is when I am visiting disability services, whether it is when I am visiting aged care homes or whether it is when I am visiting people through home care support, whether it is when I am going to a school or whether it is when I am down doing my grocery shopping. I hear the same thing every single time people talk to me. They say: 'Bring on the election. We have to get rid of this Abbott government because it is bad.' It is not just Tony Abbott—it is Morrison, it is Bishop and it is every one of them because ideologically they are all tainted with the same brush.

Senator McKenzie: Mr Acting Deputy President, on a point of order: Senator Polley was referring to ministers in the other place by using their surnames and in a way that I was not actually able to recognise which minister she was talking about. I ask that you seek that Senator Polley refer to people in the other place by their appropriate titles.

The ACTING DEPUTY PRESIDENT (Senator Marshall): I do remind senators that they should refer to members in the other place by their proper titles.

Senator POLLEY: Thanks you, Mr Acting Deputy President. I always know that I have hit a nerve when Senator McKenzie has to interject or pull up a point of order because she does not like to hear the truth. The reality is that obviously you do not go out into the community and listen to people. You might go out into the community and talk to them, because that is probably what you do best, but you should try listening to the community. Quite frankly, this government needs to listen to the community because the community are not happy. Those on the other side who have on occasions actually demonstrated some compassion need to be stronger voices in their caucus to ensure that this government looks after older Australians and that it looks after those most vulnerable in our community,
because the Australian people deserve nothing less. This government has been a failure for
the last two years and there is no sign of it improving in the near future.

Senator XENOPHON (South Australia) (17:48): I support the Social Services Legislation
Amendment (No. 2) Bill 2015, and I think that the best way to characterise the bill is by
saying that it is not about paternalism but it is about prudence, and it is about providing a
framework of support in a way that has been quite carefully considered. Of course the bill, in
terms of its more widespread implementation, ought to be subject to review—to see if it is
working and to see whether it needs to be tweaked.

I know this does not happen very often in this place, or particularly in the other place, but I
would like to pay tribute to the work of the Parliamentary Secretary to the Prime Minister, the
Hon. Alan Tudge, who has been persistent, who has been methodical and who has been very
decent in the way he has gone about this. I think he has consulted broadly and widely, and he
deserves credit for his very hard work. He has been genuinely trying to seek a good outcome
and he has approached the issue in a cautious and a considered way. He deserves credit for the
way that he has gone about things. In my dealings with him, it was a case of genuinely being
involved in consultations, of walking through the steps and asking for feedback—I think that
is refreshing and it should be acknowledged in the context of the adversarial nature of this
place.

By extending income management for a further two years and streamlining the system, the
government is providing a framework of support. It makes it harder for funds to be used for
activities that are quite frankly destructive—whether we are talking about substance abuse, be
it alcohol or illicit substances, or whether we are talking about gambling and in particular
poker machines and the impact that can have on the communities. This approach does provide
a framework of some protection. It is not paternalism, it is something that is worth doing and
worth doing well.

This bill, contrary to public perception, is not about a particular class of individuals—it is
not just about Indigenous communities, either. It is about a range of communities in which
people face huge social challenges. The bill removes incentive payments and measures that
have not worked in increasing the take-up rates of voluntary income management schemes.
The bill extends the income management system that has been in place for a number of years
under both coalition and Labor governments. The fact is that income management works for
many people. It sets up dedicated accounts into which 50 per cent of their social security
income can be paid for specific purposes, including rent and food. For parents involved in a
child protection measure, compulsory income management quarantines 70 per cent of income.
These percentages are not excessive in my view—any parent knows the true cost of raising
children and these percentages merely reflect those costs.

One fact that I found telling was that the history of income management shows that two-
thirds of people who came off the compulsory system chose to stay on it. This suggests that
most people who experience income management actually benefit from the structured support
it provides. Opinions from Indigenous leaders are not unanimous, but I note that Cape York
leader Noel Pearson has said that income management is a 'crucial first step' for many
Indigenous people. Mr Pearson told the ABC last month:
I am personally in favour. I am concerned about vulnerable people.
I am pleased to see that some consensus has been reached in relation to certain provisions of this bill, including amendments moved by the opposition, namely that social workers should retain the ability to place vulnerable people on income management.

Placing someone on income management is a serious decision. It must be done after careful consideration of an individual's personal circumstances, and that goes beyond the class of individuals or those areas that have been designated for the trial of income management.

Every day, social workers deal with people who are suffering from addictions, mental health issues, abuse and poverty; every day, social workers see the effects of these problems; and, every day, social workers see potential solutions. Social workers are in the forefront in dealing with society's most vulnerable and at-risk people. They understand the causes of vulnerability and the methods which can be applied to address it. That is why the Labor Party's amendment is welcome in this regard.

Social workers can see when a person might be spending their pension on alcohol rather than on paying the rent. They know when their clients are losing money on the pokies, money that should have been spent buying groceries instead. Social workers can objectively consider a client's personal situation, including that client's ability to handle their money in a responsible way, particularly vulnerable people. Income management can assist people who are vulnerable. When a person is caught up in an addiction, it can be nearly impossible for them to look at their finances in a similarly objective way.

While the choice to buy food before spending money on gambling may be obvious to most, for those who are in the grip of a gambling addiction the choice is not so simple. They are driven by a compulsion that cannot be fought with reason. They need help to find ways to beat their addiction and to ensure they can afford life's essentials while they are addressing their addiction. In these situations, income management helps keep food on the table and the electricity on at home.

When it comes to some of these issues, such as gambling legalised by the states, if we had in place the Productivity Commission's recommendations of $1 maximum bets per spin and $120 hourly losses—still a lot of money, but much better than the $1,200 an hour that could be lost now on machines—that would make a difference. We could actually tackle some of those causes with some sensible legislative reforms that I note, however, both the government and the opposition have rejected.

With a social worker's involvement, an individual will only be placed on income management after careful consideration and only when it is absolutely necessary to ensure their basic needs are met with the limited resources they have. Equally important is the ability of social workers to check in on their clients who are subject to income management. This monitoring will ensure that income management achieves its intended results.

I welcome this bill. I think it needs to be subjected to ongoing scrutiny in terms of the measures that will be implemented. Of course, the Senate estimates process is part of that, but there ought to be ongoing scrutiny of the measures in this bill in terms of how income management is working, how effective it is, what good it is doing and whether there are any adverse or unintended consequences.
Again, I congratulate the Hon. Alan Tudge, Parliamentary Secretary to the Prime Minister, for the work that he has done on this. I hope that his hard work—his methodical, painstaking approach to this—will pay off, with good results for communities throughout this nation.

**Senator O’SULLIVAN** (Queensland—Nationals Whip in the Senate) (17:55): I rise to make a contribution to the debate on the Social Services Legislation Amendment (No. 2) Bill 2015. Whilst I have an interest in all aspects of this legislation and the associated amendments, one of my primary interests is the impact that this policy has had and is continuing to have on our Indigenous communities.

My home state of Queensland has a number of Indigenous communities spread all over the state, some in particularly remote parts of the state. The challenges that confront those communities, while similar, can be somewhat magnified or exacerbated by remoteness and by the challenges that generally face people in those communities on a day-to-day basis. I have spoken in this place previously of a number of recent visits that I have had to the community on Mornington Island, which is in the Gulf of Carpentaria, off the northern part of Australia. Although I move around our Indigenous communities and have done so all my life in various forms, I was taken aback by the circumstances that confront the 700-plus residents of that community of predominantly Indigenous islanders.

One telling tale, which will lead me into the core of my contribution here, took place on my second visit, the day we were departing. I had dealings there with a number of professionals and social workers who were involved in the delivery of social services and justice on the island, and I learnt that, in court that week, collectively the residents had faced charges for over 200 offences—crimes, misdemeanours and simple offences. Just think about that. The entire community population is less than 1,000, yet there were 200 charges across that community in just a seven-day period. As I left, it was telling that there was a charter aircraft of significant size there to take away any people had been given custodial sentences.

Whilst we all support the fair and reasonable application of the law, there are circumstances that present in these communities that would seem to expose people to behaviour on a scale relative to their population that we do not experience elsewhere. The removal of people who are given custodial sentences means they are moved completely out of their community. It is not simply a case of a son or a daughter, a nephew or a niece, being sent to jail for a week, a month or 12 months, where you can continue to give them that family support. These people are moved thousands of kilometres away from their community to do their time. It is really an indictment, I think, of Australian society that we still have factors of this scale in these communities.

As we delved into the reasons for that behaviour, we were to learn that they were pretty much the typical things that one might expect to see when looking at the data. Writ large, of course, was alcohol abuse—and I will come back to that briefly, in a moment. There was evidence of illicit drug-taking and the impacts of that. There was also evidence of gambling and to a much lesser extent the use and distribution of pornography. Coming back to the alcohol abuse issue: it is accepted by many who live in these communities and from the work that has been done in the social sciences that many of these people have a much lower tolerance to the consumption of alcohol. It has an effect on their behaviour a lot sooner than one might expect when looking at the capacity of an average Australian to consume alcohol without it necessarily having these behavioural impacts.
The other thing that was quite noticeable was the age bracket. It seems that the abuse of alcohol on this island, in many of our Indigenous communities as well as in the poorer socioeconomic sections of our general communities has no respect for the age of the people who are involved. There was ample evidence to show that children as young as nine or 10 had from time to time consumed alcohol and been affected by it to the point where their behaviour caused them to be involved in acts or omissions that attracted the legal proceedings that I made reference to earlier.

This is an island where the sale or possession of alcohol is prohibited. I am concentrating not just on this island but on the concentration of these problems—the problems that give rise to the need for the type of legislation that we are debating here. These problems were so much more acute, so much greater as a percentage of whole, on the island that it is useful as a case study to make the argument for the legislation that we are talking about here for these people to be able to manage their income arrangements. We found that the alcohol was being manufactured illicitly on the island and then sold of course at very inflated prices, without any regard whatsoever for whom the buyer or consumer of the alcohol may be. We also saw an increase in the manufacture of methamphetamines, particularly ice, in many of these communities. Again, these things require money and resources to be able to be established in the first instance and then they are sold at quite inflated prices to people who have an addiction. Gambling is a lesser problem on the island but it is very evident in many other communities around the state, particularly the extent to which it impacts on Indigenous populations in some of the metro communities. A point made by Senator Xenophon—and a very important point—is that oftentimes we ignore the fact that the issues in the lives of these people are as a result of their addictions. Many of these people cannot control what they do; those who can, obviously choose not to.

As I moved around this community and also around many other Indigenous communities in my time here and before, one thing that was common was the impact on what we might regard as the essentials or necessities of life. There is a serious body of evidence that these are the first things to suffer, particularly the buying of a good quota of quality food for a family and clothing. There is an impact when people do not have the capacity to deal with the costs associated with their housing or accommodation and, indeed, the general utilities of life. What we have is quite an abnormal situation in many circumstances, and the ones who clearly suffer the most are the younger generation within these communities—the children, even infant children.

Many of the responsible parents, notwithstanding their efforts, find it very difficult to manage their circumstances because oftentimes they may have not just one other person in the household who abuses alcohol and/or drugs but multiple adults who are in the business of abusing these things. In fact, there was evidence that entire households can suffer in one form or another from addiction in one or more of the areas that I have discussed. Often what you have in these communities are very powerful strengths, and one that we can learn from of course is the network that happens within families. Indeed, it is very common for the burden of child care to fall upon a relative or a community leader. They might find themselves, as they have deposed to me on my visits, with 15 or 20 children seeking refuge in their home, looking for food and other essentials and necessities of life. If these essentials were not provided by the relatives, social workers, teachers or educators in the communities then these

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children would quite literally be left to perish. So, where you have a situation where the adults, the people who receive the money and who are meant to provide these essentials of life—food, clothing and protection with housing and utilities—do not and there is evidence that they do not, then, as far as I am concerned, any responsible government—and we are a responsible government—has a complete duty of care to do whatever it can do to assist these families who are in such a plight to manage their lives.

It is well known that in many of these communities we have serious financial illiteracy. There is evidence that people can dispose of the entire household income within the course of one day without having any regard whatsoever for what happens on the other six days of the week until they are returned to a position of having the potential capacity to deal with these essentials of life. In those circumstances it is not just a case of children going about with hungry bellies or not being able to go to school because they do not have the appropriate clothing or because they do not have the capacity to get from A to B for a day or two. This can go on for an entire week, and where these problems are systemic in those households they can of course go on for weeks and months. For some families, sadly, tragically, they go on for a lifetime. These income managed funds prevent at least a large part of the income being used for these illicit purposes. They create an environment where the money can only be expended on those essentials and necessities of life that I described to the chamber earlier. The trials of this income management scheme have proven effective, in effect allowing the management of what I might refer to as forced budgeting, in the sense that that portion of your money can only be spent on these particular categories.

A very substantial number of people have reported, including some of the people who have been involved in the scheme, the social workers who are at the coalface day in day out supporting these families, the community leaders and the peer reviewed research that has occurred on behalf of the government to see that this scheme is operating. On the material available to me it would seem that a substantial number of the people have declared that this program makes their lives easier. These are people who have participated in this policy setting or are observers of the impacts of it. It allows people to manage their money, albeit still in short calendar time frames. It makes these people feel safer. That is a very important statement. It does not just fill their bellies. It does not just put food on their tables. It does not just put clothing on their backs. It makes many in these communities feel safer. I expect that that comes in part from the normality that is restored, at least in part, to some of these households and homes because they have an ability to deal with the basic management of their financial affairs in regard to the essential aspects of their lives. To a person it would seem they all reported that it improved their lives.

We talked briefly before about the fact that many of these homes and many of these families are impacted by alcoholism, which can lead to domestic violence, and indeed it makes a contribution in a more general sense to community violence. What we have is a situation where even if there is a responsible adult in a cohort in a family situation they do not always have the ability to manage the finances of that household and to make provision for the things that we have discussed here in the contributions today, even if they have the capacity to do so. Accordingly, trials and policy settings of this type are needed to bring stability back into these homes. They are needed as tools for the responsible adults to be able to manage the households and to make that journey towards normality. It reduces neglect. It
reduces homelessness where people are displaced as a result of their living circumstances. We have had child protection staff now universally reporting on the need to continue to adopt this particular scheme.

I was very pleased to hear Senator Xenophon reporting to the chamber that this bill had been carefully considered. Senator Xenophon does not agree with the government all of the time, and I think that his words of wisdom should cause others to consider what has happened here. He has reported, and I am prepared to report, that the government has very carefully considered these measures. It is not as if we are into greenfield ideas here. These ideas have been working very successfully now in our communities for a long period of time. This is about extending what appears to be a very successful program, inasmuch as it impacts on the income management side of things. There are incentives involved. As you know, the legislation provides for matched savings. These are additional incentives not only for these families to manage their money. It is there to provide them with incentives to put away some money for that rainy day circumstance. It quarantines 70 per cent of the income, which ought to reflect the cost of living where they are. I think the most telling point is that over two-thirds of the people who had been put on the scheme volunteered to remain on the scheme. If this point is ignored by those in this chamber then they no longer will be able to declare that their position reflects the position of the people who have benefited from this.

We had a contribution earlier about listening. Well, you need to pin your ears forward as I say it one more time: two-thirds of the people—

Senator Siewert: You do not know what you are talking about, Barry.

Senator O’SULLIVAN: Do not tell me I do not know what I am talking about, Senator. Two-thirds of the people who have been on this scheme have continued on the scheme on a voluntary basis. If you want to make your contribution in contradiction of the contributions made by people like Noel Pearson, I am afraid that I am going to have a deaf ear to you and two ears facing towards North Queensland while I listen to that community leader. He is no friend of the government on every occasion, I promise you. If Noel Pearson has something to say, he has a complete disregard for the political identity of those on the other end of his sharp tongue. If he supports it and two thirds of the people support it, then I commend to this chamber that we support it also.

Senator McKENZIE (Victoria) (18:15): I rise to add my contribution on the Social Services Legislation Amendment (No. 2) Bill 2015—a bill for an act to amend the law relating to social security and aged care and for related purposes. The bill is attempting to address some of the challenges that we face as a modern society. One of those is how do we deal with the reality that human beings do not always act in their own best interests or in the best interests of those they are charged to love and care for. A second challenge is how we deal with the challenges of funding the needs of an ageing population. I must agree with Minister Fifield, the minister responsible for ageing, when he sees that challenge as a positive one. Never before have we had to consider how to support and engage with a cohort of ageing Australians who are relatively highly educated—and if you are a Gen Xer, you might argue, entitled, but they are definitely an empowered cohort of Australians heading into retirement—who are cashed up, who are very successful and who are very cognisant of exercising their rights as individuals around the choice of how they age and where they age.
These are significant challenges for modern Australia. They are significant challenges for governments that want to assist communities achieve a better life. We as a government do not shy away from our responsibility to do that. We do not shy away from the challenges that are presented to us in the 21st century and we do not shy away from the challenge of prioritising them. Contrary to suggestions in some of the contributions made by senators on the other side, we do prioritise. We have to. That is what governments have to do. We do pilot programs, we evaluate them and we then fund programs appropriately. We will continue to do that.

One of the first measures that this bill deals with is to ensure that the vulnerable people currently benefiting from income management receive continued assistance. The government has committed $146.7 million to extend a streamlined version of income management to all existing locations until 30 June 2017. This will align end dates across all 12 locations across Australia.

When we look at building on the positive impacts of income management, we see that this particular policy response gives participants more control of their welfare money. We have heard senators talk about how it improves families' stability as parents, primarily caregivers, can ensure that children and those vulnerable within the family have the basics that they need to get a good education, to be well fed and to be well housed. I cannot believe there are senators here in this place who would reject the evaluation that has been done of the pilots and would reject the evidence which says that two thirds of income management participants want to stay on it because they see the benefits. Their families experience the benefits. Their children experience the benefits of the system. It reduces stress and financial hardship.

Just think for a moment about what it would be like to be in one of those very vulnerable families where one of the parents or caregivers is subject to addiction and you have to argue with that family member in order to get the bare minimum of cash that you need to ensure that your children are cared for. That is not always a pretty conversation, it is not always a neat conversation, it is not an articulate conversation between rational adults about where best to spend the income that that family has. It can involve violence and it can involve incredibly destructive displays of behaviour, particularly for the young people in those families. I would struggle to understand why, when over two thirds of participants have indicated that they would prefer to see their income managed, people in this place think they know better for that group of people. It is the height of entitlement and elitism to think that you know better than the people who are experiencing these issues at the coalface day in, day out. It is their kids, not yours. It is just the height of entitlement.

Key changes to the income management program will include reducing the amount of compulsory contact between income management clients and Centrelink, while retaining participants’ ongoing access to customer service officers and, particularly important in families and cohorts like this, specialists such as social workers. The changes will include removing the compulsory requirement for all income management participants to be referred to financial wellbeing and capability services and phasing out the underutilised parts of the services such as the voluntary incentive payment and the matched savings payment.

The existing locations that I mentioned earlier include Western Australia, the Northern Territory, South Australia, Queensland and New South Wales. The whole of the Northern
Territory is currently using the income management system. In Western Australia we have the Peel region in Perth metropolitan, the Kimberley region, the NG Lands and Laverton Shire. In Queensland, we have Logan, Rockhampton, Livingston and Cape York—remembering, for the Cape York welfare reform, Noel Pearson was a key driver of that particular initiative. We have Bankstown in New South Wales. In South Australia, we have the Playford, APY Lands and Ceduna regions. We have Greater Shepparton in my own home state of Victoria, where we have seen significant issues. We have high teen pregnancy rates in these cohorts. We have significant intergenerational disadvantage. It is mechanisms like this that will actually assist these families to get their basic needs met so that those children within those families can actually have the best opportunity to excel at school and to actually, hopefully, overturn that generational cycle.

Within these regions, a person can go onto income management only if they are volunteered to participate, if they receive particular welfare payments or if they have been referred for income management by a social worker. That typically involves assessments around the neglect of children. The BasicsCard can be used to buy most goods and services, except for alcohol, gambling products, cigarettes and pornography. All of those four goods and services are absolutely subject to being quite addictive for certain people and individuals. I myself was addicted to cigarettes for over 20 years. I do know the pull that that can have and how your priorities around how and what you choose to spend your time doing and your money on can be quite skewed, particularly around those four issues. Also, one of the key aspects of the income management system is that cash withdrawals from an ATM are not available using the BasicsCard. It operates like a normal EFTPOS card but is accepted only at approved stores. There are more than 13,000 BasicsCard merchants right across Australia, ranging from large supermarkets and department stores to small, independently run shops.

I think, as Senator Xenophon made clear in his remarks, most income management participants choose to stay on the card because it allows them to be able to provide for their families. I think that is something that we need to remember in this place. It is all very nice to have our theoretical models all ready and our ideological stamp cards at the door, all ready to get our gold star from the elites in inner urban centres. But when you have the evidence before you that two-thirds of people want to stay on this because their kids are getting fed and clothed, they do not have to go through a fight, they do not have to hide anything and they do not have to try to get to the bank before he does on payday or on welfare payment day. They can actually be assured that those basics will be met. I think it is groundbreaking.

I just wanted to briefly mention Minister Morrison’s statement on 14 August, mentioning how the coalition governments will roll out the BasicsCard for Adelaide welfare recipients who volunteered to participate in income management or are subject to child protection measures. The announcement demonstrates strong, united actions on the recommendations of the state coroner’s inquest into the death of Chloe Valentine, which recognised that income management could benefit many children at risk of neglect and abuse. I would like to thank Senator Xenophon for his support. I would like to request of the crossbench senators that they think about the state coroner’s report, they think about Chloe Valentine and they think about the recommendations out of that report that income management, when applied appropriately, can actually make a difference to families’ lives. Yes, they get to school. Yes, they are fed and
clothed. But in instances of neglect and abuse, this is a space where government needs to be and government needs to assist the most vulnerable, who are the children in our communities.

I would like to also commend the South Australian government, who requested that these measures be introduced in Adelaide because they did not want to see another tragedy like this. It is this federal government, and I am sure every South Australian coalition senator in this place, that wants to see this measure rolled out so that those families and those vulnerable children can be protected. The Australian government is also providing $12 million over five years to deliver early intervention and referral services in South Australia, which is also helping to keep children safe. That is incredibly important and, I am sure, one of the main reasons that so many of us are in this place.

In terms of income management, I have mentioned that evaluations have been taking place. I know senators opposite are quite quick to claim that, as a government, we choose not to consult and we do not run pilots. I would happily run our record of evaluation, application and implementation against the previous six years of the Labor government any day of the week. The fact that we actually bother to evaluate programs, make assessments and recommendations and then implement them is a far cry from the policy approach that we were subjected to under the previous Rudd-Gillard-Rudd governments.

The legislation also sees the phased removal of the matched savings payment, which offers people on the compulsory measures up to $500 in matched savings if they complete an approved money management course and have demonstrated an appropriate savings pattern over a 13-week period. That is going to cease on 31 December, as they were largely under prescribed and costly to administer. This is part of what governments do when they have to prioritise: if it is not being used and is costly to do, our taxpayer dollars are much better spent elsewhere—particularly in this portfolio, particularly in this area and particularly with this cohort of very vulnerable Australians.

I just find it quite ridiculous that those who claim to be progressives are actually the ones who want to hold onto the way that things have always been more than anything else. They want to hold on, keep things same, never change anything and not be responsible. I have got so much more to say. I will continue after the break.

Sitting suspended from 18:30 to 19:30

Senator McKENZIE: I rise to continue my contribution to the debate on the Social Services Legislation Amendment (No. 2) Bill 2015. Whilst my contribution before the break focused on the BasicsCard and the measures that the government seeks to introduce as part of that to ensure that families remain stable and that they can continue to ensure that their children receive basic needs, I also want to briefly touch on the changes that the government are seeking to make within the aged-care portfolio. As the minister for ageing has made very clear in his recent comments, it is a positive challenge for us as a nation. This is a large cohort of highly educated and empowered Australians entering retirement and entering aged care. Indeed, 70 is the new 50! They are travelling like never before, they are spending their children's inheritance like never before and they want choice in how they age like never before.

Part of adapting as a government and responding to the challenges of modern society in the 21st century is recognising that the old ways do not work. We need new and innovative ways
to address the challenges that face us as a society, and ageing is one of those. As a government, our focus for this cohort is ensuring that they have more choice in their care and that those individuals that can afford to make a greater contribution to their retirement do so. It is not an automatic entitlement anymore that the state will look after you in your old age. If you look at the retirement age now compared to what it was when the first age pension was instigated, you would have to be close to 100 before you got the age pension, if you were going to be proportional about it. But we are not. We are a very generous society. People work hard throughout their life, and we like to recognise that going forward.

Part of the role of being a good government is being a financially sustainable government. That is something that the Abbott-led government takes very seriously. Part of the measures in schedule 3 of this bill go to reducing the size and complexity of government, because the more complex and the larger the size of government the more expensive it is and the more intrusive it is in people's lives. We take very seriously our philosophical and ideological commitment to reducing the size of government and reducing its complexity.

One of the measures that is contained in this bill is about getting rid of a redundant committee whose appointment finished in September last year. I find it quite interesting that it is only the dinosaurs on the other side that are seeking to maintain something that no longer exists. It is not functioning. But they will stand here arguing until there is no more breath left in their body that it should exist. It is incredible that the so-called progressives are seeking to maintain a status quo that is not even a status quo anymore. But do not let the truth get in the way of a good fear campaign!

A lot of our approach to the aged-care portfolio comes from the Productivity Commission's report *Caring for older Australians*. It found that in Australia we have a highly regulated aged-care sector, which is great in some respects but very incompatible with the new and changing way Australians want to age and have a say in how they age and where they age. They want to live at home as much as possible and they want a say. They are much more empowered than ever before.

I heard senators opposite, when talking about the aged-care provisions, talk about a lack of consultation. I again completely reject the assertion that this government does not consult and does not listen to the people. In fact it has been those opposite who have not listened to the people since we came to government. They have been refusing to pass the legislation that Australians voted for en masse two years ago. I know that the minister has been travelling across the nation. He has had 51 face-to-face sessions, briefed over 7,000 people and worked with over 30 advisory committees on changes within the aged-care portfolio. To say that these changes in Minister Morrison's portfolio are not part of an approach to aged care that is inclusive and informed is simply wrong. It is simply playing for cheap points by an opposition bereft of good ideas in this portfolio space. I can only go to the Senate committee report on the Living Longer Living Better legislation and look at many of the ideas that they put forward through that process. I have much more to say, but I commend the bill. *(Time expired)*

**Senator McGrath** (Queensland) (19:35): It gives me great pleasure to rise this evening to talk on the Social Services Legislation Amendment (No. 2) Bill 2015. This bill will introduce three measures into the Social Services portfolio. In the first measure the bill will amend the social security law to streamline the current income management program under a
two-year continuation. Income management and the BasicsCard will continue for two additional years to maintain support for existing income management participants. The income management element of the Cape York Welfare Reform will also continue for two additional years to June 2017 in line with the rest of the income management streamlining measures.

The streamlining amendments made by this bill will enable more effective operation of the income management program; for example, certain incentive payments relating to income management will be abolished, the operation of the vulnerable measure of income management will be refined, and minor amendments will be made to remove ambiguities and improve the program's effectiveness. These amendments were previously intended to commence in July of this year; however, they will now generally commence on the day after royal assent. Savings provisions will allow qualifying periods for the incentive payments to continue to accrue until late 2015.

The bill also makes amendments to reflect two measures relating to aged care which were included in the 2014-15 Mid-Year Economic and Fiscal Outlook announcement. The bill will formalise ceasing payment of residential care subsidy to residential aged care providers for holding a place for up to seven days before a care recipient enters care. The savings associated with this measure, as stated in the explanatory memorandum, have largely been realised through amendments to the Aged Care (Subsidy, Fees and Payments) Determination 2014 and the Aged Care (Transitional Provisions) (Subsidy and Other Measures) Determination 2014. However, the bill will ensure that the subsidy appropriately continues to be targeted to people actually receiving care.

Lastly, the bill will reflect the government's decision to abolish the Aged Care Planning Advisory Committees as part of the Smaller Government initiative. The Aged Care Planning Advisory Committees' role was to provide advice in relation to the distribution of aged care places. However, the last of these committees expired in September 2014. These amendments repeal the now-redundant relevant provisions of the Aged Care Act 1997.

I would like to focus on the three schedules within this particular bill. The first relates to the income management regime. Income management and the BasicsCard will continue for two additional years to maintain support for existing income management participants. The amendments in schedule 1 will make a number of changes to streamline the income management program to enable more effective operation of the program. This schedule: provides for the abolition of certain incentive payments relating to income management; amends the operation of the vulnerable measure of income management; and makes minor amendments streamlining the operation of income management, removing ambiguities and providing for more effective operation of the program. The financial impact statement of the explanatory memorandum for this bill shows the financial impact over the forward estimates to be just over $144 million for this measure. The amendments made by the schedule generally commence after royal assent.

To ensure that vulnerable people benefitting from income management continue to receive support, the government has committed this $146 million to extend a streamlined version of income management to all existing locations until June 2017. This will align end dates across all 12 locations across Australia. The alignment extends to the income management element of Cape York Welfare Reform, which will also continue until the end of June 2017. This will
enable income management to continue to provide additional support in disadvantaged locations for vulnerable people, children and families. The government is uniquely positioned, through the provision of welfare and family payments, to use income management to support vulnerable families by assisting them to stabilise and take control of their financial circumstances. This funding also included a limited expansion to new locations which may need additional support and would benefit from the income management program.

In response to a request from the South Australian Premier in the wake of the Chloe Valentine tragedy, in August 2015, Minister Morrison announced that the child protection and voluntary measures of income management will be introduced to the Greater Adelaide region from October of this year. This bill will streamline the program while ensuring continued support to people who benefit from income management. Streamlining includes the removal of social worker assessed referrals through the vulnerable welfare recipient measure, as this was an underutilised tool by social workers and highly resource intensive. The removal of this will also allow social workers to better service their vulnerable clients.

While participants remain able to adjust how they use their funds to meet priority needs at any time, they will no longer be required to discuss these arrangements with Centrelink every eight weeks. The phased removal of the matched savings payment, which offers people on compulsory measures up to $500 in matched savings if they complete an approved money management course and have demonstrated an appropriate savings pattern over a 13-week period, will cease from December 2015 as they were largely undersubscribed and costly to administer. The phased removal of the voluntary incentive payments, which offer individuals a payment of $250 for every continuous period of 26 weeks will cease on 28 December 2015, as evaluations have shown that incentive payments are not the main driver for people commencing income management and that they can create a dependency on the program. The BasicsCard Merchants approval framework will also undergo administrative and policy changes that will simplify the model, improve the customer experience and remove unnecessary customer contact. The streamlining arrangements will achieve a saving of approximately $36 million over two years.

In relation to the second schedule, which is 'ceasing residential care subsidy for pre-entry leave', this measure ceases the payment of residential care subsidy for care recipients during a period of leave taken before entering a residential care service. It also makes consequential amendments to fee and leave provisions. Under the Aged Care Act 1997, providers are paid the residential care subsidy for the care they provide to care recipients. The residential care subsidy is also paid when care recipients are on leave—usually, at a reduced rate.

To facilitate the entry of care recipients into residential care, a care recipient may take leave for up to seven days before entry, as outlined in section 42-3(3) of the Aged Care Act. This is referred to as 'pre-entry leave'. During this period, the residential care service reserves the care recipient's place, but the care recipient does not receive care. Currently, subsidy for the pre-entry period is paid to providers at the rate of 30 per cent of the full residential care subsidy that will be payable once the care recipient enters care. The government will no longer pay the residential care subsidy or supplements during this period. The amendments made by this schedule commence on the day after royal assent.

These amendments effectively formalise the ceasing of payment of residential care subsidy to residential aged-care providers for holding a place open for a care recipient. These changes
better target aged-care expenditure by only paying care subsidies on behalf of people who have actually entered permanent residential care. The savings associated with this measure, as stated in the explanatory memorandum, have largely been realised through amendments to the Aged Care (Subsidy, Fees and Payments) Determination 2014 and the Aged Care (Transitional Provisions) (Subsidy and Other Measures) Determination 2014. The amendments in the bill formalise these changes in the principal act. Previously, subsidy for the pre-entry period was paid to providers for up to seven days at the rate of 30 per cent of the full residential care subsidy that will be payable once the care recipient enters care.

Care recipients will still be able to take pre-entry leave prior to entering an aged-care service. The provider will not be able to recoup any lost residential care subsidy from the care recipient. However, the aged-care provider will still be able to charge the care recipient the standard resident contribution for the pre-entry period. Previously, any days taken as pre-entry leave were counted as part of the care recipient's entitlement to 52 days of social leave from the aged-care service. Under these amendments, the 52-day cap on social leave will not include any leave that was taken as pre-entry leave. This ensures any pre-entry leave taken by a care recipient does not negatively impact on their ability to take other forms of leave from the residential care service. The impact of lost pre-entry leave payment revenue should be considered in the context of other recent aged-care changes, such as the redirection of the former government's workforce supplement into the general pool of aged-care funding and the introduction of a higher level of accommodation supplement. The government is expected to provide $11 billion for residential care subsidies in 2015-16.

Schedule 3 of this bill removes the provisions that allow for the establishment of aged-care planning advisory committees. Aged-care planning advisory committees were established in all states and territories. Their role, when called upon, was to advise the department on the most appropriate distribution of new aged-care places across aged-care planning regions. The last appointments to the various committees expired in September 2014. The amendments made by this schedule commence this year. In December 2014, as part of the 2014-15 Mid-Year Economic and Fiscal Outlook, the government announced that aged-care planning advisory committees would be abolished, with ongoing functions to be performed by the Department of Social Services. This forms part of the third phase of the Smaller Government reforms, which reduce the size and complexity of government, streamline services and reduce the cost of government administration. These amendments repeal the now redundant relevant provisions in the Aged Care Act 1997. The government remains committed to engaging with stakeholders and obtaining local intelligence as part of the needs-based planning framework. Consequently, the department has consulted with a broad range of aged-care stakeholders to help inform the distribution of aged-care places in relation to the 2015 aged-care approvals round, which was announced in August 2015.

I would now like to look at the committee's views in relation to this bill. The Senate Community Affairs Legislation Committee tabled its report on the bill on 15 June 2015. The committee, chaired by Senator Zed Seselja, did not recommend any changes to the bill. There was only one recommendation—that the bill be passed.

I think it is important to place on record the views of committee as outlined in the following paragraphs of its report:
2.26 The committee acknowledges concerns raised by submitters about extending compulsory income management for a further two years. However, the committee notes income management programs have been in place since 2007 and have assisted around 25,000 Australians. The committee is satisfied the proposed changes, together with the government's additional investment in financial wellbeing, will deliver more streamlined and cost-effective income management programs.

2.27 The committee also acknowledges the concerns raised about removing incentive payments for people entering voluntary income management. The committee supports measures to assist people seeking to better manage their incomes, but accepts the existing measures are administratively inefficient and that these funds are better directed at initiatives to improve financial management skills.

2.28 The committee further acknowledges the concerns raised about changes to the process for determining classes of vulnerable persons, particularly the possibility that objective criteria may cause people to enter income management programs when their particular circumstances may not warrant this. The committee accepts that the existing case-by-case process is under-utilised and administratively burdensome. Moreover, the committee is satisfied that by requiring the Minister to determine classes by legislative instrument, the Parliament will have opportunity to ensure the criteria are appropriate and retain adequate flexibility.

In summing up, this bill does introduce three quite sensible measures into the social services portfolio. In the first measure, the bill will amend the social security law to streamline the current income management program under a two-year continuation. Income management and the BasicsCard will continue for two additional years to maintain support for existing income management participants. The income management element of the Cape York welfare reform will also continue for two additional years to 30 June 2017 in line with the rest of the income management streamlining measures.

The streamlining amendments made by this bill will enable more effective operation of the income management program. For example, certain incentive payments relating to income management will be abolished, the operation of the vulnerable measure of income management will be refined, and minor amendments will be made to remove ambiguities and improve the program's effectiveness.

These amendments were previously intended to commence generally on 1 July 2015. However, they will now generally commence on the day after royal assent. Savings provisions will allow qualifying periods for the incentive payments to continue to accrue until late 2015.

The bill also makes amendments to reflect two measures relating to aged care which were included in the 2014-15 Mid-Year Economic and Fiscal Outlook announcement. The bill will formalise ceasing payment of residential care subsidy to residential aged-care providers for holding a place for up to seven days before a care recipient enters care. The savings associated with this measure, as stated in the explanatory memorandum, have largely been realised through amendments to the Aged Care (Subsidy, Fees and Payments) Determination 2014 and the Aged Care (Transitional Provisions) (Subsidy and Other Measures) Determination 2014. However, the bill will ensure that the subsidy appropriately continues to be targeted to people actually receiving care.

Lastly, the bill will reflect the government's decision to abolish the Aged Care Planning Advisory Committees as part of the Smaller Government initiative. The Aged Care Planning Advisory Committees' role was to provide advice in relation to the distribution of aged-care
places. However, the last of these committees expired in September 2014. These amendments repeal the now redundant— *(Time expired)*

**Senator CANAVAN** (Queensland) (19:56): I would like to start my contribution on the Social Services Legislation Amendment (No. 2) Bill 2015 by humbling myself in some way before this chamber. I want to say up-front that I do not have all the answers in this area, and I certainly do not know what the best approach is to tackle the crushing cycle of welfare dependence that exists in some of our communities, particularly in some Indigenous communities. I do not pretend to have all of the answers. Many governments of good intentions from different sides of politics have tried lots of different approaches in the past few decades, and yet we still have not substantially improved outcomes in many Indigenous communities and, indeed, in some respects, in some areas we have probably gone backwards in the past half a century, despite those good intentions and certainly substantial financial resources. I think it actually would be beneficial if, more often, we admitted to the fact that we do not have all the answers. Sometimes I suppose showing humility in politics makes you vulnerable—as if showing some form of weakness or timidity. But in fact what it would show I think is perhaps a little more honesty with the Australian people—that these matters involve the interaction of complex issues that no-one and no political party has a complete answer for.

What should you do in that environment? What should you do when you do not necessarily know the answer—when you have a good intention and when you want to commit substantial resources to tackle a problem but you do not exactly know what might be the best solution? I would suggest that the best approach in such an environment of uncertainty is to trial different things. The best approach is to have a go at trialling different ways of doing things, and that will provide you with a real-world comparison of different policies and different approaches.

Unfortunately, public policy is not an exact science. We do not have a lab environment which allows us to test different policies and then weigh the results like a scientist would, and then establish theories or hypotheses on the basis of that experimental evidence. We cannot do that. But we could more often seek to trial different approaches in public policy and have a genuine and good-faith attempt to judge the results of those policies.

Much of what we are discussing in this bill—at least, in schedule 1 of this bill—goes to a trial that was introduced by the then Howard government in the Northern Territory emergency response for income management in Indigenous communities in the Northern Territory, and I will expand further on why I think this trial was important and it is important to build on the results that have been established by this trial.

Before I do that, I want to recount a trip that Minister Nash, who is sitting in front of me here tonight, and I took to Mornington Island a few months ago. It is in the gulf region of Queensland. It is basically just off the bottom of the Gulf of Carpentaria off the Queensland coast. We were joined by Minister Scullion, the Minister for Indigenous Affairs. I should also give credit to Senator Barry O’Sullivan, who helped organise and facilitate the visit after he was there a few months earlier. That visit confirmed to me both the scale of the issues and problems we encounter in this area and our lack of easy, ready-made, off-the-shelf solutions to the problems.

I am not going to spend too much of this speech recounting those issues because that would not leave me the time to talk to this bill. But certainly lack of any major industry or employment source apart from government funded programs is, to me, a real issue in
communities such as these. When almost the entire community is dependent in some way, shape or form on money coming from outside, on wealth being generated from outside and on the decisions of different governments to provide them assistance and support to provide for their future, clearly that reduces the enterprise, initiative and, I would argue, too, the dignity of individuals in a community.

We met many great people at Mornington Island trying to drag their community forward, but it appears very difficult to do so when there is a culture of depending on welfare. There does not seem to be a culture for the majority of able-bodied males and females to be working, at least in the sense that we probably consider working for a job. There is no easy way to break that cycle, I think, once it gets going. It is a cycle, and it is a self-perpetuating one in some respects as well. Once the cycle has started, we are caught in a dilemma between wanting to continue to provide support and assistance to people who clearly need it and also wanting not to perpetuate a culture and cycle of dependency. Trying to do both of those things at once is an incredibly difficult public policy trade-off and one I think governments still struggle with today.

I think the topic of schedule 1 of this bill—an income management regime—is a method that should be supported and applauded for being introduced. I note that the Labor government which took over not long after it was introduced did continue it. There were some changes made to it, but generally it was continued. This bill seeks to continue to support, in general, this program as well as to make some further adjustments and amendments.

I know there is some controversy about some of those amendments, but in broad terms there is widespread support for the existing income management regime as first introduced by the Howard government in 2007. That scheme has been expanded by various governments since then and now includes not just Indigenous but non-Indigenous people as well across the Northern Territory and, indeed, the entire country.

Income management, in very simple terms, seeks to set aside or quarantine a proportion of a recipient's income support payment to pay for necessities such as food, clothing, housing and utilities. Recipients of welfare under these programs can spend their income managed funds using a BasicsCard or by arranging for Centrelink to make a payment on their behalf—for example, regular rental payments or other bills. Recipients can use their BasicsCard only at approved merchants and cannot use it to buy excluded goods, such as tobacco, alcohol, pornography or lottery tickets.

As I suggested earlier, the outcomes have been broadly positive. Although this is certainly not a panacea for the issues that face many communities, the outcomes from these programs show that those who have been placed on income management now substantially continue to use the scheme voluntarily. Apparently, about two-thirds of people who have been placed on income management now use the scheme voluntarily. That itself is a vote of confidence in these programs. If a substantial and clear majority of welfare recipients are themselves choosing to be on the schemes, I believe it would be greatly remiss of this chamber or this parliament if we were to end such schemes.

It is also telling that, if some of the basic needs of these families are being met, in some of these regions the social issues that have previously caused relationship breakdown and emotional fractures are potentially being altered. The gaps that have at times occurred in
households because of mismanagement, traps of temptation or dysfunctional lifestyle choices are being curbed for the betterment of household recipients and their dependents.

The broader social impacts are positive too. A household whose benefits were previously spent largely in the first couple of days after receipt of payment now has a kitchen with food for their child every day. Benefits flow on to the child's education and their ability to engage with peers and build social skills and awareness rather than be disruptive or show inattentive behaviour because of hunger. That is extremely important.

Although the income management programs are being implemented to assist with skills, it is important to remember that they are modelling a balance to children and other members of the community as well. It is habit forming. We can continue to talk about child, youth and family intervention as a priority or we can create and support some practical programs to assist with lifestyle changes.

That is why I support the government committing a further $146.7 million to ensure the vulnerable people benefiting from income management continue to receive support. This will be done by extending a streamlined version of income management programs to all existing locations until 30 June 2017, and then systematically we will align the end dates across all 12 locations across Australia. The alignment extends to the income management element of the Cape York Welfare Reform program, which will also continue until 30 June 2017. This will enable income management to continue to provide additional support in disadvantaged locations for vulnerable people, children and families. Additional support is also provided to people on income management through support from social workers and other specialist staff.

As I said earlier, there are 12 locations across the country where income management is used, including: the Northern Territory and Cape York, which I have already mentioned; the Perth metropolitan area; the Peel and Kimberley regions in Western Australia; in Queensland, there is Logan, where I grew up, and Rockhampton, where I now live; Bankstown in New South Wales, greater Shepparton in Victoria and Playford in South Australia. It is also in some Indigenous communities—for example, the APY region in South Australia.

Income management participants have priority access to financial capability services. These include money-management courses and other assistance for people experiencing ongoing financial difficulties. Aside from the Cape York model, there are seven separate income management measures. Measures differ according to whether they are voluntary or compulsory, by the group they target, whether this group is identified on a case-by-case basis or through membership of a class and by the percentage of a person's income support that the measure quarantines. The Cape York model operates using a single distinct measure—case-by-case referral by the Family Responsibilities Commission—and is unlikely to be affected by the measures in this bill.

Streamlining also includes the removal of social worker assessed referrals through the Vulnerable Welfare Recipient Measure, as this was an underused tool by social workers and highly resource intensive. The removal will allow social workers to better service their vulnerable clients. While participants remain able to adjust how they use their funds to meet priority needs at any time, they will no longer be required to discuss these arrangements with Centrelink every eight weeks. There will also be a phased removal of the Matched Savings Payment, which offers people on the compulsory measures up to $500 in matched savings if they complete an approved money-management course and have demonstrated an appropriate
savings pattern over a 13-week period. It is intended that these programs will cease from 31 December 2015, as they were largely undersubscribed and costly to administer. I note that at estimates recently the department gave evidence that only 45 payments had been made under the Matched Savings Payment since the beginning of the scheme, although by January this year it had risen to 57—obviously not a substantial take-up of this program over almost five years.

The phased removal of the Voluntary Incentive Payments, which offer individuals a payment of $250 for every continuous period of 26 weeks, will cease on 28 December 2015—which is the day 26 weeks after 30 June this year—as evaluations have shown that incentive payments are not the main driver for people commencing income management and that they can create a dependency on the program. The BasicsCard Merchants Approval Framework will also undergo administrative and policy changes that will simplify the model and improve the customer experience, removing unnecessary customer contact. The streamlined arrangements will achieve a saving of approximately $36 million over two years. This funding also included a limited expansion to new locations which may need additional support and would benefit from the income management program.

I note finally for schedule 1 that, in response to a request from the South Australian Premier in the wake of the Chloe Valentine tragedy, the minister announced the child protection and voluntary measures of income management will be introduced to the Greater Adelaide region from October 2015.

In the time I have available I will mention some of the elements in the remaining two schedules. The amendments in schedule 2 seek to formalise the ceasing of payments of the residential care subsidy to residential aged care providers for holding a place open for a care recipient that is a targeted one of a specific set of outcomes. These changes better target aged care expenditure by only paying care subsidies on behalf of people who have actually entered permanent residential care. The government currently pays a residential care subsidy to approved providers who supply residential care to a person approved to receive that care. The subsidy is paid for each day that the recipient is cared for and accommodated in a residential facility and when the recipient is on approved leave. One type of approved leave is pre-entry leave—that is, leave undertaken by the recipient before the commencement of residential care. The savings associated with this measure, as stated in the explanatory memorandum, have largely been realised through amendments to related pieces of legislation, but the amendments in this bill formalise these changes in the principal act.

Previously, subsidy for the pre-entry period was paid to providers for up to seven days at the rate of 30 per cent of the full residential care subsidy that would have been payable, once the care recipient enters full-time care. Care recipients will still be able to take pre-entry leave prior to entering an aged care service, but the provider will not be able to recoup any lost residential care subsidy from the care recipient. However, the aged care provider will still be able to charge the care recipient the standard resident contribution for the pre-entry period. Previously, any days taken as pre-entry leave were counted as part of the care recipient's entitlement to 52 days of social leave from the aged care service. Under these amendments, the 52-day cap on social leave will not include any leave that was taken as pre-entry leave. This ensures any pre-entry leave taken by a care recipient does not negatively impact on their ability to take other forms of leave from the residential care service. The impact of lost pre-
entry leave payment revenue should be considered in the context of other recent aged care changes, such as the redirection of the former government's workforce supplement into the general pool of aged care funding and the introduction of a higher level of accommodation supplement. The government is expected to provide $11 billion for residential care subsidies in 2015-16.

Finally, schedule 3 of the bill ends the Aged Care Planning Advisory Committees as part of the government's decision to drive efficiencies and smaller government. These reforms are part of the broader push to reduce the size and complexity of government, to streamline services and to reduce the cost of government administration. The government has rationalised or amalgamated a number of different bodies since coming to government. Specifically, item 3 of schedule 3 repeals section 12.7 of the Aged Care Act 1997 so that the secretary can no longer establish Aged Care Planning Advisory Committees. Each financial year the minister determines the number of aged care places available for allocation in each state and territory for each type of care. The Aged Care Planning Advisory Committees were established in all states and territories to advise the department on the most appropriate distribution of new aged care places across aged care planning regions. Specifically, the Aged Care Planning Advisory Committees give advice about the distribution of places among regions and the proportion of care to be provided to certain groups of people. However, the last appointments to the various committees expired in September 2014 so last year the government announced that these advisory committees would be abolished with ongoing functions to be performed by the Department of Social Services.

The government has made it clear that it remains committed to engaging with stakeholders and obtaining local intelligence as part of the needs-based planning framework. The department has consulted with a broad range of aged care stakeholders to help inform the distribution of aged care places in relation to the 2015 Aged Care Approvals Round, which was announced on 15 August 2015.

I commend this bill to the chamber and in particular the additional $150 million the government is providing to the income management regime, which is working well and I hope it will continue to be supported with this injection of resources so it can continue to work well in the future.

Senator RUSTON (South Australia—Deputy Government Whip in the Senate) (20:16): I too rise today to make a contribution in support of the Social Services Legislation Amendment (No. 2) Bill 2015. As has previously been mentioned, this bill has three particular measures that are affecting the Social Services portfolio. Firstly, the bill seeks to amend social security law to streamline the current income management program under a two-year continuation. The bill also makes amendments to reflect two measures relating to aged care, which were included in the 2014-15 May MYEFO announcement. What I particularly want to talk about tonight are the income management changes and the need to ensure that income management is something that can be continued into the future, because it is such an important tool in our community. It is also a very valuable tool in a community in the state that you, Mr Acting Deputy President Gallacher, and I come from.

Basically, income management works by managing payments from government departments in such a way as to prioritise the needs of people who are on lower incomes but particularly those people who have had some difficulty in managing their incomes and
meeting their requirements and commitments—such as rent, general bills, utility bills, food and education, which are some of the pretty basic requirements of life. These people have proven over a period of time that they have not been able to manage these payments and so income management has become an extraordinarily important tool in their lives to ensure that they do not get themselves into financial trouble or, more particularly, that they do not end up subjecting their families and particularly their children to some really unpleasant circumstances because of a lack of income to be able to afford to provide these basics.

Income management means that as a rule you cannot spend your money on such things as alcohol, tobacco or tobacco products, pornographic material, gambling, home brew kits et cetera—all of those are things that I think the majority of people would consider to be non-essential items in the daily or weekly budget and things that are luxury items that one is only able to have when one has excess income and is able to afford them. People can voluntarily elect to use income management or, in more extreme cases, people can be referred or requested to use it as part of a process that they undertake. Income management could possibly be a form of rehabilitation or it could simply be used because there is a need to protect the interests of those people that are unintended bystanders or are implicated in the actions of somebody who may require income management. Social workers, private protection agencies and even an approved housing authority can refer somebody for consideration for income management.

Income management has been around for a number of years, and Australia certainly leads the way in using income management as a tool—that is why it is important that the ongoing sustainability of income management is ensured and that we continue to look at the existing programs to make sure that there are ways that we can make them better, that we can make them more efficient and that we can make sure that they are affordable into the future. The Social Services Legislation Amendment (No. 2) Bill is one such piece of legislation that is seeking to make sure that we can continue income management into the future.

As I said, Mr Acting Deputy President, in a community in the state that you and I come from we have seen the introduction of an income management tool that has been welcomed with open arms by the whole community—the community that I am referring to is Ceduna on the west coast of South Australia at the start of the Nullarbor Plain, just before the Western Australian border. This program was introduced about 12 months ago at the request of the local community and a number of different residents in the local community. It was interesting that before the introduction of this program was proposed, there was a massive amount of community consultation—not just with the people in the community who potentially were the recipients of this particular scheme but also with those people who were impacted on by the behaviours and the like of those that this scheme is now applying to. The response that was received from these consultations was quite overwhelming—over 50 meetings took place in the communities that surround the Ceduna area, not just in the township of Ceduna. It was basically aimed at trying to stop the cycle of alcohol, violence and abuse that occurred in the community. I have had the pleasure on a number of occasions of visiting this community, particularly to look at the incidences of the alcohol-fuelled activity that was occurring in the community and the consequences of that activity.

After spending a number of days with the police, with the patrol squads and with the medics, attending the hospitals and the clinics, it became very obvious that the behaviour of
the few, who subsequently have gone on income management, was having a major impact on the entire community. The community was almost brought to its knees by these activities.

The interesting thing was that the people who seemed to be most keen for the introduction of an income management scheme were not the people actually indulging in the excessive consumption of alcohol. More often than not, they were the people who were suffering the consequences of that—the ones whose children were going without food, the ones who were the recipients of the violence. So it was interesting to see, when the program was introduced, how widely it was taken up in the communities. I commend the Minister for Indigenous Affairs, who is in the chamber, for the massive amount of work that he has done, not just with the community in Ceduna to which I refer but with communities around the whole of Australia where income management systems have been put in place and have served to improve the conditions for everybody in those communities. It is a highly commendable program and the reason I am so keen to be here to support an amendment bill that would assist in making sure that this particular program continues to be sustainable into the future.

The bill seeks to continue a level of income management and to streamline the measures contained within the income management system so that the operation of the program can become more efficient and effective. For example, certain incentive payments relating to income management will be abolished, the operation of the vulnerable measure of income management will be refined, and there will be a series of other minor amendments to remove ambiguities and improve the program's efficiency. Initially, we were hopeful that these amendments might be able to come into effect on 1 July 2015. However, given the delay in the bill's introduction into the House and the fact that, obviously, the bill cannot come into effect until after royal assent, the savings will only accrue from that period.

The other two measures contained in this bill relate to aged care. One relates to the residential care subsidy for pre-entry leave, and the other relates to aged-care planning advisory committees. Schedule 2 concerns the residential care subsidy for pre-entry leave. These amendments seek to formalise the cessation of the payment of the residential care subsidy to residential aged-care providers for holding a place open for a care recipient. Basically, these changes seek to better target aged-care expenditure by only paying a care subsidy for people who have actually entered permanent residential care. The savings associated with this measure, which are quite clearly outlined in the explanatory memorandum, have largely been realised through amendments to other pieces of legislation, such as the Aged Care (Subsidies, Fees and Payments) Determination 2014 and the Aged Care (Transitional Provisions) (Subsidy and Other Measures) Determination 2014. The amendments in the bill formalise these changes in the principal act.

Previously, the subsidy for the pre-entry period was paid to providers for up to seven days, at the rate of 30 per cent of the full residential care subsidy. That will be payable once the care recipient enters care. The care recipient will still be able to take pre-entry leave prior to entering the aged-care service, but the provider will not be able to recoup any lost residential care subsidy from the care recipient. However, the aged-care provider will be able to charge the care recipient the standard resident contribution for the pre-entry period. In the past, any days taken as pre-entry leave were counted as part of the care recipient's entitlement of 52 days of social leave from aged-care services. Under the amendments that we are seeking today, the 52-day cap on social leave will not include any leave that was taken as pre-entry
leave. This ensures that any pre-entry leave taken by a care recipient does not negatively impact on their ability to take other forms of leave from the residential care service.

The lost pre-entry leave payment revenue should be considered in the context of other recent aged-care changes, such as the redirection of the former government's aged-care workforce supplement into the general pool of aged-care funding, and the introduction of a higher level of accommodation supplement. The government is expected to provide probably around $11 billion for residential care subsidies in the 2015-16 year. As the previous speaker, Senator McKenzie, said, in attempting to make the necessary changes in this area, it is interesting to note that there seems to be a lack of understanding about the long-term affordability of an ageing population and the need to make what are reasonably small changes in the interests of ensuring the sustainability of our aged-care sector into the future.

Schedule 3 of the Social Services Legislation Amendment (No. 2) Bill relates to aged-care planning advisory committees. One of the things that are very evident across the board in both the federal parliament and many state parliaments under Labor governments is the excessive need to expand the size of the public sector through not only the employment of additional people in the public service to deliver things that, in many instances, could be delivered at least as well, if not better, by the private sector but also this absolute proliferation of government boards, committees, advisory committees, standing committees, whatever you want to call them. There seem to be such an amazing number of people who are employed by or are required to advise government and government authorities, statutory authorities and the like.

In the interests of trying to achieve one of the election promises of this government—that is, smaller government; a government that only does what it can do, what it has to do and what it should do, not a government that seems to think that it knows best and should do absolutely everything for everybody—we are seeking through schedule 3 of this bill to abolish the aged care planning advisory committees. The services that are currently provided and that we believe are necessary from this group should be absorbed into the Department of Social Services. We do so in the belief that this department has the capacity and the existing resources to undertake the necessary advice to government as part of its normal day-to-day processes. This is a commitment that we made on 15 December 2014 as part of the Mid-Year Economic and Fiscal Outlook. We said that this was what we were going to do.

This schedule forms part of the smaller government reforms that we said we were going to implement to reduce the size and complexity of government, to streamline services and to reduce the cost of government administration. This is just another example of some simple actions that are going to have very, very little, if any, impact on the outcome for the people who are affected by this area of government administration. We can take a level of bureaucracy out of government, without having any impact on the delivery of the outcome. So, it is a case of smaller government, reduce the processes, make sure the processes do not outweigh the outcome in terms of their level of importance.

The original role of these aged care planning advisory committees was to provide advice on the distribution of aged care places. However, the last of these committees expired in September 2014. In a sense, all that schedule 3 of this bill really seeks to do is to make the necessary amendments to repeal what has now already become a redundant provision in the Aged Care Act. The government certainly remains absolutely committed to engaging with
stakeholders to make sure that we continue to gain local intelligence and pursue a needs basis planning framework so that we are not putting a massive amount of framework in place and then worrying about whether we actually need it. What we are seeking to do is to minimise the amount of framework and processing that we are putting in place and just constantly keeping an eye on it to make sure that nothing falls between the gaps. We are taking very much a minimalist approach to how we deal with this activity within government. As I said, this is an approach we are taking not just within the aged care sector but more broadly across government. This government is one that is striving very hard to try to reduce the level of bureaucracy, red tape, compliance and burden that we continue to put on all of our sectors, whether they be the private or the public sector, in the delivery of an outcome so that they are able to do so in the most efficient, effective and unencumbered way.

To ensure that in changing these things we have covered off and that we have not left anything so that there are any problems out there, the Department of Social Services has consulted with a very broad range of aged care stakeholders to make sure that the information that the system needs in relation to aged care places is well informed—and certainly that appears to be the case. The aged care approvals round, which was announced on 15 August 2015 was, we believe, particularly well informed by the process of negotiation that took place with the aged care sector.

It is with great pleasure that I stand tonight to make a contribution to the Social Services Legislation Amendment (No. 2) Bill 2015 and commend it to the parliament, because it seeks to do a number of things specifically in relation to the social services portfolio. More broadly, it is just another plank in the platform of the current coalition government in its attempt to make sure that we responsibly and respectfully manage all of our portfolios so that they are sustainable into the future and continue to be able to be funded and to be affordable into the future and that we continue to try and reduce the size of particularly the Public Service, the public sector, and public administration in areas where there is not necessarily any specific outcome being delivered by the level of compliance burden, regulation et cetera that is put in place.

I am particularly keen to commend the bill because I believe it is certainly an example of the summation of what good and responsible small government is all about and that it adds to a raft of reforms and projects that this government has implemented to ensure that we provide responsible, efficient and effective government for all people and across all portfolios in this current administration. I commend the bill to the House.

**Senator FAWCETT** (South Australia—Deputy Government Whip in the Senate) (20:35): I also rise to make some comments on the Social Services Legislation Amendment (No. 2) Bill 2015. I will speak briefly about the outline of the bill, and then I would like to make a few comments based on my time in the other place when I was the local member for one of the areas that is impacted by this legislation.

The bill has two large sections. One is the streamline income management section—that is schedule 1 to the bill—which amends the social security law to streamline the current income management program under a two-year continuation. So the income management, the BasicsCard, will continue for an additional two years to support the existing income management participants. The streamlining provisions of this bill will enable a more effective operation of the income management program. In particular, the bill provides for the abolition
of certain incentive payments relating to income management, amends the operation of the vulnerable measure of income management and makes minor streamlining amendments to remove ambiguities and improve the program's effectiveness.

The second area is around schedules 2 and 3, which are aged-care measures. They make amendments to reflect measures regarding aged care which were included in the 2014-15 Mid-year Economic and Fiscal Outlook announcement. The first of these measures is to cease payment from 1 July 2015 of a residential care subsidy to aged-care providers for holding a place for up to seven days prior to a recipient entering care. The second is to abolish the Aged Care Planning Advisory Committee as part of the smaller government initiative. I will come back to aged care in a minute.

I would like to talk firstly about the City of Playford, which I had the privilege of representing when I was in the other place. For many years I had worked at the RAAF base at Edinburgh as a test pilot and eventually as the commanding officer of the aircraft research and development unit, so I had flown over this area known as the Peachey Belt within the City of Playford for many years without interacting all that much with the community. But when I put my hand up to become the member for Wakefield, I resigned from the military and I spent many months as an unpaid candidate doorknocking and getting to know the community in that area. People like Shaun Barby from the Peachey Belt Residents Association, the mayor—Marilyn Baker at the time and later Martin Lindsell—and a range of people embraced the fact that I was taking an interest in this community.

Whilst it has had a pretty poor reputation at various times and the socioeconomic figures are next to Redfern's in terms of it being an area of disadvantage, there was actually a strong sense of community within the Peachey Belt area, and I grew to appreciate and work closely with many people who lived in that area and who had a great aspiration to see the area develop and improve. This included residents and people in organisations such as Anglicare, UnitingCare and others who ran programs such as food banks and carers associations in the Peachey Belt area. There was a range of people who wanted to make life better, particularly teachers at schools such as Swallowcliffe who worked with young people, young Australians, who came from some very disadvantaged backgrounds. It really opened my eyes to the needs as well as the strengths of a particular community within Australia.

What really struck me, though, was the fact that there were parts of the community who were intergenerationally unemployed, and we are talking people who are second, third and in some cases even fourth generation unemployed. But some young people amazed me, and I think of one young man in particular who lived in Munno Para in the eastern part of that area and went to Gawler High School. Despite having quite a dysfunctional home life and couch surfing for much of his time, he ended up achieving fantastic results in year 11 and year 12 and went on with quite an artistic flair to study music at the Elder Conservatorium of Music in Adelaide. That just really highlights the fact that you cannot put people in boxes. You cannot say that because you come from this area or this is your background that this will limit what you can achieve.

What I also saw was people who had found that living on welfare was all that they aspired to. I came across young people who literally sought to be on a disability support pension. I had young men of 17 or 18 come into my electorate office at the Munno Para shopping centre and complain because they had not been approved to go onto a disability support pension at
that age. As I quizzed them and talked to them it became apparent that many of them were capable of achieving far more than they believed they could. As you traced back you could look at the dysfunction that was often present in the family. Sometimes that was due to substance abuse, whether that be alcohol or drugs. Sometimes it was due to dependence on things like pokies, which meant that there was very little money in the family or support for education.

I remember speaking to the police sergeant at the Elizabeth police station once who told me of a young man who had come into the police station and had asked to be escorted home to collect his belongings. The policeman initially told him to move on his way, but this young man persisted. It turned out that he was literally at some risk of violence from his father because this young man had actually got a job, and that was such an undermining of the world view that had been built by his father and his grandfather regarding what they were owed and what they were capable or not capable of doing. This young man had broken the mould to the point that he was at risk of violence.

I raise these points to highlight that whilst 17 per cent of people are unemployed in the Playford area at any given time—the figures vary from year to year—and youth unemployment is significantly higher and around eight per cent of people are long-term unemployed there, depending on the period you look at, the fact is that there are young people who are being impacted by the inability or unwillingness of their parents to use the income that they have to provide for the education, the healthy living and just the basic clothing, diet or activities of young people. This has a significant impact on their willingness, their self-confidence, their ability to take up opportunities that are provided to them.

In 2007, as the member for Wakefield at the time and as the chair of the government’s Family and Community Affairs Committee under Minister Brough, I looked at this. The committee looked at the number of services that were being provided. One of the challenges that kept being thrown up to us by providers and even by teachers at schools was the question of: given the amount of resources that we are putting into these areas, why is the dysfunction continuing and why are we not seeing sustainable turnarounds and changes in those communities? One of the things that Minister Brough approved was an audit, which was conducted by Anglicare, if my recollection is correct. They looked to do an audit of the whole area to understand exactly what was being provided, on what basis it was being provided and what outcomes this support was having.

I recall that one of the options that were discussed at the time was income management. You may recall that in 2007 income management was brought in as part of the federal government’s Northern Territory Emergency Response. Part of the legislation allowed the option to extend this to areas other than the Northern Territory. When we first started talking about that for some of these communities within Playford, I remember coping a fair shellacking in the media. My political opponent at the time was quite negative about it, but I was satisfied that we were on the right track when I was called by some teachers at one of the local primary schools, who asked to meet with me. I would have to say that they were not naturally supporters of the conservative side of politics, so I went to meet them anticipating that perhaps I would get a bit of a chest-poking. But they were very clear that they saw themselves as being at the coalface of this issue of disadvantage and dysfunction.
These teachers were the ones dealing with young people in grades 1 and 2 who were coming to school having not had breakfast, possibly not even having had dinner the night before—kids who were worse than latchkey children, who were really fending for themselves, who found it hard to concentrate at school because of the lack of nutrition, who found that they were always behind the eight ball because mum—and generally it was only mum, and possibly a stepdad or partner—were down at the pub or out playing pokies. They did not have that support to help them read, and if you look at the early years of learning, during those years that are really crucial to imbue in children an understanding of language, concepts, shapes, colours and names—the things that are the basic building blocks if you want to get ahead in life—often support was not being provided because the parents were spending their time and money on other pursuits. These teachers were saying, 'We support these measures. We live and work at the coalface with these people. We support a change that will make a difference for these children.' That sticks in my mind as I think about income management and the discussions that are occurring now in other areas of South Australia, such as Ceduna, and in areas of Indigenous disadvantage around the country. The fact is that there are some people in our community who, through choice or circumstance or through a lack of training or capacity on their own part—perhaps poor parenting that they have received—lack the will or competence to manage their income.

Whilst income management alone is an effective tool, there are other programs we need to wrap around people. In South Australia I particularly look at groups like Service to Youth Council, who have had a long-term investment in areas such as the Playford City Council, in Elizabeth, and in the Peachey Belt, working with young people to help them overcome many of these areas of disadvantage. Unlike many government programs, which tend to be very stovepiped, holistic approaches are really the only way to help people take a hand up, as opposed to living on a continual hand-out. Whilst income management tries to help people, both to have the money to spend on their children and to avoid them spending it on things like alcohol and gambling, we also need to be wrapping the services around these young people to make up for the gaps in some of the life skills that they have not picked up from their parents.

Service to Youth, in particular, does a great job of providing a holistic model of caring for these young people in South Australia. The results are very clearly shown in the outcomes that they achieve in terms of the number who enter their programs who then go on to secure work and are still in work 12 months later. Their model is very much wrapped around providing care for the person in terms of housing. They have even used their own discretionary funds to create a number of what they call HYPA housing units—Helping Young People to Achieve—because they recognise that if you are couch surfing or have nowhere permanent to live, or if you are a young person from a country area seeking to do an apprenticeship in the city but you have nowhere affordable to live and you are trying to drive home each night or you are living in your car, that is not a way to sustain education and meaningful work outcomes.

They recognise that there are life skills that many of these young people lack because their parents to date have not had income management and have not had the encouragement to invest in their children. They are not work ready. Some of their programs start off with just getting them consistently out of bed on time and turning up to a work place, and starting to shape their understanding and expectation of what it is that an employer might want them to
do and the fact that an employer has the right—in fact the obligation—to instruct them, to tell them how to work to keep them safe, and that there is a realistic expectation that they will put in a good day's work to get a good day's return. Coupled with education and, essentially, pastoral care or social work support, we find that many of these young people have good outcomes.

That is great, and I thoroughly commend Service to Youth Council for the work that they do, but surely we should be trying to put systems in place where the family unit, the biological parents of the child, are the ones who have the interest and resources to invest in these kids to give them the life skills that they need to get that start in education and to make that transition from education to work. If the things that cause the dysfunction, the lack of interest and the lack of capacity are so often tied to misuse of money which has come from the taxpayer and is spent on things like alcohol or gambling, then I am 100 per cent behind the measures around income management, coupled with—as I say—things to help people in terms of budgeting and working towards the an independent point where they can manage those funds in their own right.

The other area I will just quickly touch on is the aged care reforms. I mentioned briefly what the outcomes are here. The other comment I would just make on aged care, having held a round of consultations last week with the Assistant Minister for Health and talking with people in rural areas of South Australia, is that the My Aged Care website—which is up; I recognise that we try to streamline information and make it accessible to people—does need to be navigable by the average man in the street. Having looked at it and tried to go through it myself, I believe it is one area where we need to be constantly seeking feedback from users to make sure that things like the My Aged Care website is workable so that people who are seeking residential care and the various payments to go along with it have all the information they need in a useful manner.

One of my strong contentions is that, whilst there are savings to be had by centralising programs and having it all done out of one office, there are also local differences that we see—whether we are talking in the health care area or whether we talking about the aged care area. It is important that, particularly where we have a function that constitutionally has been the responsibility of the federal government, we recognise that there are local inputs that would be required even in something as basic as a national website. While it might appear logical to somebody sitting on the east coast, when someone in Gawler in South Australia looks for a service provider and when something is on the other side of the city, it is clearly not the service that they are going to need. That geographic split may not be known by somebody sitting on the east coast. There are things that we can still be doing to make those systems more effective.

I welcome the measures in the bill and the government amendments to the bill. I particularly welcome the two-year continuation of the income management program, because I have seen firsthand the impacts on young people in Australia when their caregivers—often a mum, often a stepdad or a partner—use the benefits that are provided to them by the taxpayer on things like alcohol and gambling to the great detriment of young people. Anything we can do to improve the circumstances, basic education and care of those young people, every member of this Senate should be supporting it.
Senator BACK (Western Australia) (20:56): I rise to associate myself with the comments of my colleague Senator Fawcett in supporting the Social Services Legislation Amendment (No. 2) Bill 2015. I pick up on the point that Senator Fawcett concluded with. That is that it ought to be the objective of all of us in this place, and in the wider community, to give to every member of the community the skills that they will need to be able to fulfil a useful life and to be able to realise their potential.

In terms of income management element of the bill, I wish to make some observations, if I may, towards that objective. I think the issue that we have been finding is that there are people through the school system and leaving school—young adults and older adults—who simply have never been given the skills of managing their own household budget and managing their own affairs. In some ways, is it a surprise when people receive funds—never, ever having had the training, skill or preparation in their home—that they are not able to budget, not able to prioritise their expenditures and not able to flourish as human beings? In that sense, I want to support the continuation of this program and the funding the two-year period that has been proposed in this bill.

As has been said previously, income management in this country was introduced in the Territory in 2007. It has now been extended. It was a compulsory measure at that time for welfare recipients in 73 communities. It has now been extended, as we know, to other states in Australia—my own home state, Queensland, South Australia, Victorian and New South Wales. I am interested to see that the budget allocation is some $146.7 million over the two years to continue the program up until the end of June 2017.

But the points that I want to make this evening do go to this question of the capacity of people to be able to manage their money. We know that the welfare budget in this country is around about one-third of the entire expenditure budget of the federal government. We want to make sure, as a generous country, that the funds that are made available to those recipients are used for the purposes for which they are intended—that safety net for which they are intended.

In the family context, there would be nobody who would disagree that the primary objectives of the funding when there are children in the house should be for their protection, for their adequate nutrition, for their housing, for their education and for the family unit itself—however that is structured—to ensure adequate food and that rent and utilities are paid for in the first instance. All too often, as has been said by others, we find a circumstance in which, because of the inability of people to be able to prioritise their spending, we have seen and continue to see expenditures in areas which detract from and leave inadequate the funding for the purposes that all of us would recognise as being essential.

This came home to me during a hearing of the joint committee chaired by the member for Denison, Mr Wilkie, who, at the time, had proposed a mandatory precommitment associated with poker machine gambling. Senator Bilyk may also have been a participant in a hearing in Hobart. A gentleman appeared before the committee. His was not a happy story. He had spent time in jail, he was a chronic alcoholic and was, I think, afflicted by drugs. This man had many issues in his life, but the worst of them, I think, was his inability to be able to control his addiction to gambling, particularly through poker machines. I recall him being asked, 'What was the worst feature of the addiction?' He said, 'Simply, when you have spent all of the money, you then have to go back and face other members of your family—that is, you
have to face up to the fact that you have denied adequate funding to those in your family for the purposes that I have just mentioned: education, food, clothing, housing, payment of rent and payment of utilities.

I also remember he was asked, 'What if a situation existed whereby the payments that were made to you on a fortnightly basis were paid on the basis that there was adequate food in the family for the children and for the adults, that rent was paid, that education costs were met, that utilities were paid and that whatever was excess would then be available to spend?' I recall him saying something like, 'That would be of enormous benefit,' and that it would remove the guilt associated with the spending of moneys on activities such as gambling, in that particular case. It really came home to me then that some of the objectives of the income management program played out in the mind of that person.

We know that in this country there have been evaluations through a number of reports assessing the effectiveness of the different trials. A substantial number of people have reported that income management does make their lives easier. It makes it easier to manage their money, it makes them feel safer—and that is an interesting point that I hope would be reflected also in those for whom they have responsibility—and it has improved their lives and those of their children. That is a topic to which I have referred.

The report *A review of child protection income management in Western Australia* in 2014 found that this was a useful tool to help achieve the stability required so that families could stay together by reducing the risk of neglect or homelessness. Child protection staff reported that at first many clients were not happy about being put onto income management, but they then found that the person would realise the benefits of stabilised housing, reduced stress through the payments of bills and debts and greater certainty in being able to provide food and clothing for themselves and their children. Once again that theme comes through.

I do have the benefit of being able to draw on relevant experience in a different country. In 2008 I was invited to be a founding member of the board of the MyKasih Foundation in Malaysia, and I continue to be an active member of that board. In that country there is no established safety net and there is no equivalent of Centrelink. I am very proud to say that the MyKasih Foundation now assists some half a million people in Malaysia on an annual basis with the provision of funding to assist with household management. This particular foundation is blind to ethnic background; it is blind to geographic background; it is blind to religious background. It works on the basis that funding is given on a fortnightly basis to the mother of the family. It goes specifically to the mother of the family because in that culture it is she who has the responsibility for the provision of these services in the home.

The funds are made available onto a card system, which happens to be the Malaysian identification card, the MyKad. That gives that lady the dignity of being able to shop throughout the week using a card—a feature that we take for granted in this country. In countries such as Malaysia, a credit type card will normally only be available to people of higher socioeconomic status. In this particular case, the mother of the family, the recipient, is able to shop in supermarkets. It is a barcoded system. She cannot purchase, for example, alcohol products, she cannot purchase tobacco related products and she obviously cannot purchase gambling or pornographic material, but she has the dignity of being able to shop for her family using the funds on the card provided to her.
The funding support is for a two-year period, unless the need is demonstrated beyond that. The hope is that that family will be able to re-establish its own financial circumstances. Coming back to the point that I made at the beginning of my contribution, at the same time, in this circumstance where so many people do not have the basic skills, she must commit to participating in basic home budgeting so that she comes to understand and develop the skills associated with this.

It is interesting in the context of the Australian model, which is costing us $150 million, that the entire funding for the MyKasih Foundation is based on philanthropy and philanthropic donations from corporations and individuals, with some now very minor and limited support from the government. In fact, the total cost of the running of the MyKasih Foundation and the software associated with it is actually donated. So those philanthropists who do provide their financial support to this program know that 100 per cent of their contribution goes to the recipient families. It is also interesting that, as an extension of this program—and I think it is one that we could look at in Australia—some of the philanthropic support goes to skills development for the mother and family and associated microfinancing, so that the mother can develop skills. One, for example, that is supported by the Caltex organisation is referred to as 'Sew for Life', where she is given sewing skills. Under the microfinancing program, she can actually purchase a sewing machine and, hopefully, then commence a small home-based business. In the last 12 months—under the previous Indonesian President and carried on by the current President in Indonesia—the MyKasih Foundation has actually started a pilot program in Indonesia as well.

In lending my support to this particular program, I want to make the observation again that it is incumbent on us, in my view, to be able to provide not just the financial support and not just the safety net for those who may need that support. There is an obligation, firstly, to give the skills to people so that into the future they will not be dependent on such funding and not be a victim of an inability to budget and spend in the priority order in which they wish, and ensure, as part of that process, they may be able to move towards gainful employment and, therefore, remove themselves from the need for welfare.

Others have spoken of the other two measures in the bill, which are associated with aged care. Payments have been made to the provider of residential aged care—often for up to a week prior to a resident taking up their residency. I think it is entirely logical that there is no real need for that expenditure to take place. That, of course, is the first point related to aged care. The second one is associated with an advisory service. Again, based on the history now that has been built up, we do not appear to need those Aged Care Planning Advisory Committees.

Further to that, I simply make the observation of Senator Fawcett: in this whole aged care space there is, I believe, an urgent need for good, easy, useable data, so there is the capacity for people not used to the aged care sector to glean information and find out the necessary services available and the restrictions on them. As others in the chamber have no doubt found themselves: most of us in the community know very little, if anything, about the whole structure and management of the aged care sector. In my own case, I knew absolutely nothing about it until my mother suffered a severe stroke. In a very, very limited period of time, I went from knowing nothing to needing to know 100 per cent of all issues associated with aged care. My own experience, and that of my family in assisting my mother in that
circumstance, is that there needs to be, in the system, a data collection service, a website and indeed better access to current relevant knowledge so that we can help families and particularly the person who finds themselves in need of such aged care.

I am pleased to lend my support to the elements contained within the Social Services Legislation Amendment (No. 2) Bill. I emphasise again what I believe to be a very, very good measure in terms of income management and income protection.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (21:12): I thank colleagues for their contribution to the debate on the Social Services Legislation Amendment (No. 2) Bill 2015. As colleagues, I am sure, appreciate, schedule 1 is attracting significantly more interest in this place than schedules 2 and 3. But I will speak briefly to each of the schedules.

To ensure that vulnerable people benefitting from income management continue to receive support, the government has committed $146.7 million to extend a streamlined version of income management to all existing locations until 30 June 2017. This will align end dates across all 12 locations across Australia.

The alignment extends to the income management element of Cape York Welfare Reform, which will also continue until 30 June 2017. This will enable income management to continue to provide additional support in disadvantaged locations for vulnerable people, children and families. The government is uniquely positioned, through the provision of welfare and family payments, to use income management to support vulnerable families by assisting them to stabilise and take control of their financial circumstances. This funding also included a limited expansion to new locations which may need additional support and would benefit from the income management program.

In response to a request from the South Australian Premier in the wake of the Chloe Valentine tragedy, on 14 August 2015 Minister Morrison announced that the child protection and voluntary measures of income management will be introduced to the Greater Adelaide region from October 2015.

This bill will streamline the income management program while ensuring continued support to people who benefit from income management. Streamlining includes the removal of social worker assessed referrals through the vulnerable welfare recipient measure, as this was an underutilised tool by social workers and highly resource intensive. The removal of this will also allow social workers to better service their vulnerable clients. While participants remain able to adjust how they use their funds to meet priority needs at any time, they will no longer be required to discuss these arrangements with Centrelink every eight weeks.

There will be a phased removal of the matched savings payment, which offers people on the compulsory measures up to $500 in matched savings if they complete an approved money management course and have demonstrated an appropriate savings pattern over a 13-week period. This will cease from 31 December 2015 as the payment was largely undersubscribed and costly to administer. There will be a phased removal of the voluntary incentive payments, which offer individuals a payment of $250 for every continuous period of 26 weeks. These payments will cease on 28 December 2015, which is the day 26 weeks after 30 June 2015, as evaluations have shown that incentive payments are not the main driver for people commencing income management and that they can create a dependency on the program. The
BasicsCard Merchant Approval Framework will also undergo administrative and policy changes that will simplify the model, improve customer experience and remove unnecessary customer contact. The streamlined arrangements will achieve a saving of approximately $36 million over two years.

Schedule 2 relates to ceasing residential care subsidy for pre-entry leave. These amendments formalise the ceasing of payment of residential care subsidy to residential aged-care providers for holding a place open for a care recipient. These changes better target aged-care expenditure by only paying care subsidies on behalf of people who have actually entered permanent residential care. The savings associated with this measure, as stated in the explanatory memorandum, have largely been realised through amendments to the Aged Care (Subsidy, Fees and Payments) Determination 2014 and the Aged Care (Transitional Provisions) (Subsidy and Other Measures) Determination 2014. The amendments in the bill formalise these changes in the principal act. Previously, subsidy for the pre-entry period was paid to providers for up to seven days at the rate of 30 per cent of the full residential care subsidy that would be payable once the care recipient enters care.

Care recipients will still be able to take pre-entry leave prior to entering an aged-care service. The provider will not be able to recoup any lost residential care subsidy from the care recipient. However, the aged-care provider will still be able to charge the care recipient the standard resident contribution for the pre-entry period. Previously, any days taken as pre-entry leave were counted as part of the care recipient's entitlement to 52 days of social leave from the aged-care service. Under these amendments, the 52-day cap on social leave will not include any leave that was taken as pre-entry leave. This ensures any pre-entry leave taken by a care recipient does not negatively impact on their ability to take other forms of leave from the residential care service. The impact of lost pre-entry leave payment revenue should be considered in the context of other recent aged-care changes, such as the redirection of the former government's workforce supplement into the general pool of aged-care funding and the introduction of a higher level of accommodation supplement. The government is expected to provide $11 billion for residential care subsidies in 2015-16.

Schedule 3 relates to aged-care planning advisory committees. On 15 December 2014, as part of the 2014-15 Mid-Year Economic and Fiscal Outlook, the government announced that aged-care planning advisory committees would be abolished, with ongoing functions to be performed by the Department of Social Services. This forms part of the Smaller Government reforms to reduce the size and complexity of government, streamline services and reduce the cost of government administration. The role of aged-care planning advisory committees was to provide advice in relation to the distribution of aged-care places. However, the last of these committees expired in September 2014. These amendments repeal the now redundant relevant provisions in the Aged Care Act 1997. It is important to emphasise that the government remains committed to engaging with stakeholders and obtaining local intelligence as part of the needs-based planning framework. Consequently, the department has consulted with a broad range of aged-care stakeholders to help inform the distribution of aged-care places in relation to the 2015 aged-care approvals round, which was announced on 15 August 2015.

While I am on the subject of aged care, I will observe Senator Polley's demonstration of an aeroplane earlier today when referring to severe behaviour response teams in relation to dementia. She chose an aeronautical analogy to describe those teams and demonstrated a
surprising aerial capacity, I think it would be fair to say. I am tempted to go further on that subject, but I can tell by your raised eyebrow, Madam Acting Deputy President Lines, that you fear and suspect that I may be straying from the topic of this bill. But I could not let the opportunity pass without drawing the chamber’s attention to that impressive effort on the part of Senator Polley. With those words, I commend this bill to my colleagues.

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

**Senator SIEWERT** (Western Australia—Australian Greens Whip) (21:21): Given the time, I will not call a division, as I would not be the most popular person in the place. But I would like it recorded very strongly that the Greens opposed the second reading of this bill.

Question agreed to.

Bill read a second time.

**In Committee**

Bill—by leave—taken as a whole.

**Senator MOORE** (Queensland) (21:23): The opposition opposes schedule 1 in the following terms:

1. Schedule 1, Part 2, page 4 (lines 1 to 19), to be opposed
2. Schedule 1, item 34, page 11 (line 23) to page 12 (line 3), to be opposed.

**The TEMPORARY CHAIRMAN (Senator Lines):** I put the question that part 2 and item 34 of schedule 1 stand as printed.

Question negatived.

**Senator MOORE** (Queensland) (21:25): I move opposition amendment (1) on sheet 7716:

1. Clause 2, page 2 (table item 2), omit "Parts 1 to 3", substitute "Parts 1 and 3".

Question agreed to.

**Senator FIFIELD** (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (21:25): by leave—I move government amendments (1) to (5) on sheet EF102 revised together:

1. Clause 2, page 2 (table items 2 to 5), omit the table items, substitute:

| 2. Schedule 1, Parts 1 and 3 | The day after this Act receives the Royal Assent. |
| 4. Schedule 1, Part 5 | The day after this Act receives the Royal Assent. |
| 5. Schedule 2 | The day after this Act receives the Royal Assent. |

2. Schedule 1, page 5 (after line 5), after item 9, insert:

9A Paragraphs 123UF(1)(g) and (2)(h)

Omit "1 January 2016", substitute "1 July 2017".

3. Schedule 1, item 32, page 11 (lines 7 to 9), omit paragraph 32(a), substitute:

(a) the person’s qualifying savings period ends on or before 28 December 2015; and
(4) Schedule 1, item 33, page 11 (lines 16 to 18), omit paragraph 33(a), substitute:
   (a) the person's qualifying savings period ends after the day this item commences, but on or before 31 December 2015; and
(5) Schedule 1, item 33, page 11 (lines 21 and 22), omit paragraph 33(c), substitute:
   (c) the person makes a claim, in writing, for the payment on or before the later of the following days:
      (i) 28 days after the day this item commences;
      (ii) 31 December 2015.
And for those colleagues who might be wondering about the word 'revised', we are seeking to change a 'to' to an 'and' in one of the schedules to clause 2. I say that just so that no-one thinks there is any sharp practice happening.

Question agreed to.

Bill, as amended, agreed to.

Bill reported with amendments; report adopted.

Third Reading

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (21:28): I move:

That the bill be now read a third time.

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

Senator SIEWERT (Western Australia—Australian Greens Whip) (21:28): Madam Acting Deputy President, I again ask that the Greens' opposition to this bill be recorded.

Question agreed to.

Bill read a third time.

(Quorum formed)

Fair Work Amendment Bill 2014

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator LUDWIG (Queensland) (21:31): I rise to speak on the Fair Work Amendment Bill 2014. This bill, should it pass, will make a number of amendments to the Fair Work Act of 2009 to respond to a number of outstanding recommendations of the 2012 Fair Work Act review. With this bill, the Abbott government continues its attack on Australians. First there was the government's budget of cruelty, with a feigned budget crisis to justify cuts to those on low incomes. Then there was a nothing budget, which was really the same budget over again. Now it is the turn of Australian workers, a favourite coalition stomping ground.

Let's face it, when it comes to industrial relations, a coalition government just cannot help itself from reaching its hand into the pockets of workers, let alone one up to its neck once again in a revised Work Choices. I cannot count the number of times those on the other side have said, 'Work Choices is dead, buried and cremated. We are never going to have another
look at it again.' Yet every time you see a workplace relations bill from this government it has the shades of Work Choices wrapped around it.

At the slightest hint of power, they are busy in the back rooms again, scheming and devising a dodgy deal with which to erode, compromise and undermine the rights, entitlements and safety of ordinary working Australians.

*Senator Birmingham interjecting—*

**Senator LUDWIG:** I will not engage on what I know you might be up to in South Australia.

**Senator Birmingham:** Please do!

**Senator LUDWIG:** Never mind. This bill is nothing short of dodgy dealing.

This bill is dodgy for another reason. With it, the Abbott government continues on its rampage of broken election promises. For two years this government has been breaking election promises. It is quite an extraordinary effort! Most would try to give up in the first year, but not this coalition government. Work Choices is not dead, buried and cremated. The Prime Minister may not speak its name, but it is clear from the provisions of this bill that Work Choices has been very much resurrected or, if you prefer, reincarnated.

Regardless of the belief system, Australians know there is nothing holy or virtuous about Work Choices. Work Choices meant no choices to Australian workers, and this bill is again about having no choices. There is no choice but to see the rights and protections conferred by collective bargaining and the award system stripped away from workers. Despite the promise that Work Choices is dead, buried and cremated, there is no choice but to stand by while the coalition weaves a complex legislative web by which to micromanage industrial outcomes for the benefit of a few. Contrary to any promise of simplification and fairness, there is no choice but to accept what lies at the heart of the coalition government's industrial relations policy. Fairness and equity for all is expendable for it in pursuit of industrial agendas which benefit the few. There is no choice but to accept that people in a workplace are, for some reason, considered expendable and unworthy. It is hard to imagine what the government considers to be the role of workers.

The government do not value quality of life and family life. They do not value that employees want to earn a fair day's pay for a fair day's work. They do not value that workers' entitlements also include meaningful representation. They do not value hard-won industrial safety standards. They do not value ensuring workplace occupational health and safety and workers' compensation. According to the coalition, fairness, greater income equality and opportunity in the workplace simply should not exist for the worker. The Fair Work Amendment Bill continues in this marvellous tradition the coalition government have set out for themselves. Make no mistake: this bill is a step backwards. It is a Work Choices of the future. We need only consider some of the key provisions to see this clearly.

Under the guise of flexibility, this bill seeks to introduce changes that will force workers into unfair individual arrangements just so that they can gain or maintain employment. The changes to individual flexibility arrangements, IFAs, will make it possible for employers to offer what are essentially individual contracts that will cut workers' take-home pay to below award and enterprise bargaining agreed minimums. They will do so by allowing monetary benefits, including overtime rates, penalty rates, allowances and leave loadings, to be traded...
away under cover of a signed genuine deeds statement, which can be used as evidence against an employee in exchange for undefined, non-monetary benefits. The proposed changes do so in complete disregard of recommendation 9 of the 2012 Fair Work Review. Recommendation 9 provides for changes to improve the application of the better off overall test in the context of individual flexibility arrangements to appropriately account for non-monetary benefits. Under recommendation 9 only those monetary benefits which are relatively insignificant can be foregone and in exchange the value of any non-monetary benefits must be proportionate.

The reference of 'relatively insignificant monetary benefits' and proportionality strongly suggests that the review considered penalty rates to be significant and beyond the realm of simple horse trading in non-monetary benefits. The requirement of proportionality is an important legal safeguard. It prevents pay and conditions being eroded and workers being exploited in the manner made possible by this bill—whereby overtime meal allowances can be traded for a pizza or a Kmart voucher for Saturday work. That is the risk we run with this type of horse trading that is proposed in this legislation. On the question of the coalition's failure to implement recommendation 9 of the Fair Work Review, we do not need to look very far. The Liberals' website, as it was, said this:

The Coalition supports the many of the remaining recommendations that Labor has ignored and we will seek to implement those summarised below, to the extent that they are not inconsistent with our policy.

The failure to adopt recommendation 9 makes clear what the coalition policy truly is: the overtime rates, penalty rates, allowances and leave loadings of ordinary Australians are so insignificant to this government that they can be traded away for a disproportionate non-monetary benefit. Australian workers, as viewed by the coalition, are so undeserving that not only should they be denied award and enterprise bargaining agreed minimums, they should also be denied one of the most basic legal protections recognised in our legal system, namely that of proportionality. Proportionality is at the heart of industrial relations, particularly when you look at how the bargain is struck.

The coalition of the cruel, let's say, continues on what can only be described as industrial wreckage through this legislation. One of the really poor parts of this scheme devised by the coalition to deprive Australian workers of their rights and protections is the requirement that individual flexibility arrangements be evidenced in a signed genuine needs statement. This statement has the effect of rendering employees legally complicit in their own demise: The documentary proof by which employers can waive away the Fair Work Commission and legitimise what can only be described as very poor conduct to rob workers of their penalty rates.

This bill should not be allowed to pass when you consider the right of entry provisions within it. It creates a mechanism by which individual workers can contract away significant monetary entitlements in circumstances which are not safeguarded by requirements such as proportionality and particularly where an employee's capacity to meaningfully engage with unions as those best placed to advise on the legality, or otherwise, of the proposed individual flexibility arrangements is compromised. If the Fair Work Amendment Bill is passed, the proposed amendments to trade union rights of entry, along with the individual flexibility arrangements, will have that precise impact. Part 8 of Schedule 1 of the bill deals with the right of unions to enter a workplace to hold discussions. Presently, there is no requirement that an enterprise bargaining agreement must be in place before a relevant union can enter a
worksite. Current section 484 provides that a union official who is a permit holder is entitled to enter a workplace for discussions or interviews with employees or TCF award workers in cases where the union is entitled to represent the employees and where the employees wish to participate in those discussions. That is quite usual fare: if you want a union in the workplace and the person is an appropriate permit holder, you should be able to have an open and fair discussion about your entitlements and what the bargain might look like.

However, proposed section 484(1) provides that in order for a union to enter a workplace for the purposes of discussions, a union must also be covered by an enterprise agreement that applies to the work performed on the premises. What that means is that in circumstances where the union is not covered by an enterprise agreement at the workplace, proposed subsection 484(2) provides that a union official is only allowed entry for discussions, where the union has been invited to send a representative to the workplace by a member or prospective member who works at the premises and where the Fair Work Commission has certified that invitation.

This is a coalition that wants to ensure workers do not get fair representation or fair information; the coalition wants to ensure a lack of knowledge about the industrial agreements employers want them to sign. The reality of the combined effect of the amendments to individual flexibility arrangements and the union entry provisions is, in fairness to the coalition, a very restrictive provision which many workers we know will never avail themselves of the certified invitation procedure. It is designed that way.

It is one of those really harsh ways that the coalition government choose to treat workers. What they cannot achieve in one way they will achieve in another by ensuring that the workers cannot hear the fairness or unfairness of an agreement because they will not avail themselves of the process.

We should be gravely concerned and subject this to greater scrutiny than any bill, because it is about doing away with workers’ rights at the workplace. The coalition thinking on rights of entry suffers from a range of fatal flaws. The right of entry is not a union right per se. We will hear from those opposite that it is all about unions and their ability to muscle themselves into workplaces—the bogey man that they create all the time. We will hear that from those opposite, but it is a scare campaign designed to intimidate and to ensure workers do not get fair information at the coalface.

The protections can only be meaningfully realised if workers are legitimately and effectively represented in the workplace. Since 1901 in Australia this has been expressed by the recognition of unions as having this role. That is the system and scheme of industrial relations that we have had in this country for a very long time, and those opposite seek to undermine it to the detriment of workers. Of course, under this bill—and according to those opposite—those best placed to advise on the legality or exploitive effects on any proposed individual flexibility agreement are employers. I do not think any reasonable person would believe that. That is why you have independent persons, including unions, who can advise of those affects and how that individual flexibility arrangement might be proportionate, fair and reasonable in all the circumstances. But the coalition do not want anyone to intrude on their march to ensure that the employee gets a disproportionate and detrimental outcome. Not all the circumstances lend themselves to an invitation. The smokescreen created by the non-disclosure provisions demonstrate just how out of touch the coalition government really are. It
does make you think that they hark back to the master-and-servant relationship which concentrated and defined the employers of old.

Let me return to the Abbott government and its broken promises—because, quite frankly, this government cannot be trusted on any promise. Those opposite will highlight why this is necessary at the workplace, why they stand for individual flexibility agreements and why they want to ensure workers can benefit from flexible work arrangements, but underpinning all of that is their inexorable drive to ensure that they can reinstate the master-and-servant relationship. When you turn to the single enterprise greenfield agreements, it is not all doom and gloom. Not all of Tony Abbott's election promises were made to be broken—although he broke nearly all of them.

With rest of the year in sight, what better time than now to gift multinationals and mining corporations the three-month termination of bargaining period that they wrote to coalition Santa Claus for before the last election? Proposed section 182(4) sets out a new process for making single enterprise greenfield agreements, because the government have to pay the piper. The government have to provide some outcome to the multinationals that have funded their campaign. They protest about it a lot, but that, quite frankly, is what is happening here. They are serving this industrial relations tripe up in the Senate because they are trying to tell their masters that they are doing a good job on industrial relations. Let me say: big business are deserting you as well because they do not trust you and they do not believe you will be able to provide the outcomes that you have said you will. The point is that the 2012 Fair Work Act review did not recommend this.

Debate interrupted.

**ADJOURNMENT**

*The ACTING DEPUTY PRESIDENT (Senator Whish-Wilson) (21:50):* Order! I propose the question:

That the Senate do now adjourn.

**Equal Pay Day**

*Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (21:50):* I rise to talk about Equal Pay Day, which occurred on 4 September 2015. It is a day that highlights the fact that Australian women are working an extra 65 days at the end of a financial year to earn the same amount as men. It is a stark reminder that, while women in Australia are making progress in relation to gender equality, we are not there yet, and some would say we still have a long way to go.

In Australia today, the pay gap is 17.9 per cent, or $284.20 per week. Whilst this is an improvement on previous figures, and it is good to see that the gap is narrowing, it is still disappointing and, quite frankly, it is unacceptable. This profoundly affects a woman's life in many different ways. It affects her long-term economic security and it makes her more vulnerable to poverty and homelessness in later life. The gender disparity in superannuation is even higher, with women retiring with only 65 per cent of superannuation that men do. This means that a woman has to work 15 more years than a man to retire with the same income as a man.
The question is: how does this happen? The difference in pay can start as early as a woman's first job and statistics suggest it carries right through a woman's career and is exacerbated if she takes time off to have children or moves into part-time roles to care for children or family members. This is also despite women achieving strongly at school and at university. The fact is that the pay gap is complex, but it is also far too big. There are issues of workplace and other structures, workforce incentives, taxation and welfare impacts, and societal attitudes.

Addressing the pay gap will take a concerted effort on the part of the government, business and the community. Tangible and practical change can only occur in partnership. The government is currently engaged in consultation in relation to tax reform and I have been talking with Australian business leaders and owners to explore how tax reform can drive changes to our tax system, leading to more jobs for Australian women, better incentives and increased financial and economic security, both now and into the future. There is a lot of interest and goodwill to make a difference.

The government is determined to help more women get into the workforce and ensure that they receive equal pay for the work they do. We know that Australian women are now working more than ever before. The participation rate for working women aged between 15 and 64 rose to 71.5 per cent in July—the highest in Australia's history. There are 1.67 million Australian women aged 15 to 60 who are still not participating in the workforce, and we must ensure we remove the barriers that prevent these women from working. Increasing women's workforce participation by just six per cent could add $25 billion or around one per cent to Australia's GDP each year. Not only will increasing women's workforce participation improve the lives of individual women and their families but also it is essential to our future economic growth and prosperity as a country.

The government last year committed to improving women's workforce participation in Australia. We remain strongly committed to the G20 goal to reduce the gap between men and women's workforce participation by 25 per cent, by 2025. We are also focused on reducing the structural barriers that impede women's workforce participation. We are delivering a more flexible and responsive childcare system, providing more options for working families to balance working life with their caring responsibilities.

Our Jobs and Small Business package is helping small business grow and contribute to employment growth, which is important to almost 670,000 women who operate a business. Over a third of small-business operators in Australia are women. In terms of pay equity, business and government need to ask what it is we can do in our own sphere of influence that will make a difference. With the pay gap in the private sector sitting at 21.3 per cent, many employers are already looking into whether pay disparities exist within their own businesses and why.

The Workplace Gender Equality Agency performs an important function. It shines a light on pay inequity through its data collection from reporting organisations. Evidence suggests the gender pay gap narrows in companies when it is has been identified and measured. The government has streamlined this reporting, making sure that we are not burdening business with unnecessary red tape, whilst still being able to gather useful data. Data needs to be useful for industry benchmarking and to provide the information individual employers need to take action, to address workplace gender equality and pay equity concerns.
I will continue to work with the Leader of the Government in the Senate and Minister for Employment, Eric Abetz, and with business and women's sector representatives to get the reporting balance right. Additionally, the government is working towards closing the gender pay gap through various initiatives that support more women into higher paid occupations and industries. This includes improving gender diversity in leadership positions, on boards and in decision-making roles.

We know that a key reason the gender pay gap is so large in Australia is that many male-dominated industries and jobs have higher rates of pay. Male-dominated industries, like mining and electricity, gas, water and waste services, have the highest average weekly earnings. Assumptions about jobs for women and jobs for men are mirrored by attitudes at home. Men are the primary breadwinners in over three-quarters of Australian households while, on average, women do three-quarters of the total domestic labour. And 70 per cent of primary caregivers in Australia are women.

To make real headway in addressing the discrepancies between men and women, in pay and work, we must change our attitudes to paid and unpaid work. We know that many men want to take on more caring responsibilities but are trapped in a male breadwinner role. Recent reporting has only confirmed this situation further. They are more likely to request paid parental leave or flexible work arrangements than previously but have their requests denied. This is not just detrimental to men's ability to participate in care but also to women's capacity to engage in work. Most importantly, the children are also affected.

We need to allow men and women to make the choices that best suit their families, and they need to be supported in these efforts. We can also support female students to make career choices in traditionally 'male' and more highly paid careers—for example, in the STEM industries: science, technology, engineering and mathematics. We can support Australian women to work in traditionally male-dominated growth industries, like advanced manufacturing, agriculture, energy and resources, medical technology and mining technology. The government is investing $12 million to improve the focus on STEM subjects in primary and secondary schools, across the country, for both girls and boys. This investment is a vital part of the Australian government's Industry Innovation and Competitiveness Agenda. Restoring the focus on STEM subjects in our schools will ensure that young Australians are equipped with the necessary skills for the economy of the future.

We have also provided $440,000 over two years to continue the Australian Women in Resources Alliance e-mentoring program, in collaboration with the Australian Mines and Metals Association. This industry-led initiative is dedicated to helping employers attract, retain and reap the rewards of women in the workplace and ensures that women are able to reach their full potential in the mining and resources sector. None of us can work in isolation to increase women's employment or to address the gender pay gap. The government is committed to working with the private sector to realise the economic and social benefits of more women in the workforce. As the largest employer of Australian women, I look to the private sector so that they can look at how they can improve their employment opportunities for women and shine the light on pay equity. Working together, I hope—and I know—that Equal Pay Day will become the day of celebration that it should be.
Senator MOORE (Queensland) (21:59): Showing the shared commitment to Equal Pay Day, I also want to talk about the fact that Friday, 4 September was Equal Pay Day in our nation. Each year—and I have spoken many times on this issue—I remind people that we do not 'celebrate' Equal Pay Day, we acknowledge it. Equal Pay Day being on 4 September is a symbolic indication that 65 days is how many days a woman had to work this year to have equal pay with a man. As Senator Cash said in her contribution, there will perhaps be a time when we will be able to celebrate Equal Pay Day on 1 July, the same day for men and women—which, indeed, would be equal pay. Senator Cash talked about things that were being done in our country. I quote and requote Justice Mary Gaudron after the 1998 case. She said:

We got equal pay once—
that was the 1975 case—
then we got it again, and then we got it again, and now we still don't have it.

Those words that Justice Gaudron spoke in 1998 are just as real today. In terms of progress, I think there has been acknowledgement of the need and there has been ongoing effort. The work done by the Workplace Gender Equality Agency continues to remind us of exactly what is happening in our nation at the moment. They put out their statistical snapshot—and many of the stats that Senator Cash quoted are in there. But one thing I wanted to point to in particular is the issue about individual companies actually developing their own strategies to look at themselves, see what is happening in their own company and bring out a gender pay gap analysis. In last year's statistics from the Workplace Gender Equality Agency—and these are on the basis of reports they get from companies in our nation with over 100 employees—based on the reporting organisations that did conduct a gender pay gap analysis, last year nearly half of the companies, or about 46 per cent of the companies, went one step further and took action in their own company to address their gender pay gap. Of these, the majority said they reviewed the remuneration outcomes of individual employees, followed by identifying the causes of the gaps. They actually looked at what was happening in their workplace and saw why women were getting less money than men. It seems really straightforward. We have talked about it since the seventies but now, in 2015, some companies have actually taken action. They looked at the decision-making processes in the companies and designed an action plan to address the causes. Based on this action, they were able to see what was happening and what they could make happen into the future to make sure we get a little bit closer than the 65 extra days a woman has to work each year to have equal pay with men.

Tonight—and I will do this again in another contribution—I want to pay credit to the work of Liz Broderick, who has just retired as our Sex Discrimination Commissioner. Liz made her final public presentation at the Press Club last week and she raised a number of issues there about genuine equality in our nation. She said:

Gender equality is not a battle of sexes, it's a battle for equality, a battle that men and women must wage side by side. The empowerment of women is about the empowerment of humanity.

That is true. And tonight I want to talk about the actions that Liz has inspired around companies taking action themselves to look at the gender pay gap, the causes of inequality in their own companies. As we can see, the Workplace Gender Equality Agency has brought
forward stats. But the male workplace organisation Champions of Change, which was inspired by Liz's work as Sex Discrimination Commissioner, has gone one step further. They have actually set up within their companies a commitment that there would be movements towards real equality. First of all, they had to identify that they were not there—and at the beginning of the process not all of these male champions, the leaders of large companies in Australia, truly acknowledged that there was a gap. They knew there were variations in payment and conditions but, until they actually talked with their employees and management teams to identify what was happening, they were largely unaware of the range of issues which impact on women in the workplace—and now they are putting into place real actions to make change. And that looks at hours of work, flexibility of work, work demands and the definition of 'merit' in the workplace—all those things we have talked about so often. But, really, the important aspect is that they have identified the need for change.

While people understand that there is a gap that costs women several hundred dollars each working week in terms of their take-home pay, these leaders have not said, 'It's too hard to do this, it takes too much time and there's too much red tape'—all those obstacles we hear about. Instead, they have actually shown true leadership. They have said, 'We can make a difference,' and they have worked with their workforce to ensure change occurs. That is something we are asking all employers to do. This is not somebody else's problem; this is a problem for all of us to identify in our community—that there is genuine inequality. As Justice Gaudron said, we keep on winning this equal pay acknowledgement but we just do not seem to be able to get it right. So there is a challenge in 2016. In 2015 the equal pay case has been acknowledged. In 2015 we saw the figures plummet from 18.1 per cent to 17.9 per cent. That is a cause for acknowledgement but not for celebration. For all the reasons that Senator Cash acknowledged, the challenge for us is to make a genuine commitment that we will do better—that we will not be asking what somebody else is doing about these issues, we will be implementing change in our own workplaces. That can take many different forms in the workplace, but what we must have is an acknowledgement that there will be change.

BPW Australia has acknowledged the process of Equal Pay Day for many years. They have actually said that collaboration between government and business employees is a long-term solution to closing the gap, but that women can take action now. An online pay and contract negotiation checklist, 'Know Your Value', can help secure better pay and conditions. We are encouraging women to seek out and to consider their own financial decisions, to maximise retirement incomes. We know that the long-term implications are very serious, with superannuation changes. We are going to have an inquiry in this place about women and super. This really reinforces the fact that this pay gap causes women to have significantly reduced superannuation earnings and security into the future. That means that the inequality continues.

BPW Australia says that we actually have online tools that help us to take control of our own salaries and wages. Too often there is a myth that women do not have the ability to negotiate effectively for their own pay and conditions. With support they can do so.

It is more than likely that in 12 months' time in this place many women and men will talk about Equal Pay Day 2016. I sincerely hope that it will be earlier in the year than 4 September. It would be very useful as we bring those days down closer to 1 July that we can see we are making progress. The partnerships that Senator Cash referred to in her contribution
must be active, and we can do that. It is not just government that can make these changes. But
government does have a role to play, and the work that is done by the Workplace Gender
Equality Agency, which is actually funded by government, provides the tools to employers
and employees to make change in their own workplaces. So in 2016 we may even knock that
Equal Pay Day back right into the middle of August, and that would be some significant
change to take into the future.

Canning Electorate

Senator SIEWERT (Western Australia—Australian Greens Whip) (22:09): I rise tonight
to talk about a West Australian issue, and that is the Canning by-election.

The electorate of Canning in Western Australia has received a lot of attention over the last
couple of weeks because of the by-election. And I would hazard to say that people on the east
coast now know a lot more about the electorate of Canning, and the cities of Armadale and
Mandurah in particular, than they ever did before. There has been a lot of discussion about
candidates and how the result may or may not influence the survival of certain people in
power, and about the next election.

But there has not been enough attention focused on some key issues in the Canning
electorate which are what people want to hear about. I would like to talk about several of the
issues in the areas that people care about deeply: youth unemployment, youth homelessness,
the importance of drug and alcohol services and the unacceptably high rates of domestic
violence and access to services.

Youth unemployment in Mandurah, which is part of the Canning electorate, is the worst in
Western Australia. In fact, it is one of the 10 hotspots in Australia. The Brotherhood of St
Lawrence's report last year showed that youth unemployment is at the rate of 17.3 per cent
and that Mandurah is a youth unemployment hot spot in Australia.

We have to put that into the context of the broader issues around youth unemployment,
which are deeply concerning across Australia but, of course, more so for Mandurah because
of that high level. Youth labour force participation has declined from 71 per cent in 2008 to
67 per cent in 2014. These figures come from a report that I was talking about earlier today,
the Australia's welfare 2015 report, which was tabled in the Senate today.

More employed youth are in casual jobs, rising from 35 per cent in 1994 to 50 per cent in
2013. In 2013, for the first time the youth part-time employment rate of 44 per cent exceeded
the youth full-time employment rate of 43 per cent. This pattern continued in 2014. In 2014
29 per cent of young people aged 15 to 24 combined study and work, and in 2014 10 per cent
of 15 to 24 year olds were not in employment, education and/or training.

Particular groups that are overrepresented in this area are Aboriginal and Torres Strait
Islander young people, youth who do not speak English well or at all, youth needing
assistance with the basic activities of daily living and those in regional areas. We can see that
we have a high rate of unemployment in Canning, with the cards stacked against them—given
those figures in terms of the broader outlook for youth unemployment.

The government's policies have failed to address the barriers that young people face in
finding employment. Instead they seek to punish and demonise young people who have been
unable to find work and engage with the workforce, saying that young people are happy to sit
at home on the couch and implying that they could find work if they chose to look for it. And

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there is their latest proposal where last year we saw them seek to kick young people off income support for six months! They wanted them to wait for six months and to make them do six months on and six months off. Now they are trying to get not providing young people with income support for four weeks through this place. It is actually for five weeks, because there is the ordinary first week of the waiting period.

Quite clearly, they actually do not understand the barriers to young people finding employment. They think that if they demonise them and punish them enough that they will be able to gain employment. Clearly, that is not going to work. We need to focus our resources on providing more individualised support that addresses the barriers to employment—supporting them in wraparound services so that young people can overcome those barriers.

Unfortunately, unemployment is not the only issue that young people face in Canning. They also face homelessness. Also unfortunately, it is hard to get up-to-date figures, but on census night in 2011 there were 208 people homeless in Mandurah. Given the increasing rates of homelessness in this country, we can expect that that will have increased. There were 2,026 young homeless Australians overall between the ages of 12 and 25. Half of all homeless people are young people. Young people aged between 15 and 25 make up 50 per cent of Australia's homeless population, and 70 per cent of those young people left home to escape family violence, child abuse or family breakdown. According to the ABS, in WA there were 2,279 homeless young people between the ages of 12 and 24—20 per cent of the entire homeless population. The experts believe that this count is an underestimate. Thirty five per cent of those people who are homeless are Aboriginal and Torres Strait Islander peoples.

The official figures on homelessness are just the tip of the iceberg, as it is estimated that for every one young person experiencing primary homelessness or sleeping rough there are another four young people living rough. This includes people couch surfing, living in squats, boarding houses or crisis centres or staying temporarily with friends as result of the fact that they cannot find secure accommodation. But up to nine in 10 young people are being turned away from services because there are not enough beds to house them. We need more investment in emergency accommodation and services, which, at this stage, fall well short. Recently, in the local paper there was an article on homelessness in which Mission Australia CEO Toby Hall said:

Getting out of homelessness—and staying out—is about more than just having a roof over your head. It's also about being able to participate in your community; having the capacity to find and keep a job, to cook and clean for yourself and to look after your health. To achieve this, homeless people need help, not just with housing, but also with dental and psychological health, personal hygiene, literacy and numeracy, self-esteem and fitness.

The National Partnership Agreement on Homelessness was a 'ray of sunshine in 20 years of working in this sector' because it is specifically focused on engaging early and directly, and most of the NPAH housing provided natural outreach and street-to-home programs. The department tried new, innovative services that were cost-effective, creative and coupled with housing. Then the funding was cut, leaving the most vulnerable with nowhere to go.

Youth Connections provided services linking housing and education. It was a very good program, with 82 per cent of young people still engaged in education two years on. Yet the funding for this program was also cut. Here we have a growing cohort of homeless youth who are not able to access services. Of course, that has to be directly related to a young person's
capacity to connect with employment. Other areas directly linked to that include the cuts to social services. Two hundred and forty million dollars came out of cuts to social services. Those cuts directly impact on the way people in Canning can get access to services.

One of things that has been getting a lot of attention in Canning is drug and alcohol issues and support, with claims once again being made about a 'crisis'. With drug and alcohol issues, the terms being used are 'crisis' and 'epidemic'. The first point here is: despite the issues around the increase in the use of some drugs, alcohol is still, by far, the substance most abused. We forget that. In Canning, access to beds to actually help with drug rehab has been cut. It seems to be a bit of a race to see who can be the hardest on drugs. Talk at the moment is about, 'We can fix this problem, we'll put together a task force within 30 days, and within this short period of time we will solve this issue.' When you talk to drug and alcohol services, the point clearly being made is: this issue needs a concerted effort, it needs consistent and sustained funding, and it also needs a long-term strategy. Rehabilitation needs a lot of support and a lot of services. Stop-and-start programs do not work. Cutting $240 million out of social services does not work. Not addressing the underlying causes of substance abuse does not work. These are the things that we are looking at. (Time expired)

Senate adjourned at 22:19

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:

[Legislative instruments are identified by a Federal Register of Legislative Instruments (FRLI) number. An explanatory statement is tabled with an instrument unless otherwise indicated by an asterisk.]


Australian Prudential Regulation Authority Act 1998—Australian Prudential Regulation Authority (confidentiality) determination—No. 16 of 2015 [F2015L01325].


Charter of the United Nations Act 1945—

Charter of the United Nations (Dealing with Assets) Amendment (South Sudan) Regulation 2015—Select Legislative Instrument 2015 No. 142 [F2015L01300].


Civil Aviation Act 1988—
Civil Aviation Regulations 1988 and Civil Aviation Safety Regulations 1998—Exemption, permission, direction and authorisation—helicopter search and rescue operations and training for such operations (CHC Helicopters)—CASA EX153/15 [F2015L01365].

Civil Aviation Safety Regulations 1998—
Exemption—aerial application rating and firefighting endorsement—CASA EX148/15 [F2015L01354].

Exemption—flight in class D airspace within 16 kilometres of an aerodrome—CASA EX150/15 [F2015L01357].

Exemption—from demonstrating competence using GLS approach in B737NG aircraft (Virgin Australia)—CASA EX142/15 [F2015L01289].

Exemption—from requirement to hold a low-level rating (Cobham Aviation Services)—CASA EX144/15 [F2015L01359].

Maintenance of Cockpit Voice Recording Systems—AD/REC/1 Amdt 2 [F2015L01288].


Cocos (Keeling) Islands Act 1955—List of Acts of the Western Australian Parliament for the period 22 February to 21 August 2015.

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Notice of Withdrawal—TR 2000/11.

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ASIC Corporations (Foreign Small-Scale Offers) Instrument 2015/362 [F2015L01382].
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Food Standards (Proposal P1035—Gluten Claims about Foods containing Alcohol) Variation [F2015L01383].

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Health Insurance (Pharmacogenetic Testing—RAS (KRAS and NRAS)) Revocation Determination 2015 [F2015L01353].


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  Migration Amendment (Visa Labels) Regulation 2015—Select Legislative Instrument 2015 No. 144 [F2015L01304].

Notice under section 501C—28 August 2015.
  Statements under section 46A—1 January to 30 June 2015 [40].
  Statements under section 48B—1 January to 30 June 2015 [2].
  Statements under section 91L—1 January to 30 June 2015 [6].
  Statements under section 91Q—1 January to 30 June 2015 [10].
  Statements under section 195A—1 January to 30 June 2015 [90].
  Statements under section 197AB—1 January to 30 June 2015 [48].
  Statements under section 198AE—1 January to 30 June 2015 [1].
  Statements under section 351—1 January to 30 June 2015 [99].
  Statements under section 417—1 January to 30 June 2015 [21].


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  National Health (Botulinum Toxin Program) Special Arrangement 2015—PB 87 of 2015 [F2015L01367].
  National Health Determination under paragraph 98C(1)(b) Amendment 2015 (No. 8) —PB 80 of 2015 [F2015L01350].
  National Health (Efficient Funding of Chemotherapy) Special Arrangement Amendment Instrument 2015 (No. 8) —PB 84 of 2015 [F2015L01361].
  National Health (Growth Hormone Program) Special Arrangement 2015—PB 85 of 2015 [F2015L01368].
  National Health (Highly specialised drugs program) Special Arrangement Amendment Instrument 2015 (No. 9) —PB 83 of 2015 [F2015L01370].
  National Health (IVF Program) Special Arrangement Amendment Instrument 2015 (No. 1) —PB 86 of 2015 [F2015L01362].
  National Health (Listed drugs on F1 or F2) Amendment Determination 2015 (No. 7) —PB 82 of 2015 [F2015L01360].
  National Health (Listing of Pharmaceutical Benefits) Amendment Instrument 2015 (No. 8) —PB 78 of 2015 [F2015L01351].
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National Health (Price and Special Patient Contribution) Amendment Determination 2015 (No. 6)—PB 79 of 2015 [F2015L01352].


Private Health Insurance Act 2007—

Private Health Insurance (Benefit Requirements) Amendment Rules 2015 (No. 3) [F2015L01356].

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Telecommunications Amendment (Designated Overhead Lines) Regulation 2015—Select Legislative Instrument 2015 No. 139 [F2015L01296].
Telecommunications (Low-impact Facilities) Determination 1997 (Amendment No. 3 of 2015) [F2015L01312].

*Veterans' Entitlements Act 1986*—
Amendment Statement of Principles concerning lipoma (Balance of Probabilities)—No. 115 of 2015 [F2015L01388].
Amendment Statement of Principles concerning lipoma (Reasonable Hypothesis)—No. 114 of 2015 [F2015L01387].


Statement of Principles concerning Achilles tendinopathy and bursitis (Balance of Probabilities)—No. 97 of 2015 [F2015L01337].
Statement of Principles concerning Achilles tendinopathy and bursitis (Reasonable Hypothesis)—No. 96 of 2015 [F2015L01336].

Statement of Principles concerning external burn (Balance of Probabilities)—No. 111 of 2015 [F2015L01331].
Statement of Principles concerning external burn (Reasonable Hypothesis)—No. 110 of 2015 [F2015L01330].

Statement of Principles concerning fracture (Balance of Probabilities)—No. 95 of 2015 [F2015L01343].
Statement of Principles concerning fracture (Reasonable Hypothesis)—No. 94 of 2015 [F2015L01340].

Statement of Principles concerning hallux valgus (Balance of Probabilities)—No. 99 of 2015 [F2015L01355].
Statement of Principles concerning hallux valgus (Reasonable Hypothesis)—No. 98 of 2015 [F2015L01334].

Statement of Principles concerning hepatitis E (Balance of Probabilities)—No. 113 of 2015 [F2015L01333].
Statement of Principles concerning hepatitis E (Reasonable Hypothesis)—No. 112 of 2015 [F2015L01332].

Statement of Principles concerning ingrowing nail (Balance of Probabilities)—No. 107 of 2015 [F2015L01327].
Statement of Principles concerning ingrowing nail (Reasonable Hypothesis)—No. 106 of 2015 [F2015L01326].

Statement of Principles concerning lipoma (Balance of Probabilities)—No. 101 of 2015 [F2015L01316].
Statement of Principles concerning lipoma (Reasonable Hypothesis)—No. 100 of 2015 [F2015L01315].

Statement of Principles concerning malignant melanoma of the skin (Balance of Probabilities)—No. 103 of 2015 [F2015L01318].
Statement of Principles concerning malignant melanoma of the skin (Reasonable Hypothesis)—No. 102 of 2015 [F2015L01317].

Statement of Principles concerning Meniere's disease (Balance of Probabilities)—No. 109 of 2015 [F2015L01329].
Statement of Principles concerning Meniere's disease (Reasonable Hypothesis)—No. 108 of 2015 [F2015L01328].
Statement of Principles concerning mesothelioma (Balance of Probabilities)—No. 105 of 2015 [F2015L01320].
Statement of Principles concerning mesothelioma (Reasonable Hypothesis)—No. 104 of 2015 [F2015L01319].
Veterans’ Affairs (Treatment Principles—Removal of Prior Approval Requirement and Time Limits for Convalescent and Respite Care in Hospital) Amendment Instrument 2015 [F2015L01342].

Tabling

The following documents were tabled pursuant to standing order 61(1)(b):

[Documents presented since the last sitting of the Senate, pursuant to standing order 166, were authorised for publication on the dates indicated]

Airservices Australia—Corporate plan 2015-20. [Received 28 August 2015]
Clean Energy Finance Corporation (CEFC)—Equal employment opportunity program—Report for the period 17 April 2014 to 17 April 2015. [Received 1 September 2015]
Departmental and agency appointments and vacancies—Budget estimates—Letter of advice pursuant to the order of the Senate of 24 June 2008—Agriculture portfolio—Correction. [Received 3 September 2015]
Economics References Committee—Report—Privatisation of state and territory assets and new infrastructure—Government response, dated July 2015. [Received 1 September 2015]
Entity contracts for 2014-15—Letters of advice, pursuant to the order of the Senate of 20 June 2001, as amended—

Agriculture portfolio. [Received 4 September 2015]
Attorney-General’s portfolio. [Received 26 August 2015]
Communications portfolio. [Received 28 August 2015]
Defence portfolio. [Received 1 September 2015]
Department of Human Services. [Received 3 September 2015]
Education and Training portfolio. [Received 3 September 2015]
Environment portfolio. [Received 26 August 2015]
Finance portfolio. [Received 1 September 2015]
Foreign Affairs and Trade portfolio. [Received 1 September 2015]
Immigration and Border Protection portfolio. [Received 3 September 2015]
Industry and Science portfolio. [Received 31 August 2015]
Infrastructure and Regional Development portfolio. [Received 21 August 2015]
Social Services portfolio. [Received 2 September 2015]
Treasury portfolio. [Received 31 August 2015]

Environment—Southern cassowary—Letter to the President of the Senate from the Minister for the Environment (Mr Hunt), dated 27 August 2015; responding to the resolution of the Senate of 13 August 2015.
Estimates hearings—Unanswered questions on notice—Budget estimates 2015-16—Statements pursuant to the order of the Senate of 25 June 2014—

Agriculture portfolio. [Received 26 August 2015]

Special Minister of State. [Received 1 September 2015]

Finance—Advance to the Finance Minister—Report on advances provided under the annual Appropriation Acts for 2014-15—Letter of advice. [Received 21 August 2015]

Indexed lists of departmental and agency files for the period 1 January to 30 June 2015—Statements of compliance pursuant to the order of the Senate of 30 May 1996, as amended—

Communications portfolio. [Received 28 August 2015]

Defence portfolio. [Received 4 September 2015]

Department of Employment. [Received 21 August 2015]

Department of Social Services. [Received 21 August 2015]

Fair Work Ombudsman. [Received 28 August 2015]

Industry and Science portfolio. [Received 26 August 2015]

Safe Work Australia. [Received 21 August 2015]

Indigenous Business Australia (IBA)—Corporate plan 2015-16. [Received 28 August 2015]

National Environment Protection Council (NEPC)—Report for 2013-14. [Received 1 September 2015]

National Health and Medical Research Council (NHMRC)—Corporate plan 2015-16. [Received 28 August 2015]

NBN Co Limited—Report for 2014-15. [Received 24 August 2015]

Superannuation (Government Co-contribution for Low Income Earners) Act 2003—


Quarterly reports on the operation of the Government co-contribution scheme—

Subsection 12G(1)—

1 April to 30 June 2014.
1 July to 30 September 2014.
1 October to 31 December 2014.
1 January to 31 March 2015.

Subsection 54(1)—

1 July to 30 September 2014.
1 October to 31 December 2014.
1 January to 31 March 2015.


Tabling

The following document was tabled by the Clerk pursuant to the order of the Senate of 20 June 2001, as amended:

DOCUMENTS PRESENTED OUT OF SITTING SINCE 20 AUGUST 2015

GOVERNMENT DOCUMENTS (pursuant to Senate standing order 166)

1. Finance—Advances provided under the annual Appropriation Acts—Report for 2014-15—Letter of advice. [Received 21 August 2015]
2. NBN Co Limited—Report for 2014-15. [Received 24 August 2015]
3. Airservices Australia—Corporate plan 2015-20. [Received 28 August 2015]
4. Indigenous Business Australia (IBA)—Corporate plan 2015-16. [Received 28 August 2015]
5. National Health and Medical Research Council (NHMRC)—Corporate plan 2015-16. [Received 28 August 2015]

STATEMENTS OF COMPLIANCE WITH SENATE ORDERS (pursuant to Senate standing order 166)

Indexed Lists of Departmental and Agency Files (continuing order of the Senate of 30 May 1996, as amended)

- Communications portfolio. [Received 28 August 2015]
- Defence portfolio. [Received 4 September 2015]
- Department of Employment. [Received 21 August 2015]
- Department of Social Services. [Received 21 August 2015]
- Fair Work Ombudsman. [Received 28 August 2015]
- Industry and Science portfolio. [Received 26 August 2015]
- Safe Work Australia. [Received 21 August 2015]

Lists of Entity Contracts (continuing order of the Senate of 20 June 2001, as amended)

- Agriculture portfolio. [Received 4 September 2015]
- Attorney-General's portfolio. [Received 26 August 2015]
- Communications portfolio. [Received 28 August 2015]
- Defence portfolio. [Received 1 September 2015]
- Department of Human Services. [Received 3 September 2015]
- Education and Training portfolio. [Received 3 September 2015]
- Environment portfolio. [Received 26 August 2015]
- Finance portfolio. [Received 1 September 2015]
- Foreign Affairs and Trade portfolio. [Received 1 September 2015]
- Immigration and Border portfolio. [Received 3 September 2015]
- Industry and Science portfolio. [Received 31 August 2015]
- Infrastructure and Regional Development portfolio. [Received 21 August 2015]
- Social Services portfolio. [Received 2 September 2015]
- Treasury portfolio. [Received 31 August 2015]
List of Departmental and Agency Appointments and Vacancies (continuing order of the Senate of 24 June 2008, as amended)

Agriculture portfolio—Correction. [Received 3 September 2015]

Statements of Departmental and Agency Unanswered Estimates Questions on Notice (continuing order of the Senate of 25 June 2014)

Agriculture portfolio. [Received 26 August 2015]

Special Minister of State. [Received 1 September 2015]

Committee Reports (pursuant to Senate standing order 38 (7))

Economics References Committee—Report—Corporate tax avoidance: You cannot tax what you cannot see (part 1)—Corrigendum. [Received 21 August 2015]

Environment and Communications References Committee—The Fin-Fish aquaculture industry in Tasmania—Report, dated August 2015, Hansard record of proceedings, documents presented to the committee, additional information and submissions. [Received 21 August 2015]

Economics References Committee—Future of Australia’s naval shipbuilding industry—Interim report, dated 28 August 2015. [Received 28 August 2015]

Recent allegations relating to conditions and circumstances at the Regional Processing Centre in Nauru—Select Committee—Taking responsibility: conditions and circumstances at Australia’s Regional Processing Centre in Nauru—Report, dated August 2015, Hansard record of proceedings, additional information and submissions. [Received 31 August 2015]

Intelligence and Security—Joint Statutory Committee—Australian Citizenship Amendment (Allegiance to Australia) Bill 2015—Advisory report, dated September 2015. [Received 4 September 2015]

GOVERNMENT RESPONSES TO PARLIAMENTARY COMMITTEE REPORTS (pursuant to Senate standing order 38 (7))

Economics References Committee—Privatisation of state and territory assets and new infrastructure, dated July 2015. [Received 1 September 2015]

The response read as follows—

Australian Government response to the Economics References Committee report: Privatisation of State and Territory Assets and New Infrastructure

July 2015

Introduction

On 30 October 2014, the Senate referred the matter of privatisation of state and territory assets and new infrastructure to the Senate Economics References Committee for inquiry and report by 2 March 2015. The committee was to examine:

Incentives to privatise state or territory assets and recycle the proceeds into new infrastructure, with particular reference to:

(a) the role of the Commonwealth in working with states and territories to find nation-building infrastructure, including:

(i) the appropriateness of the Commonwealth providing finding, and

(ii) the capacity of the Commonwealth to contribute an additional 15 per cent, or alternative amounts, of reinvested sale proceeds;

(b) the economics of incentives to privatise assets;
On 2 December 2014, the Senate granted an extension to the Committee to report by 20 March 2015. On 19 March 2015, the Committee tabled its final report.

The report contains three recommendations and includes a dissenting report from Government Senators. The report also includes a section containing additional commentary by the Australian Greens. The Australian Greens state that they support the overall intentions of the majority report’s recommendations but propose several revisions to those recommendations in order to take account of the issues they have raised. As the revisions do not materially alter the majority report’s recommendations, the Government’s response does not separately respond to those recommendations.

**Government Response**

The Australian Government has considered the three recommendations contained in the report and provides the following responses.

**Recommendation 1**

The committee recommends that proper and rigorous analysis of total costs associated with privatisation projects be conducted when privatisation is proposed by governments at any level. In addition, appropriate public consultation should be undertaken, including consultation around transactions costs and the costs of creating an appropriate regulatory environment and compliance with those arrangements.

**Noted.**

The committee has recommended that any privatisation be based upon rigorous analysis of all costs and be proceeded by public consultation. This is what governments ordinarily do as part of considering any option for privatisation. State and territory governments are responsible for selecting the assets they consider appropriate to be sold in order to participate in the Initiative. As a consequence, they are ultimately accountable to their constituents for the assets that they decide to divest and the pricing and service outcomes resulting from them.

**Recommendation 2**

The committee recommends that prior to privatisation of assets, governments at all levels introduce appropriate regulatory arrangements and safeguards, including safeguards against anti-competitive behaviour to ensure that future costs are known and established.

**Noted.**

Appropriate regulatory arrangements and safeguards against anti-competitive behaviour are important considerations for governments undertaking privatisation. State and territory governments can, and have, put in place mechanisms to address competition issues that may result from the privatisation of assets. Commonwealth legislation also exists to address monopoly pricing and access issues as well as anti-competitive behaviours.
Recommendation 3

The committee recommends that the link between privatisation of assets and infrastructure funding under the Asset Recycling Initiative should be removed. This would provide an environment where: states and territories are encouraged to consider the merits of privatisation on a case by case basis; decisions to fund infrastructure projects are based on the community and economic need; and the Commonwealth contributes funding based on the merits of proposed infrastructure projects while considering the equitable distribution of funds across states and territories.

Not agreed.

The Asset Recycling Initiative is designed to encourage states and territories to invest in additional infrastructure, while recognising the reality of constrained fiscal positions at every level of government.

The Initiative seeks to encourage states to fund new productive capacity enhancing infrastructure by unlocking capital from existing mature assets, which would be transferred to the private sector. The Initiative also explicitly seeks to encourage private sector funding of green field infrastructure wherever possible, by requiring funding and financing options to be considered as one of the three eligibility criteria for new infrastructure proposals.

The Asset Recycling Initiative does not prevent state or territory governments from considering the merits of a privatisation or making decisions to fund new infrastructure based on community and economic need. The Initiative provides adequate time for all of these aspects to be properly considered. Moreover, the existence of the Initiative has clearly not discouraged community debate on the merits of individual asset sales or proposed new infrastructure projects. All infrastructure projects to be funded under the Initiative must demonstrate: a clear net positive benefit; enhance the long term productive capacity of the economy; and, where possible, provide for enhanced private sector involvement in both the funding and financing of the infrastructure.

Through the Initiative, the Government is responding to the needs of the economy by building infrastructure that will drive economic growth, create jobs and improve productivity. This investment aims to generate significant additional state and private sector participation to build the infrastructure that Australia needs and will lay the foundations for future growth.