INTERNET

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SITTING DAYS—2014

<table>
<thead>
<tr>
<th>Month</th>
<th>Date</th>
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<tbody>
<tr>
<td>February</td>
<td>11, 12, 13</td>
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<tr>
<td>March</td>
<td>3, 4, 5, 6, 17, 18, 19, 20, 24, 25, 26, 27</td>
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<tr>
<td>June</td>
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<td>July</td>
<td>7, 8, 9, 10, 14, 15, 16, 17</td>
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<td>September</td>
<td>1, 2, 3, 4, 22, 23, 24, 25, 30</td>
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<td>1, 2, 27, 28, 29, 30</td>
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<tr>
<td>December</td>
<td>1, 2, 3, 4</td>
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FORTY-FOURTH PARLIAMENT
FIRST SESSION—FOURTH PERIOD

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

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

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

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

<table>
<thead>
<tr>
<th>Senator</th>
<th>State or Territory</th>
<th>Term expires</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abetz, Hon. Eric</td>
<td>TAS</td>
<td>30.6.2017</td>
<td>LP</td>
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<tr>
<td>Back, Christopher John</td>
<td>WA</td>
<td>30.6.2017</td>
<td>LP</td>
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<tr>
<td>Bernardi, Cory</td>
<td>SA</td>
<td>30.6.2020</td>
<td>LP</td>
</tr>
<tr>
<td>Bilyk, Catryna Louise</td>
<td>TAS</td>
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<td>ALP</td>
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<tr>
<td>Birmingham, Hon. Simon John</td>
<td>SA</td>
<td>30.6.2020</td>
<td>LP</td>
</tr>
<tr>
<td>Brandis, Hon. George Henry, QC</td>
<td>QLD</td>
<td>30.6.2017</td>
<td>LP</td>
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<tr>
<td>Brown, Carol Louise</td>
<td>TAS</td>
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<tr>
<td>Bullock, Joseph Warrington</td>
<td>WA</td>
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<tr>
<td>Bushby, David Christopher</td>
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<tr>
<td>Cameron, Hon. Douglas Niven</td>
<td>NSW</td>
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<tr>
<td>Canavan, Matthew James</td>
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<td>30.6.2020</td>
<td>LNP</td>
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<tr>
<td>Carr, Hon. Kim John</td>
<td>VIC</td>
<td>30.6.2017</td>
<td>ALP</td>
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<tr>
<td>Cash, Hon. Michaelia Clare</td>
<td>WA</td>
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<tr>
<td>Colbeck, Hon. Richard Mansell</td>
<td>TAS</td>
<td>30.6.2020</td>
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<tr>
<td>Collins, Hon. Jacinta Mary Ann</td>
<td>VIC</td>
<td>30.6.2020</td>
<td>ALP</td>
</tr>
<tr>
<td>Conroy, Hon. Stephen Michael</td>
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<tr>
<td>Cormann, Hon. Mathias Hubert Paul</td>
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<td>30.6.2017</td>
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<tr>
<td>Dastyari, Sam</td>
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<td>30.6.2017</td>
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<tr>
<td>Day, Robert John</td>
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<td>30.6.2020</td>
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<td>Fierravanti-Wells, Hon. Concetta Anna</td>
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<td>Fifield, Hon. Mitchell Peter</td>
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<td>30.6.2020</td>
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<td>Leyonhjelm, David Ean</td>
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<td>Lines, Susan</td>
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<td>Ludlam, Scott</td>
<td>WA</td>
<td>30.6.2020</td>
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<tr>
<td>Lundy, Kate Alexandra</td>
<td>ACT</td>
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<td>Macdonald, Hon. Ian Douglas</td>
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<td>30.6.2020</td>
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<tr>
<td>Madigan, John Joseph</td>
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<tr>
<td>Marshall, Gavin Mark</td>
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<td>Mason, Hon. Brett John</td>
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<td>McEwen, Anne</td>
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<td>McGrath, James</td>
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<tr>
<td>McLucas, Hon. Jan Elizabeth</td>
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<td>Milne, Christine Anne</td>
<td>TAS</td>
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<tr>
<td>Moore, Claire Mary</td>
<td>QLD</td>
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<tr>
<td>Muir, Ricky Lee</td>
<td>VIC</td>
<td>30.6.2020</td>
<td>AMEP</td>
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<tr>
<td>Nash, Hon. Fiona Joy</td>
<td>NSW</td>
<td>30.6.2017</td>
<td>NATS</td>
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Pursuant to section 42 of the Commonwealth Electoral Act 1918, the terms of service of the following senators representing the Australian Capital Territory and the Northern Territory expire at the close of the day immediately before the polling day for the next general election of members of the House of Representatives.

<table>
<thead>
<tr>
<th>Territory</th>
<th>Senator</th>
<th>Party</th>
<th>Senator</th>
<th>Party</th>
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<tbody>
<tr>
<td>Australian Capital Territory</td>
<td>Lundy, K.</td>
<td>ALP</td>
<td>Seselja, Z.M.</td>
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<tr>
<td>Northern Territory</td>
<td>Scullion, N. G.</td>
<td>CLP</td>
<td>Peris, N.M.</td>
<td>ALP</td>
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</table>

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

<table>
<thead>
<tr>
<th>Title</th>
<th>Minister</th>
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<tbody>
<tr>
<td><strong>Prime Minister</strong></td>
<td>The Hon Tony Abbott MP</td>
</tr>
<tr>
<td><strong>Minister for Indigenous Affairs</strong></td>
<td>Senator the Hon Nigel Scullion</td>
</tr>
<tr>
<td><em>Minister Assisting the Prime Minister for the Public Service</em></td>
<td>Senator the Hon Eric Abetz</td>
</tr>
<tr>
<td><em>Minister Assisting the Prime Minister for Women</em></td>
<td>Senator the Hon Michaelia Cash</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Prime Minister</strong></td>
<td>The Hon Josh Frydenberg MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Prime Minister</strong></td>
<td>The Hon Alan Tudge MP</td>
</tr>
<tr>
<td><strong>Minister for Infrastructure and Regional Development</strong></td>
<td>The Hon Warren Truss MP</td>
</tr>
<tr>
<td>(Deputy Prime Minister)</td>
<td>The Hon Jamie Briggs MP</td>
</tr>
<tr>
<td><strong>Minister for Foreign Affairs</strong></td>
<td>The Hon Julie Bishop MP</td>
</tr>
<tr>
<td><strong>Minister for Trade and Investment</strong></td>
<td>The Hon Andrew Robb AO MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Minister for Foreign Affairs</strong></td>
<td>Senator the Hon Brett Mason</td>
</tr>
<tr>
<td><strong>Minister for Employment</strong></td>
<td>Senator the Hon Eric Abetz</td>
</tr>
<tr>
<td>(Leader of the Government in the Senate)</td>
<td>The Hon Luke Hartsuyker MP</td>
</tr>
<tr>
<td><strong>Assistant Minister for Employment</strong></td>
<td>The Hon Luke Hartsuyker MP</td>
</tr>
<tr>
<td>(Deputy Leader of the House)</td>
<td>The Hon Luke Hartsuyker MP</td>
</tr>
<tr>
<td><strong>Attorney-General</strong></td>
<td>The Hon Michael Keenan MP</td>
</tr>
<tr>
<td><strong>Minister for the Arts</strong></td>
<td>Senator the Hon George Brandis QC</td>
</tr>
<tr>
<td>(Vice-President of the Executive Council)</td>
<td>Senator the Hon George Brandis QC</td>
</tr>
<tr>
<td>(Deputy Leader of the Government in the Senate)</td>
<td>Senator the Hon George Brandis QC</td>
</tr>
<tr>
<td><strong>Minister for Justice</strong></td>
<td>The Hon Michael Keenan MP</td>
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<tr>
<td><strong>Treasurer</strong></td>
<td>The Hon Joe Hockey MP</td>
</tr>
<tr>
<td><strong>Minister for Small Business</strong></td>
<td>The Hon Bruce Billson MP</td>
</tr>
<tr>
<td><strong>Acting Assistant Treasurer</strong></td>
<td>Senator the Hon Mathias Cormann</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Treasurer</strong></td>
<td>The Hon Steven Ciobo MP</td>
</tr>
<tr>
<td><strong>Minister for Agriculture</strong></td>
<td>The Hon Barnaby Joyce MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Minister for Agriculture</strong></td>
<td>Senator the Hon Richard Colbeck</td>
</tr>
<tr>
<td><strong>Minister for Education</strong></td>
<td>The Hon Christopher Pyne MP</td>
</tr>
<tr>
<td>(Leader of the House)</td>
<td>The Hon Christopher Pyne MP</td>
</tr>
<tr>
<td><strong>Assistant Minister for Education</strong></td>
<td>The Hon Sussan Ley MP</td>
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<tr>
<td><strong>Parliamentary Secretary to the Minister for Education</strong></td>
<td>Senator the Hon Scott Ryan</td>
</tr>
<tr>
<td><strong>Minister for Industry</strong></td>
<td>The Hon Ian Macfarlane MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Minister for Industry</strong></td>
<td>The Hon Bob Baldwin MP</td>
</tr>
<tr>
<td><strong>Minister for Social Services</strong></td>
<td>The Hon Kevin Andrews MP</td>
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<tr>
<td><strong>Assistant Minister for Social Services</strong></td>
<td>Senator the Hon Mitch Fifield</td>
</tr>
<tr>
<td>(Manager of Government Business in the Senate)</td>
<td>Senator the Hon Marise Payne</td>
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<tr>
<td><strong>Minister for Human Services</strong></td>
<td>Senator the Hon Marise Payne</td>
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<tr>
<td><strong>Parliamentary Secretary to the Minister for Social Services</strong></td>
<td>Senator the Hon Concetta Fierravanti-Wells</td>
</tr>
<tr>
<td><strong>Minister for Communications</strong></td>
<td>The Hon Malcolm Turnbull MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Minister for Communications</strong></td>
<td>The Hon Paul Fletcher MP</td>
</tr>
<tr>
<td><strong>Minister for Health</strong></td>
<td>The Hon Peter Dutton MP</td>
</tr>
<tr>
<td><strong>Minister for Sport</strong></td>
<td>The Hon Peter Dutton MP</td>
</tr>
<tr>
<td><strong>Assistant Minister for Health</strong></td>
<td>Senator the Hon Fiona Nash</td>
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<tr>
<td>Title</td>
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<tr>
<td>----------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------</td>
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<tr>
<td><strong>Minister for Defence</strong></td>
<td>Senator the Hon David Johnston</td>
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<tr>
<td>Minister for Veterans’ Affairs</td>
<td>Senator the Hon Michael Ronaldson</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for the Centenary of ANZAC</td>
<td>Senator the Hon Michael Ronaldson</td>
</tr>
<tr>
<td>Assistant Minister for Defence</td>
<td>The Hon Stuart Robert MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Defence</td>
<td>The Hon Darren Chester MP</td>
</tr>
<tr>
<td><strong>Minister for the Environment</strong></td>
<td>The Hon Greg Hunt MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for the Environment</td>
<td>Senator the Hon Simon Birmingham</td>
</tr>
<tr>
<td><strong>Minister for Immigration and Border Protection</strong></td>
<td>The Hon Scott Morrison MP</td>
</tr>
<tr>
<td>Assistant Minister for Immigration and Border Protection</td>
<td>Senator the Hon Michaelia Cash</td>
</tr>
<tr>
<td><strong>Minister for Finance</strong></td>
<td>Senator the Hon Mathias Cormann</td>
</tr>
<tr>
<td>Special Minister of State</td>
<td>Senator the Hon Michael Ronaldson</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Finance</td>
<td>The Hon Michael McCormack MP</td>
</tr>
</tbody>
</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.
<table>
<thead>
<tr>
<th>Title</th>
<th>Shadow Minister</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leader of the Opposition Hon David Feeney MP</td>
<td>Hon Bill Shorten MP</td>
</tr>
<tr>
<td>Shadow Minister Assisting the Leader for Science</td>
<td>Senator the Hon Kim Carr</td>
</tr>
<tr>
<td>Shadow Minister for Foreign Affairs and International Development</td>
<td>Senor the Hon Penny Wong</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Foreign Affairs</td>
<td>Hon Matt Thistlethwaite MP</td>
</tr>
<tr>
<td>Shadow Minister for Defence</td>
<td>Hon David Feeney MP</td>
</tr>
<tr>
<td>Shadow Minister for Defence</td>
<td>Hon David Feeney MP</td>
</tr>
<tr>
<td>Shadow Minister for Defence</td>
<td>Gai Brodtmann MP</td>
</tr>
<tr>
<td>Shadow Minister for Infrastructure and Transport</td>
<td>Hon Anthony Albanese MP</td>
</tr>
<tr>
<td>Shadow Minister for Tourism</td>
<td>Hon Julie Collins MP</td>
</tr>
<tr>
<td>Shadow Minister for Regional Development and Local Government</td>
<td>Senor the Hon Stephen Conroy</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Regional Development and Infrastructure</td>
<td>Allanah MacTiernan MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Western Australia</td>
<td>Hon Warren Snowdon MP</td>
</tr>
<tr>
<td>Shadow Treasurer</td>
<td>Hon Chris Bowen MP</td>
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<tr>
<td>Shadow Treasurer</td>
<td>Hon Dr Andrew Leigh MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for the Shadow Treasurer</td>
<td>Hon Ed Husic MP</td>
</tr>
<tr>
<td>Shadow Minister for Finance</td>
<td>Hon Tony Burke MP</td>
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<tr>
<td>Manager of Opposition Business (House)</td>
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<tr>
<td>Shadow Minister for Environment, Climate Change and Water</td>
<td>Hon Mark Butler MP</td>
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<tr>
<td>Shadow Parliamentary Secretary for the Environment, Climate Change and Water</td>
<td>Senator the Hon Lisa Singh</td>
</tr>
<tr>
<td>Shadow Minister for Higher Education, Research, Innovation and Industry</td>
<td>Senator the Hon Kim Carr</td>
</tr>
<tr>
<td>Shadow Minister for Vocational Education</td>
<td>Hon Sharon Bird MP</td>
</tr>
<tr>
<td>Shadow Assistant Minister for Higher Education</td>
<td>Hon Amanda Rishworth MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Manufacturing</td>
<td>Tony Zappia MP</td>
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<tr>
<td>Shadow Minister for Communications</td>
<td>Hon Jason Clare MP</td>
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<tr>
<td>Shadow Assistant Minister for Communications</td>
<td>Michelle Rowland MP</td>
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<td>Title</td>
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<tr>
<td>----------------------------------------------------------------------</td>
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<tr>
<td><strong>Shadow Attorney General</strong></td>
<td>Hon Mark Dreyfus QC MP</td>
</tr>
<tr>
<td><strong>Shadow Minister for the Arts</strong></td>
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<tr>
<td>Deputy Manager of Opposition Business (House)</td>
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<td>Hon David Feeney MP</td>
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<tr>
<td>Shadow Parliamentary Secretary to the Shadow Attorney General</td>
<td>Graham Perrett MP</td>
</tr>
<tr>
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<td>Hon Michael Danby MP</td>
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<tr>
<td><strong>Shadow Minister for Education</strong></td>
<td>Hon Kate Ellis MP</td>
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The PRESIDENT (Senator the Hon. Stephen Parry) took the chair at 09:30, read prayers and made an acknowledgement of country.

STATEMENTS

Democratic Labour Party

Senator MADIGAN (Victoria) (09:31): by leave—Since I was elected in 2010, I have been acutely aware of the historic significance of my position. I was the first DLP member in the federal parliament for almost 40 years. At the height of its representation in 1970, the party had five senators. History has been my compass in the past three years. In the foyer in my office are the photos of Frank McManus, Jack Little, Jack Kane, George Cole, Vince Gair and Condon Byrne. I pass them on my way to the Senate, on the way to committee meetings and every time I leave or arrive at my office. They are reminders of the responsibility I carry. They are reminders of the people I represent—the people of Victoria who feel let down by traditional politicians and politics.

The DLP has been the party of principle in the face of opposition, and no other political party in Australia can say its founders were prepared to sacrifice promising political careers to uphold their commitment to freedom from undue and corrupt influence. I have been a member of the DLP since 2006, so I have arrived at my decision today only after deep introspection and consultation with trusted friends and colleagues. It has become apparent to me that the DLP’s own worst enemies are within its own ranks. Ever since my election, I have witnessed firsthand attempts by those in the party to assume power through any means, even if it means the very destruction of the party itself. This will not be news to many. A simple internet search will reveal part of what I have been talking about.

But more recently that attack moved into my electorate office. Earlier this year, at the strong recommendation of senior party members, I employed an office manager. This person already had a relationship with the DLP and was involved with the party's senior members. It has now become apparent that that person systematically ran a campaign of disinformation and disharmony in my office. Attempts by me to undertake normal communication with party members were thwarted, confidential information was leaked and lies were told. Even more alarmingly, it has emerged that, two weeks after joining my staff, that person sent an email to the Liberal Party asking about preselection in the forthcoming Victorian election. The cancer of political intrigue clearly has infected the Victorian state executive of the DLP. That person suddenly resigned from her position in July, three days after being elected Victorian state president of the DLP. I have sought answers from the state executive about these events. I have sought a plausible explanation. So far, I have received none.

My commitment to the party has, I believe, been second to none. So it is with a heavy heart but with resolution that today I announce my resignation from the DLP to continue my term as an Independent senator. I look back at my achievements, such as they are, over the last three years and know that I could have achieved more. I could have achieved more with less distraction from party politics and from the culture of complaint, disruption and undermining that now exists in the DLP amongst senior members.
I remain committed to DLP values. I remain committed to supporting manufacturing and farming jobs and supporting those in our country who are the most vulnerable. I remain committed to the sanctity of human life, from conception to natural death and at every stage in between. I remain committed to those long-term and loyal DLP party members who are unquestioning in their support and faith in DLP principles. I remain committed to the people of Victoria and Australia, and I confirmed to them that I will not rest in my efforts to represent them and to fight for those things we equally believe in. I seek leave to table documents in relation to this matter.

The PRESIDENT: Is leave granted?

Senator Abetz: No. Just so there is no misapprehension in relation to this, as I understand it, the coalition has not seen all the documents as yet. Therefore, this is not a blanket denial; it is just subject to inspection of the documents, and then we will make our position known. I understand that I reflect the ALP's view on this. On behalf of all senators, I send our best wishes to Senator Madigan on the very difficult decision he has come to.

Leave not granted.

BILLS

Defence Legislation Amendment (Parliamentary Approval of Overseas Service) Bill 2014

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator MILNE (Tasmania—Leader of the Australian Greens) (09:36): I rise today to speak in the strongest possible terms in support of the Defence Legislation Amendment (Parliamentary Approval of Overseas Service) Bill 2014, which inserts a new section into the Defence Act to require that decisions to deploy members of the Australian Defence Force beyond the territorial limits be made not by the executive alone, but by parliament as a whole—this means debate in both houses followed by a vote.

There is no more serious thing that a government can do than to send young Australian men and women into battle to fight for our country to put their lives on the line. That is why it is important that this decision not stay just with the Prime Minister and the executive, but be brought to the parliament. In the current circumstances, it is particularly important that parliament has this capacity, and that we have a strong debate, because if we do not learn from the past then we will repeat the mistakes of the past.

I went to begin my contribution by reading from the words of retired Major-General John Cantwell. He was our former commander in Afghanistan and he has published a very moving book, Exit Wounds. This is what he had to say:

Is it worth it? I recall sitting in my office one day in 2010, soon after a repatriation ceremony for another dead Australian soldier. With me was one of the senior officers on my staff. We looked at each other and I said, 'You know what, mate? I'd never say this in front of the troops, but I'm starting to wonder if these deaths are worth it.'

My colleague replied, 'You're not the only one asking that question, boss.'
Some will argue that the men and women we send to war are all volunteers, who know the risks and take them willingly. Others will say that casualties are the unavoidable cost of doing business in a combat zone. There is an argument that says the lives of a few sometimes need to be expended for a greater good. Another line of reasoning takes the grand, strategic view of international affairs, putting the case that Australia—a relative minnow in terms of military might, albeit a well-trained and reasonable well-equipped minnow—has no choice but to maintain strong bonds with a large and powerful friend, the United States. That friendship sometimes demands reciprocal payments, in the form of going to war and spending some lives. A cold, clear-eyed analysis of these claims tells me that they are all true, much as it pains me to admit it.

But these arguments only work at the intellectual level. They do not make sense at the human level, the level at which every life is precious, where each dead soldier is someone and not just a number. These men had parents, sisters, brothers, partners and children who loved them … They all had dreams and hopes and potential. These were the thoughts that ran through my head as I stood, time after time, in the morgue in the UAE. How could any of these lives be forfeited? What measure of success in the campaign to fight the Taliban and build Afghanistan's army could possibly warrant the grim procession of dead men that I supervised? I know, absolutely, that the men who died in Afghanistan were doing what they loved, with mates they respected, for a cause—rejecting extremism, denying terrorism, helping a needy people—which is honourable. I also know that advances have been made in training the Afghan National Army and improving security in Uruzgan province; some of the people of the province also have an improved quality of life. But will our efforts, no matter how impressive locally, significantly influence the myriad problems afflicting the government and people of Afghanistan? Ten years from now, will anyone in Afghanistan remember that Australians shed blood for them? For a man like me, a lifetime soldier inculcated with a sense of duty and service, these are difficult questions to confront.

In the prologue to this book, I wrote that such thoughts seemed disrespectful, even treasonous. But the fundamental question has continued to gnaw at me: is what we have achieved in Afghanistan worth the lives lost and damaged?

Today, I know the answer—it is no. It's not worth it. I cannot justify any one of the Australian lives lost in Afghanistan.

I quote that today in the context of our debate in this country about what is going on in Iraq. We have had the Prime Minister engaged in what can only be described as 'mission creep'. We started out with humanitarian assistance—which the Greens totally support—carrying out supply drops, and taking water and food to people in desperate need. Then it escalated to a point where our forces were engaged in transporting weapons into northern Iraq. At that point, there was a lack of clarification as to whether the Iraqi government had actually asked Australia to do that. It is pretty clear now that the engagement had all been with the United States and that Australia was just going along with the United States in spite of the fact that President Obama has said there is no strategy. Then we had our Super Hornets placed on standby, ready to engage in airstrikes. Overnight, it was announced that there has been a general request to help with the conflict in Iraq. That is clearly asking to put Australia on notice to send our military forces into full engagement in Iraq, yet this parliament has not had a fulsome debate. We have not heard from the Prime Minister what the strategy is. As Major General Cantwell said in his profound book, you have to have a 'cold, clear-eyed analysis' of what you are doing, whether it is worth it, what your strategy is, what you are going to achieve, and I do not believe there has been any of that. I do not believe the Prime Minister has set out the case.
It is absolutely true that the atrocities being carried out by ISIS in Iraq are appalling, shocking. Nobody supports the beheading that has gone on, the gunning down of innocent people and the absolute attempts to exterminate whole villages and the like. But, equally, we have to acknowledge that this is not something that is only going on from the Sunnis in the ISIS movement. The Shia militias, which are supporting the Iraqi government, have been carrying out the same atrocities for some time. From 2005 to 2007 we saw exactly the same thing, and recently 70 or 80 people were killed in a mosque. We have seen beheadings. We have seen the same brutality engaged with the militias. Now we are taking weapons to one part of the conflict, and no guarantee can be given that those weapons will not end up in the hands of the Shia militias. If we succeed—and I hope we do—in using all our diplomatic power to exert influence to make sure the new government in Iraq is inclusive of the Sunnis, how do we know that the weapons we have transferred into northern Iraq will not be used by the Shia militias to turn on the new Iraqi government? This is the complicating factor. The result of the 2003 invasion of Iraq has meant that there has been a power vacuum in the country which has allowed the sectarian rivalries that have gone on for hundreds of years to be inflamed to the point that they are engaged in effectively a religious war against each other.

My question to the government has been: what is the strategy here? Overnight, President Obama said that he wants to degrade ISIS, but he says that they cannot be beaten. He has stayed out of Syria for three years. The Prime Minister says that you cannot stand by and watch atrocities happen. Well, we have. We have stood by and watched atrocities happen in Syria for three years. These ISIS fighters are coming out of Syria into northern Iraq. The reason they have made such headway in northern Iraq is that the areas they have moved through are the Sunni areas. They are Sunnis coming into ISIS, coming through the Sunni areas, and now a stand is being taken by the Kurdish people, and also as they start getting into the Shia-held areas.

The question is: what are we doing on the diplomatic front? The best hope of getting some sort of settlement is to make sure the moderate Sunnis in Iraq support an inclusive government and are included in that government to split them off from the extremist Sunnis in ISIS. That is what we have to do. It has to be a mission to support that government. Yet we have the current Prime Minister of Iraq, al-Maliki, standing up and talking about the taking back of those villages, which of course we welcome, from ISIS in the north—but he did not acknowledge the work of the United States or Australia in bringing in weapons and he did not acknowledge the work of the Kurdish people. He said it was a second Karbala. If that is not designed to totally ramp up the jihadism, the whole absolutely religious confrontation, I do not know what is. How irresponsible was it of al-Maliki to say that? Of course, the Karbala he was referring to was a religious war in 680 AD. That is what we are taking on in Iraq.

My question to the Prime Minister is: what is the plan? I do not believe there is a plan. I think the only plan is to go along with the United States and build up the emotional engagement in Australia for taking on ISIS without pointing out to Australians that this could, and will, lead to a quagmire where we find ourselves very rapidly engaged in another Iraq war with no end and no objective in sight. At this point we should be hearing a strategy from the government, but there is not one.
I condemn absolutely the horrific crimes against humanity that are being carried out in Iraq by ISIS, in Syria by ISIS, in Nigeria by Boko Haram—wherever these are occurring all over the world. But the reason this decision should come to the parliament is precisely that—these are complicated questions. People like the Greens are asking serious questions about strategic outcomes, because young Australians will be asked to die, but we are being ridiculed, because the government seems to have embraced a strategy which says: go along with the United States; shoot first and ask the questions later. We need to be asking those questions right now.

The Prime Minister has not only responded to the request of the United States; he has said to the United States, 'You'll never walk alone.' Well, I have lived long enough to remember Harold Holt in relation to the Vietnam War saying, 'All the way with LBJ'. It seems to me that Australia must have an independent foreign policy. This is the Asian Century. We must stand and have an independent foreign policy. Instead of that we are having a repeat of 'All the way with LBJ' with 'You'll never walk alone.' We have to understand, as Major Cantwell has said, what the point is, what the objective is, what the likelihood of success is and what else needs to be in place before we engage in this. Clearly, as I have said, we need diplomatic efforts to make sure that the new government of Iraq is inclusive of all minorities so that you dampen jihadism, not rev it up, which is what is happening at the moment. Further, you need to seal the border from Turkey, which is allowing ISIS jihadists and so on to pass through and gain entry. You also need to know who is funding ISIS. They are being funded by governments in the region, including Kuwait. What are the Saudis doing in relation to ISIS?

And Wahhabism, out of Saudi Arabia and into the region: what are we doing in terms of a diplomatic arrangement with neighbouring countries and stopping the flow of money that is supplying the ISIS campaign? These are serious issues, and when I asked about these issues in the parliament Senator Abetz had no answers other than to just ridicule the Greens for asking the questions. They are legitimate questions to ask before you send young men and women into harm's way and before you see a plane being shot down or coffins coming back to Australia. We need to know why it is in the national interest.

We have also had, overnight, the Prime Minister announcing that we will have an embassy in Kiev. We have been asked for humanitarian and non-lethal assistance in the Ukraine. We are now talking about engaging with civil and military capacity-building as a result of our enhanced partnership with NATO. And it seems to me that we then have another front, with the Prime Minister deciding that we are going to sell uranium to India and not making sanctions against the Russians with uranium going into Russia. India is not a signatory to the non-proliferation treaty and is a nuclear power. And we have the Prime Minister also saying that Japan is Australia's best friend in Asia. But you actually do not announce best friends in a regional context, especially when there is so much tension over the South China Sea.

So, we have a Prime Minister who is now absolutely putting Australia out there in conflicts in the Ukraine and in Iraq and supporting nuclear power in India. What is the plan for Australia with this military engagement? That is what I am asking, and I am asking it on behalf of the Australian people. I think this parliament has the right to ask those questions and the right to understand what Australia's strategic objective in engagement is. What is in Australia's national interest in our being engaged in the Ukraine? What is it? What is it that is in Australia's national interest? That is the hard-headed, strategic question that the Prime Minister must answer, and he has not answered it.
The legislation we have here of course says that in order to give the parliament this power the parliament would have to reconvene in a timely manner. In fact, it says that the Governor-General would be able to make a proclamation regarding a declaration of war, provided that parliament is then recalled within a period of two days. So, I am not suggesting that this matter would be left open-ended. But the Democrats introduced this bill in the mid-1980s, the Greens have embraced it ever since and we are bringing it here to say that, like the United States, where Congress makes the decision about the deployment of United States forces, the Australian parliament should make the decision about the deployment. I do not think it is doing the national interest very much good to have this assumption about this just because the government—totally supported by the Labor Party as a result of confidential briefings—is engaged in a mission creep that is going pretty fast. Within a week we are now being asked by the United States to help with the conflict in Iraq. Australians need to know, because I do not want to have to revisit this, as Major Cantwell has done in his book, when we see the coffins coming back. Why are we there? What are we hoping to achieve? How long will we be there? What is our exit strategy? Did we ever have any hope of winning?

If President Obama has said overnight that ISIS cannot be defeated, and given the history—the sectarian violence in Iraq, in the region—then what is it that Australia is seeking to do? What are the risks? What is the objective? That is why the parliament should be able to debate these matters. If we are going to take on a global role in military engagement, what is Australia's respect or otherwise for international law? Are we going to do it within the framework of international law, or are we just going to follow the United States regardless of international law and without the UN Security Council engagement? These are serious matters that warrant serious debate in the parliament. It in fact demeans people when there is this level of ridicule rather than an engagement of the serious matters. That is why I support the bill.

**Senator FAWCETT** (South Australia—Deputy Government Whip in the Senate) (09:57): I too rise to address the Defence Legislation Amendment (Parliamentary Approval of Overseas Service) Bill 2014. This is the bill that was introduced into the Senate this July by the Greens through Senator Ludlam. I note that the bill essentially is unchanged from the 2008 bill of the same name, which was also introduced by Senator Ludlam. Just to give an outline, the bill proposes that the ADF not be permitted to serve outside the territorial limits of Australia except in accordance with a resolution agreed to by each house of parliament or in accordance with a number of specific circumstances. And the bill goes through to list a number of specific circumstances in which members of the Australian Defence Force may serve outside our territorial regions. The bill contains some provisions for emergency situations in which the Governor-General can proclaim that an emergency exists that may require ADF service. But the essential part is that the proclamation has to go before each house of parliament, allowing for debate and a vote within two days.

Given that this has its origins in previous bills—indeed, as the leader of the Greens has just stated, this stems all the way back to a bill that was put before the parliament by the Democrats some years ago—I think it is instructive to go back and look at the Senate Foreign Affairs, Defence and Trade Legislation Committee inquiry that examined that bill put forward by the Democrats. The inquiry was reasonably comprehensive. At the time, Senator Faulkner was the Minster for Defence. A number of people, including the department and people from
the community and other organisations, made submissions. In the concluding remarks of its report the committee, which obviously is a bipartisan committee of the parliament, made comments that those supporting the bill believed that any such decision required debate and approval by the parliament. While acknowledging the critical importance of parliamentary debate, most opponents of the bill stopped short of accepting the requirement that both Houses of parliament to approve the deployment of Australian troops. They held misgivings about the practical application of some provisions, and I will go to that in terms of practical applications a little later, but I think this bill suffers from the same deficiencies. Going back to the concluding remarks in that report:

Since 1986, when the Defence Amendment Bill 1985 was debated, a number of shortcomings in the proposed legislation have been raised consistently.

There are a number of things they talked about whether or not the parliament is in session, but they came particularly to the issue around the treatment of classified material, as well as constraints on the ability of Defence to mobilise its forces safely and effectively. They also noted some problems with definitions.

On the issue of the disclosure of classified or sensitive intelligence, they went on to say:

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

The report also makes the point that if in order to protect our forces or our allies:

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

The committee found, after some deliberation, that:

…the legislation does not address these concerns adequately.

It went on to say that:

Although the proposed legislation allows for emergency situations, the committee is concerned that the process of seeking Parliamentary approval may, in some circumstances, cause difficulties for the effective and safe deployment of Australian forces. … It also has concerns about possible unintended consequences that may arise including implications for the Defence Force should approval not be forthcoming after forces have been dispatched in response to an emergency.

I notice that this current bill has similar provisions, whereby the Prime Minister can advise the Governor-General, who can make a declaration of an emergency. Forces can be dispatched, and you can then have a debate, but then you face the possibility of parliament not approving. That means that you then have to go through the sometimes dangerous—not to mention logistically difficult—act of withdrawing forces who, by then, may be engaged with some opponent. It also will fundamentally affect Australia's reliability as an ally—our alliances with other parties, with whom Australia has defence and security agreements, and not just the US.

Finally, the report goes on to talk about a range of other activities where Australia does deploy its forces in a situation where they may have to use force. Anti-piracy is a good example at the moment and is one of just a number of examples that are laid out in this committee report. It discusses the complexity of the legislation, how it would be applied and why the executive still needs to hold the ability to deploy forces.
The reason I think it is important to go back and reread these reports is that here we have the legislation brought before the parliament. It is now being debated. Yet this particular piece of legislation has not had the opportunity of the review that the previous one did. The previous legislation—which was very similar in nature to the last bill from the Democrats, to Senator Ludlam’s last bill and to this one—had a number of flaws that were identified that have yet to be addressed from the last committee report. I think it does not behove the Senate to look at passing this without a similar level of scrutiny and without addressing the concerns in that report.

To go to the second reading speech by Senator Ludlam, one of his opening statements was:

Australia is one of the few remaining democracies that can legally deploy its defence force into a conflict zone without recourse to the parliament.

If we look at a number of our allies, that is not actually the case. Here in Australia, it is true that there is no requirement in the constitution or Defence legislation for parliamentary involvement in most acts of declaring war and deploying troops:

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

Since the establishment of the National Security Committee of Cabinet in 1996, this body is probably the primary body that has access to all the classified information and briefs from departments. They then made the decision on behalf of the government. Let's look at our allies—and this goes back to the comment that Australia is one of the few remaining democracies that does this—and start with Canada. Under Canadian constitutional law:

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

Canada still, essentially, has the same executive power that exists here in Australia.

Let's go to New Zealand:

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

The Royal Prerogative is primarily exercised by the Governor-General on the advice of elected ministers or executive by authority of the Letters Patent Constituting the Office of the Governor-General of New Zealand 1983 (SR 1983/225).

If we go the United Kingdom, a case which is often quoted:

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

I repeat that: parliamentary approval is not required in the UK.

…it is usual for Governments to keep Parliament well informed of decisions to use force and of the progress of campaigns.
It is also true that in the UK:

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

A draft bill to modify the UK legislation is before the House of Lords. It is far narrower in scope than this proposed Australian bill, and the draft bill there applies only to decisions by the government to authorise the use of force by UK forces if the use of force is both outside of the UK and regulated by the law of armed conflict. The UK bill also includes key exceptions for emergency security and special forces. Despite there being no legal requirement to consult or seek approval, the Cameron government sought in-principle support from the House of Commons in 2013 for United Kingdom military action against the Syrian government. It was a decision that the Prime Minister made; but in that case he was defeated and accepted that advice. Whilst he used his discretion to do that, the claim that Australia is one of the few remaining democracies where the executive has the power to commit forces to war is clearly not correct.

In the United States, the Constitution, under article 1 section 8 clause 11, grants to Congress the power to declare war, ‘to raise and support armies’ and ‘to provide and maintain a navy’. While the President is made the Commander-in-Chief of the Armed Forces, under article 2 section 2 clause 1, the specific power to deploy US Armed Forces is covered by the War Powers Resolution 1973, also known as the ‘war powers act’. The War Powers Resolution imposes on the President thus:

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

This is where it gets messy. The terms in ‘every possible instance’ and ‘consult’ are not defined by the resolution and have been interpreted in different ways at different times by different parties. Notably, the term ‘consult’ does not equate to the approval of Congress, a matter that is contemplated by this bill before the Senate today. Many US presidents have claimed that the War Powers Resolution is an unconstitutional infringement on their authority as the Commander-in-Chief and have refused to be bound by it. The US courts, likewise, have been reluctant to accept jurisdiction in matters seeking to enforce the resolution, asserting that it is a political rather than judicial matter. In one case in 2003, a judge of the District Court rejected the contention that the President must have congressional authority to order American forces into combat, saying that ‘case law makes clear that the Congress does not have the exclusive rights to determine whether or not the United States engages in war’.

The opening premise of this bill before us is that Australia is one of the few remaining democracies, even amongst our allies, where the executive has the legal authority to deploy forces to war. But in comparative nations with whom we have close defence ties like Canada, the United Kingdom, the United States and New Zealand, the executive retains the right to deploy forces without having to seek congressional or parliamentary approval.

One of the key concerns raised in the committee report that I referred to earlier is the competence of parliament to be engaged and involved in military decisions. Senator Milne's contribution before, in a very minor way, illustrates this. She quoted from a book by Major General Cantwell. While it is superficial to point out that the difference between a major and a major general is substantial, it does point to the fact that, unless people have had an
involvement in defence related matters, it is easy to not understand the importance of language, terms and considerations. Whilst, at a broad level, I understand that the parliament has an interest in what is occurring and has a moral obligation to hold the government to account, I have deep concerns with the parliament being involved in executive decisions around the use of force.

Often in this debate, people have referred to the Iraq War. But in that case, would parliamentary debate have made a difference in whether forces were deployed and, more particularly, in the outcomes that were achieved? When most experts look at the outcomes in Iraq, they conclude that the decision to remove the Ba'ath Party and all its structures destroyed governance within Iraq and that it was the subsequent power vacuum that led to much of the dysfunction. I, along with many other people, agree with that. But it raises the question: if the parliament had given approval to deploy forces, would we have had a different outcome? No, because that was subsequent to the actual action. The logical question then is: how deeply will parliaments become involved in the strategic, operational and tactical decisions of armed forces when approaching the issue?

You could argue that requiring a post-war plan is a strategic consideration, but it opens a grey area about how deeply parliaments reach into decisions beyond the decision to commit troops—that is, what they do in theatre and how they act. From conflicts in the past, we have seen poor outcomes on the ground; Vietnam is a case in point where there was a lot of political interference in how that war was fought, as opposed to setting a clear military objective and then allowing the military to use the most effective means to achieve the outcome. So the role of the parliament, if it were involved beyond the decision to deploy forces, is a grey area that this bill opens up. I think Iraq proves that we would not have had a different outcome if the parliament had approved the deployment, unless it were also involved in subsequent decisions about how the war was fought.

It is important that we do not remove from the executive the powers that it currently has on the basis of false assumptions. The assumption that our allies and other democracies do not give the executive this power is not correct. There has been a consideration in detail of similar bills that have been moved by the Democrats, and by Senator Ludlam in the past, and the consideration of committees from multiple parties reached the conclusion that the bill should not be supported. In the absence of details that address the concerns of those committees and in the absence of further detailed consideration, I cannot, and will not, support this bill.

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (10:15): Labor will not be supporting this bill. This is the same position that Labor has held since a version of this bill was first moved in the parliament in 1985. In the nearly 30 years since the first bill requiring parliamentary approval for military deployment was moved, Labor's concerns have still not been addressed.

I will briefly provide some information on the context in which this bill is being moved. Right now, there are thousands of ADF personnel posted around the world—many to places which the people listening might not be aware of. We have got 25 people in Egypt, 19 in South Sudan, 12 in Israel and Lebanon, 250 on the HMAS *Toowoomba* in the Middle East, 550 at Al Minhad Air Base in the UAE, 400 in Afghanistan and many others throughout the region and the world. ADF personnel are capable of being deployed in a range of roles,
including humanitarian and disaster relief, antipiracy, peacekeeping, mentoring, monitoring, training, anti-insurgency and traditional military operations.

Before I outline Labor's concerns with the bill, let me reassert the position that I put earlier in the week. Labor firmly believes that it is the role of parliament to debate and discuss military deployments before, during and after Australian troops are sent into harm's way. This is the most serious decision that any government should face and it should never be taken lightly. We are all sent to the parliament to represent the views of our constituents, and that most certainly includes any decision to send troops to war.

I note the update that the Prime Minister provided to the parliament earlier in the week and the debate and discussion which followed here and in the other place. That update continues a long tradition in this place and one which was supported wholeheartedly when Labor was in government. Labor believes that it is important for the parliament and the Australian people to be fully informed of the progress of our overseas deployments.

I note the commitment of the Prime Minister and the Minister for Defence to continue to keep the parliament updated. This will ensure that there are frequent opportunities for debate and discussion about the merits or otherwise of the government's decision to deploy troops overseas. I have been heartened that all of our debates in the parliament and the community, in recent years, have been focused on government policy. I know that the hardworking men and women of the ADF enjoy the full support of all parliamentarians and the Australian community, and I am confident that will continue to be the case.

On that note, I would like to take a moment to express my support for the ADF personnel currently serving overseas. Right now, we have service men and women who are undertaking humanitarian operations in Iraq. They are doing great work to help prevent genocide and to support the Kurdish fighters who are on the front line of the battle against IS. As always, ADF personnel are acting with the professionalism and skill which has earned them the admiration of our friends and allies around the world. I had the privilege of meeting a number of the air men and women from RAAF's No 37 Squadron on a recent visit to RAAF Base Richmond. They are incredibly skilful and hardworking men and women, and I was impressed by how proud they were of the work they do. The 37 Squadron are currently delivering humanitarian supplies to besieged communities in the north of Iraq. Given the expert work that we have seen, I think everyone here would agree that their pride is not misplaced and their professionalism is beyond question. The danger of the work that they are currently doing cannot be understated. I know that we will be watching closely and wishing the men and women of 37 Squadron and all other ADF personnel a safe return.

Turning to the substance of the bill, Labor have a number of concerns. The role of the parliament in approving military action is fraught with danger. The bill before the House is virtually identical to a bill moved back in 2008. That bill was referred to the Foreign Affairs, Defence and Trade Committee. The committee's report is a serious and detailed evaluation of the proposition put by the Greens. The committee found in 2010 that the 2008 bill 'leaves too many critical questions unanswered' and 'may have unforeseen and unfortunate consequences'.

I would like to quickly go through what those concerns were, as they are just as relevant today. The first is the issue of access to classified information. The government of the day has access to classified information which the parliament does not. It is simply not safe, appropriate or practical to provide classified, national security information to a wider
audience. Australia's defence and national security agencies provide information and advice to the government which must remain secret for a whole range of reasons, including—and especially—the safety and security of our ADF personnel. It is impossible for the parliament to make informed decisions to deploy ADF personnel without access to this information and it should not be asked to do so. As I have said, Labor fully supports the role of the parliament as a place of debate, but that should not be confused with requiring parliamentary approval for the deployment of ADF personnel.

The second issue is the flexibility that the government must retain in order to respond to threats quickly and effectively. Requiring a statement from the government prior to deploying ADF personnel and assets could unnecessarily increase the risk of our deployments. The government, on occasions, may be required to quickly pre-deploy combat or humanitarian forces to assist our friends in a time of crisis or to pave the way for a larger deployment. The government may also need to predeploy combat forces in a quiet manner to facilitate the success of an imminent mission. To require a debate and approval in parliament prior to this action would unreasonably increase the risk to these operations and the personnel involved in them.

A third concern is the potential for unintended consequences flowing from the way the bill is structured. The procedures for the deployment of ADF personnel in emergency situations set out in this bill require the parliament to sit within seven days. According to the explanatory memorandum, this is in order to 'seek parliamentary approval for the deployment.' This could see ADF personnel deployed into a war zone only to have their legal authority revoked a week later. This obviously creates a completely untenable situation. It would place ADF personnel, not to mention any coalition partners who may be relying upon ADF personnel, in a compromised position. It could lead to ADF personnel being deployed to a warlike environment without legal authority or legal protection. This is simply unacceptable. I am sure that no-one in Australia would want to see our ADF personnel placed in such a position. The bill, as currently drafted, creates a situation where this cannot be ruled out.

The last issue of concern that I will focus on today is the interaction of the bill with Australia's Constitution. I will not reinvent the wheel here, as Senator Faulkner addressed this issue when an identical bill was moved in 2008. I would recommend his speech to anyone who is interested in this issue, as Senator Faulkner does a fine job outlining Labor's concerns. In arguing against the 2008 bill, Senator Faulkner said:

While it is true that the forms of parliamentary approval or parliamentary consultation are required in some other systems of government, it is very important to realise that such comparisons or analogies are, if not invalidated, then certainly complicated by the major differences in the constitutional frameworks of these countries.

There are many problems with this bill and I have highlighted a few of them here today. Labor has a long-held position that the executive government is the most appropriate body to exercise civilian control of the ADF.

Australia is one of the greatest democracies in the world. Every three years we vote to choose who represents us in the national parliament. The government elected may not be of everyone's choosing, but they carry with them responsibilities for the entire country. One of those responsibilities, perhaps its most important responsibility, is deciding if and when to
send Australian forces into harm's way. It is right that this responsibility stays with the executive government, not the parliament. The bill presented today will not be supported by Labor.

Senator LUDLAM (Western Australia) (10:25): Because of the context in which we are conducting this debate, I will not say that I am pleased to stand to support the Defence Legislation Amendment (Parliamentary Approval of Overseas Service) Bill 2014 today, but I do thank senators from both sides of the chamber for the respectful way they have engaged with the measures in it. I will speak briefly to the concerns that have been raised by Senator Conroy and Senator Fawcett, which I think are reasonably easy to categorise—they have been a part of this debate for years. This bill has been languishing in plain sight for nearly three decades. It was introduced by the Australian Democrats in 1985. When I was elected in 2007, I inherited the bill from Senator Andrew Bartlett of the Australian Democrats. It has been on the Notice Paper of this place more or less continuously for that period of time.

As a number of other senators have acknowledged, the most recent committee inquiry into this measure was conducted in 2009 by the Senate Foreign Affairs, Defence and Trade Legislation Committee. It reported in February 2010. The inquiry was treated in quite a cavalier fashion, although others have acknowledged the value of the work that was conducted. The committee at the time blocked our request to even hold a hearing, so the evaluation of the bill's measures was done on the papers—it was not thought that any of the witnesses could add anything substantive to the debate, an opinion with which I strongly disagree to this day. We convened a hearing anyway, having to let the witnesses and those who gave evidence know that they were not protected by parliamentary privilege since it was not a formal hearing of the parliament. Nonetheless, people from a very wide variety of backgrounds gave evidence. We had people from very senior levels of Defence, the intelligence community and the Australian Defence Association and we had groups like the Marrickville Peace Group—a whole spectrum of views on this. Senator Brandis seems to think this is funny—just hilarious!

As I was saying, we heard from a whole range of groups with a whole range of views—including from a former secretary of defence and people who had been engaged in these issues at the very highest level. These witnesses brought a whole range of opinions to bear to show that the issues are not insurmountable—and that it is in fact time for Australia to grow up and to put this power into the hands of the legislature, as so many other countries have done. I commend to this chamber the report of the committee. I think the majority report sets out quite coherently both the arguments for and against a measure like this and the ways we could have moved the debate forward. The major parties, however, simply combined to recommend that, nonetheless, the bill not pass. Our minority report from that inquiry still stands the test of time.

I said it was time we grew up. The power to deploy young men and women into combat from which they may not return or may returned damaged, physically or mentally, remains at the moment effectively with the Crown through the Prime Minister's office—as it has since the days of feudalism and monarchies. That is what I mean by 'time we grew up'. It is not enough to say that the Prime Minister should be able to decide, as the King did hundreds and hundreds of years ago, to marshal his peasantry and send them into war. That is why, in recent
decades, we have seen kindred democracies transfer the war power from the authority of the executive, in whatever form it takes in democracies, into the legislature.

In a moment I will directly address some of the issues that Senator Fawcett raised—and I thank Senator Fawcett for taking the time to raise them in such a thoughtful manner. The United Kingdom, as Senator Fawcett quite rightly points out, has not enshrined transfer of the war power from the executive to the legislature in legislation, although there is a bill that is live before Westminster. In effect, what has been adopted is a convention whereby such a motion would be put to the parliament before a deployment. This was a largely theoretical consequence of the deep inquiries that the British parliament held into the horrific, illegal and mistaken engagement in Iraq that they and Australia participated in.

Unlike the United Kingdom, there has never been an inquiry into the political decision to deploy into war—just a couple of attempts to deflect the errors and the blame to our intelligence services, who we now know were warning executive authorities in the UK, the United States and here in Australia that there were no weapons of mass destruction in Iraq and had not been since the early 1990s and that there was absolutely no connection between the Iraqi authorities of the day and the violent fundamentalists who had brought down the Twin Towers and crashed an aircraft into the Pentagon. Nonetheless, the political decision was made—an utterly flawed one—and the inquiries that resulted in the UK and tried to get to the bottom of how such a disastrous strategic error could possibly have occurred have led to a convention which was tested recently when Prime Minister Cameron was proposing to deploy British service personnel into Syria. The parliament rejected that attempt. So it actually has been tested in a parliamentary context in the context of a deployment.

In Australia, as so often happens with these things, a huge part of the problem is the forgetting of history—even quite recent history. Kindred democracies around the world including the UK, the US, Denmark, Ireland, Germany, Japan and South Korea have transferred a measure of this responsibility all the way up to the full vote in both houses of parliament—to parliamentarians—which is what we propose. I believe in the genuineness of those who come in here, no matter what your political affiliations. If you come in here and say, as many have, that this is the most serious decision we could commit to as elected representatives, I believe you and I agree. That is why I think you should then put your name to it rather than backing slowly out of the room and leaving it to the Prime Minister’s office to decide. The countries I just listed have two things in common: they are mature democracies and they have outgrown that monarchic tradition of just leaving it to the king’s prerogative to send his armies into war.

I will briefly touch on the legitimate concerns that senators Conroy and Fawcett raised about why they believe that this bill should not pass. I think these arguments actually have long since been settled. First is the disclosure into the public domain of sensitive, classified information about troop movements or information that the executive possesses because it is in direct communication with intelligence services, military intelligence and so on. It is a fundamental red herring. We do not want to come in here and debate troop movements and tactics. This is the political decision to deploy, not the military tactics that flow from that decision. That is fundamentally important. We are not asking for the Minister for Defence or the Prime Minister to come into parliament and disclose information that would be prejudicial to those troop movements. I think it is fundamentally disingenuous to confuse the politics of a
deployment with the military decisions that follow. None of us in here are qualified to then make those strategic judgements that flow, and nor should parliament be involved in that. The decision to deploy is a political one because we do not live in a military dictatorship, and that is the fundamental distinction that I want to draw. When Senator Conroy says, 'You can't possibly ask us to table classified intelligence'—of course not. But don't misread the intentions of the bill. I imagine that Senator Conroy, who has been in this portfolio now for some time, is not deliberately misreading, but I want to make very clear that we are not asking for tactical decisions to be debated in the parliament. It is for thoroughly political ones since very few of us will then put a uniform on and follow these young men and women into the war.

Second, the issue of flexibility and rapid deployment is also, I think, a red herring, because it is very difficult to think of an instance in recent times—Timor being one counterexample which I will get to in a moment—where these issues are not seen coming months in advance. Syria has been in a state of disintegration and, I would argue, profound holocaust—more than three million people have been displaced and tens of thousands killed—and the genesis of ISIS goes back many years. We can see these things coming. The disintegration of Iraq was foreshadowed by analysts and many in the peace movement before the bombing of Baghdad commenced. I do not think it is at all the case that either recalling the parliament for an emergency session or submitting the decision to respectful debate as we are doing today necessarily has to have any impact at all on the deployment schedules. It is unusual going on unprecedented for the Prime Minister to wake up one morning with a phone call that says: 'You need to throw the ADF into a fight. You don't have time to consult the parliament.'

Timor is sometimes used as a counterfactual, so I would like to quote Paul Barratt in evidence that he gave outside the regular parliamentary framework, to the session that we held on the decision to prepare troops for deployment to Timor. He goes into quite a bit of detail about the state of readiness of Australian Air Force and Army forces at the time. He says:

So for most of 1999, between February and September 1999 there was an opportunity to debate the issue in parliament. There were sensitivities involved in that because the Department of Foreign Affairs was understandably concerned about what signal all of this training of military forces was sending to Indonesia … So it's not necessarily a debate you would have wanted to have had had in March 1999, but as you can see when that was evolving, we were in discussions with the Indonesians and the UN about whether our troops could deploy. There was plenty of time to have a debate in parliament about what we were doing and why, but to actually get the approval of parliament not simply to inform the parliament.

That is not someone coming from the margins of debate; that is someone who was involved in decision making on that deployment at the time.

Another myth that, as a senator, I think it is important to dispose of now is the idea that you would submit such an important decision to the whims of the crossbench—or, as I think one interviewer put it the other day—'a tiny minority' in the chamber. That is remarkable because, of course, the way this parliament operates is that, to pass a vote in this place, you need a majority. I ask again those who think putting such a decision to the parliament is risky: if the Prime Minister of the day cannot convince more than half of his or her parliament deploy, is that maybe instructive? Maybe that is important. Maybe there is a counter view. Maybe there
are other opinions. It is not that a tiny handful of people would control whether or not Australia deployed. The majority of the parliament should be deciding these things.

I think it entirely likely that if the war power had been vested in this chamber and the other place in recent history we almost certainly would have gone into Afghanistan and we almost certainly would have participated in the first Gulf War, as it was authorised by a UN Security Council resolution, but we might not have gone into Iraq in 2003. That is why I found Senator Faulkner’s contribution earlier so curious. We might not have gone to Iraq, but we might have been one voice of reason in the debate that would have staid the hand of the US President and the US administration that was so gung-ho to charge in and declare ‘mission accomplished’. It does not seem to have worked out very well, does it? That, I think, is a perfect example of why this is not such a theoretical concern anymore.

It is hard to gather people’s interest in such a measure outside of potential deployment, but this is the situation that we find ourselves in today. The idea that ‘if it is not broken, we should not fix it’, I strongly submit. Before I came into this place I worked as an anti-war campaigner trying to stop the deployment into Iraq. We were getting aircraft carrier movements passing through Fremantle for resupply and return, R and R, before they sailed for the Persian Gulf to fire cruise missiles into a city—a very, very long way from here. In my experience, it is broken and it does need fixing so that that kind of thing can never happen again.

If the Australian government refuses to hold an inquiry into how we got into Iraq then, at the very least, we can prevent that kind of debacle from ever occurring again. I had a very brief period of time in Afghanistan in the late stages of our large-scale deployment there. The politicians have to put on flak vests and helmets and are taken very, very good care of and asked not to wander off and then they get to go safely home. It is not the politicians who actually have to confront the consequences of these deployments by and large.

As Senator Milne indicated, if we are simply rushing in again on the coat-tails of the United States as it attempts to solve the horrific violence that is unfolding in the north-west of Iraq with yet more violence then it is time for a deep breath. I think the vast majority of Australians support humanitarian intervention, but that comes with a warning that humanitarian intervention into the middle of what is emerging as a civil war requires people to take risks such as the rumours that were later quashed that our airlift into Iraq had been fired upon. These are risky situations. Then suddenly from there we go to running weapons into a particular side in this fight—and that is where it starts to get extremely messy—in the absence of any kind of UN Security Council resolution and in the absence, it appeared for a period of time, of proper authorities from the government of Iraq. It certainly appeared that a few important people had been left out of the loop.

The fact is that we are running weapons now into an extremely messy, complex and violent situation. For example, the organisation, PKK or the Kurdish Workers Party as it is translated into English, has been listed as a terrorist organisation largely for attacks within Turkey. It has been listed in Australia as a terrorist organisation for years and remains on the list. They are right on the front line. They are right in the middle of this fight into which we are now transporting weaponry. So you go from humanitarian intervention to running weapons into one side of a complex and violent situation, to support by F18s—and then where? It is to these open-ended commitments that the Abbott government appears to have made to United States authorities without bringing them to this parliament and citing national security and
operational security. What cheques have been written in this instance? What is the plan for peace in that part of the world?

The experience in Afghanistan is extremely instructive. The United States government, for a period of well over 10 years, armed the Mujahedeen. The CIA ran a huge covert operation through Pakistan, arming the Mujahedeen because they were fighting communists at the time. Then when the Soviet Union invaded Afghanistan, they stepped that up to a massive operation involving numerous countries and arming oppositions to the soviet occupation of Afghanistan. Then that hardware was turned against the US and Australians decades later because the Mujahedeen mutated into the Taliban. This horrific administration—and nobody would dispute that—then turned their weaponry on the United States government and Australia when we arrived two decades later. Is that what we are opening up now? Because what happens after the press conferences and the media reports of our humanitarian intervention is that people forget and attention moves on, yet those on the ground have to suffer the consequences of our interventions, one after another, supporting this side and then that side. What is the plan for peace? What is the plan for cutting off supplies of funding to ISIS, the Islamic State, from Kuwait, a country that Australians helped liberate not that long ago? What about Saudi Arabia? Has the Prime Minister picked the phone up to the Saudi ambassador to ask what the Saudi authorities are doing to stop huge flows of money, supplies and support to the Islamic State?

What have we done to try and stem the tide of people flowing across the Turkish border to join this fight? Have we spoken to Turkish authorities? What have we done in recent times to try and bring about a stable administration in Iraq that does not govern for one sect or another in an ancient conflict and ancient enmities? What exactly are we doing to stem this one-way slide towards open armed hostilities a very, very long way from Australia in a catastrophic conflict that we helped ignite? Those are the questions that we have.

Is, as some analysts are predicting, armed intervention or cruise missiles with US flags on them exactly what the Islamic State is trying to provoke? If feeds their narrative of martyrdom. Has that been considered by the Abbott government? These are the questions that you can bring to parliament in a respectful way in a democracy and put on the table and expect to get an intelligent answer before Australians are committed to one side of this conflict or another.

In my very brief time in Afghanistan, I was able to witness firsthand the professionalism of the people that we send into foreign theatres of war and their dedication and the risks that they take on our behalf. The questions today are not for them. We do not live in a military dictatorship, so they do not decide when we deploy, we do. It is the civilian government and the politicians who should put their names to resolutions and deployments like this and to whom these questions should be put because, as I was able to see firsthand, if we throw the ADF into a fight they will do their very best. That means the decision is incumbent upon us to not do that unnecessarily, to not expose them to harm unnecessarily, in open-ended conflicts that are very old and very complex. That effectively is the fundamental purpose of this bill. I again thank senators for the way in which they have engaged with this debate so far. (Time expired)

Senator REYNOLDS (Western Australia) (10:45): There is no greater responsibility for any elected government than to keep the nation safe and secure and to make the decision to
utilise military personnel, both domestically and overseas. Under our Constitution this is clearly the responsibility of the executive, who are elected by the Australian voters and accountable to them through the parliament. There is no requirement in the Constitution or defence legislation for parliamentary involvement in most aspects of declaring war and deploying our service personnel. Additionally, our military forces are accountable by longstanding convention to the executive through the Governor-General and not directly to the parliament.

Contemporary practice, however, is that decisions to go to war or to deploy troops are matters for the Prime Minister and the cabinet and do not involve the Governor-General or the federal executive council. I firmly believe that it is neither within the spirit of our Constitution nor the intent of our founding fathers that executive government would effectively abrogate their responsibility for deploying Australia defence forces to the parliament. I have willingly served under both Labor and coalition governments and I understood and accepted that the government of the day was responsible for making decisions that impacted on my service and possibly my life.

The Commonwealth Constitution is the birth certificate of our nation and rightly belongs to the Australian people. It has operated successfully for over 100 years and provides for very clear separation of power within Australia. I am a great admirer of our Constitution. I believe much of its strength actually lies in its simplicity. I believe the comparisons that have been made with other national constitutions are in these circumstances disingenuous as I believe you cannot examine single issues such as this in isolation of the whole of other constitutional documents and the history under which they were created. Unlike rule books of sporting clubs, for example, our constitutional rules cannot be amended at the behest of members of parliament of the day. Given the significance of this issue, the issue that is before us today should not be a matter for this chamber. Those opposite should seek a constitutional change through the people of Australia, not legislative change.

Parliament already does play a significant role in shaping and influencing the commitment of forces overseas. The Prime Minister, by convention, makes a detailed statement to the parliament and relevant ministers provide regular reports to Australians through the parliament. Indeed, a committee of this very Senate, the Senate Foreign Affairs, Defence and Trade Legislation Committee, in 2010 published a report on similar legislation to that before us today. It concluded that it was not a credible piece of legislation. I will say that again. Our own committee concluded that it was not a credible piece of legislation.

Some of the reasons it gave for this legislation not to proceed included concerns about disclosure of sensitive or classified information, a lack of responsiveness and a lack of clarity about when the bill would apply. These concerns are absolutely still valid today. In fact, I believe that in the current security environment, the need for strong executive power for the use of military force is more necessary than ever, as is the role of the National Security Committee of cabinet. Threats can no longer be easily characterised. Even 50 years ago it was easier to determine who our likely enemy was and what their intentions were. The armies of state dominated our security environment. Today that is no longer the case. Stateless enemies and terrorists using asymmetric tactics are an ever-increasing threat. These threats demand the capacity to respond quickly, flexibly and sometimes without the knowledge of the general public. All of these criteria would be all but impossible if the executive were required to gain
the approval of parliament every time it was to commit military forces. That is because this legislation would require a public proclamation to be made.

Despite the assertions of those opposite to the contrary, I know from experience that there is a very high possibility that if these requirements were made public they would put Australian service men and women in danger in the performance of their duties. In fact, we may as well invite our enemies into the cabinet room for the briefing. And it is not just me who thinks this way. Again I quote the Senate Standing Committee on Foreign Affairs, Defence and Trade's report on this issue. It reads:

Much of the information under consideration would be classified, for example risks to personnel, Defence or AFP assets, their strength and location, their force readiness, as well as the level of commitment and capabilities of likely allies ...

Clearly this information should never be disclosed. We may as well put out a press release to telegraph to our enemies what our intentions are and what we are doing.

We also heard this week and again from previous speakers this morning that we should not rush into the decision to commit resources or equipment to any one side in Iraq. I believe this is the real reason this legislation has been resurrected today. The decision to deploy members of the Australian defence forces has consistently been regarded as a fundamental decision for the executive of the day, and they are elected by Australians to do so. Decisions made by the government can always be tested on the floor of this chamber in line with the parliament's ability to consider and debate important matters of state. But this should not ever extend to the ability to decide where, when and whether we deploy our defence forces. Any such proposed change should rightly be an issue for the Australian people by constitutional change by referendum, not through legislation from a party that is opposed to the actions of the government of the day.

Senator IAN MACDONALD (Queensland) (10:51): I just wanted to make a very brief contribution to this. Most of the arguments have been related by my colleagues and I know we are keen to have a parliamentary vote on the suggestion put forward by Greens political party. But can I just reiterate the points that the two coalition senators—and two senators who, I might add, have very long and distinguished military records and who actually understand what is required to embark upon any military operation.

Clearly cabinet and the security committee of cabinet have information on which to make decisions that we in this chamber cannot have, obviously, for obvious reasons. I have to say that at times I have disagreed with decisions made by the government. I remember telling John Howard that I thought it was wrong for us to go into Timor. I told him that in a lift all those years ago, just after Australia had gone there. Fortuitously, I was wrong and he was right and our intervention in Timor proved to be the right one. I was always concerned about the impact on our relationship with Indonesia. But, as I say, cabinet at that time made the right decision. Why they made it? Because they had all of the information, not just the information that I was reading in the public press.

Similarly, I would certainly hope that we do not get into a position where we do commit Australian troops to the current conflict in the Middle East. It is difficult for many of us to understand the connection between Australia and what might be happening internally in almost a civil war in a country a long way away from us. But, again, I make those comments without the benefit of the intelligence, of the arguments that the Prime Minister and cabinet
must take into account—our relationships with our allies, the different things that are happening that we in this chamber and most Australians simply cannot be party to. So it is clearly essential that the government of the day, whoever it may be—and fortuitously it will never be the Greens political party—has to make decisions basing it on all the information they have but of necessity cannot share with others.

To have a long, drawn-out debate in this chamber would just be absolutely futile and it is unbelievable that it might be suggested. Senator Ludlam was saying in his contribution, leaving it to the crossbenchers, how outrageous that someone should question that the crossbenchers should make a decision and went on to say that there would be a failure if the Prime Minister could not convince the crossbenchers. Cannot I tell you, Senator Ludlam, as you know from your days in coalition with the Labor Party in government, deals are made. I regret to say that in the last couple of days the coalition, to get through essential processes, has had to make deals with some of the crossbench. I have to say to you, Senator Ludlam, that I am a bit uncomfortable with some of those deals that have been made. But you are suggesting that will go to war and make a deal. 'If you vote us going to war, we'll set up this inquiry into the Queensland government for you.' Or, 'We'll cut the GST off fresh food just to get it through.' Is this the sort of deal-making you want to do commit to the defence of Australia? We know what the Greens political party view on border security is like: open up the borders and let anyone in who wants to come. Heaven forbid that they were ever in a position to make a decision on the defence of Australia and the welfare of the Australian people.

I repeat: I and others will not always be absolutely 100 per cent happy with the decisions that are made, but we have to leave it to those people who have all of the information, who have to take a global view, a whole-of-Australia view on decisions to be made for the protection of our country and our people. For that reason I think the current situation must continue. I endorse the words of Senator Fawcett, Senator Conroy and Senator Reynolds and I would urge that this bill be rejected.

Senator WHISH-WILSON (Tasmania) (10:57): On Monday in the Senate I began to outline my concerns about the haste that Australia was rushing to military involvement in Iraq. I do this obviously as a federal senator and a former member of the Australian Defence Force, who may still be serving now if I had not been medically discharged. The other evening I also spoke in the Senate at adjournment on taking over the Veterans' Affairs portfolio for the Greens, and in that speech I outlined my longstanding interest in military history—partly a hangover from spending time at the Australian Defence Force academy but also the fact that both sides of my family have strong military traditions. My father is a Vietnam vet, as are my two godfathers, and my wife's grandfathers both went off to war. I also outlined that my father and my brother and I recently visited the battlefields of World War I on a father and son a trip, using my great-grandfather Clarence's secret war diary. It was one of the most emotional weeks of my life. We actually used the diary to traverse his steps, including the Somme, Pozieres and Passchendaele. We also visited Fromelles and we spent days with military historians touring us around.

This idea of military involvement and war is something I think very deeply about. It is something that has always commanded my attention and my respect, but I must say it also makes me deeply sad when I reflect on warfare and human involvement right across the
centuries and not just recently. Of course, the commemoration coming up shortly of Australia's involvement in the First World War is something I also take very seriously and intend to have a lot to say about, including by expressing my respect for the Anzacs but also what I think we should be commemorating.

I have also made it clear on several occasions that our participation in the invasion of Iraq was the very first time that I marched in a demonstration and a protest, as a banker working for Deutsche Bank in Sydney. Also, arriving on the Manly ferry one morning, I noticed that a couple of doctors had painted 'No War' on the Opera House. I arrived at Circular Quay that morning and was on my way to work. It was a very profound moment for me because I was so angry and disturbed about our involvement in Iraq. I say this because not only have I been in the military and I take these issues seriously but, as I said in my first speech, I also worked in the north tower of the world trade and financial centre complex in New York for a couple of years and 9/11 very deeply touched me, as it of course did lots of Australians and lots of people around the world—but I had a very personal connection to that event and what followed.

So I want to make it very clear here today that the words I am about to say do not come from any shallow, superficial political motivation, which has been reported in recent days in a number of newspapers around this country. They come from a very deep place and this subject often makes me very emotional because it is something that needs to be given very serious attention by all of us. In a way, one of the many things I like about the war powers bill is that, if all politicians get to vote on war, then they have a very tangible responsibility to observe in terms of their own involvement in war. In a way, allowing an executive to take us off to war may absolve you as a parliamentarian from the position of responsibility that you have not just to our serving members of the Defence Force, the young people we send overseas, but also to future consequences and ramifications further down the track. Let's be very clear about this: I do not think there is anyone in this chamber who would, privately at least, suggest that Iraq is better off now than it was in 2003, given the instability and given the vacuum that has been created by the invasion of Iraq in 2003.

I believe the majority of Australians are, rightly, concerned about and currently opposed to Australia's military involvement in Iraq, even at the request of an ally like the United States. In fact, in many cases, I think the fact that we tend to jump when the US says to is something that is perceived by Australians as being an issue now.

For me this issue also goes back to the early nineties, 1992, because a number of my friends who graduated from the Australian Defence Force Academy served in the First Gulf War. I remember mates on one of the Navy frigates being sent to the Gulf passing me while I worked on Rottnest Island. Senator Back, through you, Mr Acting Deputy President, I know you spent some time on Rottnest Island; I also worked a summer there and I remember seeing their warship disappearing off into the horizon. These were good friends of mine and our involvement in the very first Iraq war was very tangible to me. I remember the concern around the potential escalation of that conflict. But, as is now folklore and myth, though probably also based in fact, the Bush administration at that time chose not to take the conflict past Kuwait and liberate the Iraqis from Saddam Hussein, for the very reason that we have seen the issues developing in this region in the last 10 years: the sectarian violence that was
always latent and the divisions and splits that go back centuries on religious and ethnic
grounds.

The Greens want parliament to have the power to thoroughly debate and vote on the use of
our armed forces. I would like to say on record that I condemn outright the violence and cold-
blooded killings carried out by ISIL. This offshoot of al-Qaeda in Iraq has used instability in
the region and the sectarian tensions I just mentioned to grab a foothold. The Iraq
government, its regional partners and the global community do need to respond, but right now
we do not have a strategy. We do not have objectives, and it is not just the Greens who are
calling for caution. Comments have already been made recently in the chamber, including last
night about President Obama, but there are a number of commentators, both here and in the
US and internationally, including in the UN, who are calling for caution.

The world needs to engage with this situation with eyes wide open, within a UN mandate.
Our leaders need to be up-front and honest about all aspects of engagement: the risks, the
costs, the chance of success—in fact, what is our definition of success and what is our
objective?—and, of course, more importantly, what the long-term plan is.

For me personally, I have recently reflected on language that enlightens the situation rather
than obscures it. I mentioned in my speech on Monday that I think what disgusted and
motivated me the most about our invasion of Iraq in 2003 was the mediocrity in the media
and the public debate on this issue, around the idea of weapons of mass destruction, around
the whistleblowers and around the whole debate. As I said on Monday, I see the same
situation unfolding now, if not worse than back in 2003. The Australian people deserve
illumination and transparency in this heady debate and they are not getting it from the
coalition government or from some sections of the media.

With the 2003 Iraq war, the Australian, US and UK governments risked the trust of their
people in how they deployed their armed forces. Personally, I feel that this mistrust still
lingers. In 2003, we entered Iraq on what has turned out to be a lie, without a strategy and
with the simple rhetoric: 'You are with us or against us.' By repeating the rhetoric of 2003, the
current Australian government will not rebuild the trust of the Australian people that it is
responding to this crisis with sober responsibility. Australia needs to break the culture in
media and in politics that tries to intimidate or shut down debate on the use of our armed
forces.

In my speech on Monday, I tried to make two points. Words from this speech have been
quoted out of context and distorted by some media this week, as I suspected they would be on
the day. Firstly, that by using heightened language—what some people may describe as spin,
no doubt some also well intentioned—to describe a situation, we obscure insight and our
ability to understand what creates the instability that fosters extremism. Without clear
understanding, we cannot, as a country, act in the most sensible and prudent way to ever win
the peace. I say those words 'win the peace' very carefully because, as we found in 2003, it is
easy, perhaps, to win a war—remember the declaration on the aircraft carrier that the war had
been won by George Bush Jr. But no-one in here could disagree that the intervention in Iraq
did not win the peace. In fact, not long after that hundreds and thousands of people died,
including innocent people in the insurgency across Iraq.

In my opinion, the use of the word 'terrorist' is heavily loaded and often obscures debate. I
know some have chosen to make mischief with this view in recent days. I believe—it is my
reflection—that demonising and dehumanising our enemies is an effective tool for leading a nation to war. History tells us this. But this type of propaganda will not win the peace. This is a lesson of history that both World War I and, of course, the Iraq invasion in 2003 are very clear examples of. Secondly, I wanted to make the point that the military engagement of our forces from outside a region into these sorts of conflicts is often used as a tool by extremists to radicalise others. We risk being used as a recruitment poster for radicals if we misstep.

I would like to reflect on watching the national news last night the awful situation of another beheading being replayed again and again with a man wielding a knife in front of someone who is about to die. Of course, people are going to be horrified, saddened, revolted and fearful at seeing footage like that. But that is exactly what these murderers—these war criminals—want. Yet, it is replayed again and again. I really do not get it. What is it achieving? Of course, we need to know what is going on and we need to have a debate about how to stop this. But I remember from 9/11, watching from where I sat in the building in Hong Kong where I was working—as the stock market was shut globally for three days while Wall Street was gone—and all the media did was report again and again all day. It absolutely did my head in watching this plane rewinding and going back and forward into a building. And the media did it around the terrorist attacks in the UK. There was constant real-time reporting, again and again. I think we need to be very careful in this debate around the use of media promoting exactly what these radicals want. They do want to sow fear into our hearts and they do want us to go over there and fight them. That is as clear as daylight. I would plead to the mainstream media to be very careful about giving them what they want.

The Greens is a party of peace and nonviolence. It is part of our charter. It is there for anyone who wants to go and see it. But I would personally like to state today, as Senator Di Natale stated in his speech, that although I am anti-war and therefore believe war is a last option and should be avoided at all costs, I am not necessarily a pacifist in all cases. The Greens supported the humanitarian intervention in East Timor and, previously, has advocated in this Senate for strong action to prevent the genocide in Darfur. We are all good people who want to do the best by Australia, but we come at this from different points of view. I have absolutely no doubt today that Senator Ludlam's Greens bill to give parliament the power to vote on going to war is designed to do the best thing for Australia. It is designed to make all of us—the decision-makers in here—as accountable as we can possibly be.

As I also said on Monday, when I think about the sacrifice of the Great War and at other wars, men, of course, fight and they sacrifice to win the peace. We remember that and we commemorate that and we will commemorate that next year. But we must remember why they went to war in the first place. In light of the First World War, and, certainly, the Iraq war, the stupidity and madness that led to those wars should have been avoided. It should never have put men—and the women and families that suffered—in a situation where they had to sacrifice their lives. That responsibility and weight rests on us as a parliament and as the representatives of the people. That is exactly why we should have a much more powerful role in saying whether we are committed to war. With the red herring that has been put up today, that somehow we have to make decisions about the tactics of war, Senator Ludlam made it very clear that that is not the case. It is about what leads us to war.

If this increases the debate—and gets around the spin and the media hype, which so often obscures these debates leads to outcomes that may not necessarily be in the long-term
interests of this country—then it is a very good thing. It is a very good thing that we are here today debating a bill. It is good not just for us but for our children and for future generations.

I get the feeling—it does not just reflect President Obama's words last night that there is going to be no easy way to beat ISIS—that if we truly want a lasting peace in the Middle East, we have to take a much longer-term view of this, and a much more intelligent and measured view than giving these murderers what they want.

Senator BACK (Western Australia) (11:15): I rise to contribute to the debate on the Defence Legislation Amendment (Parliamentary Approval of Overseas Service) Bill 2014. I regret that I will not have the opportunity to speak for 20 minutes because, I know, people in the chamber want to bring the matter to a vote. Therefore I will confine my comments.

I regrettably oppose the bill. I do so for two reasons. The first one is the need to protect our military personnel working overseas. Not always are they in combat zones. If I look at some of the elements of this bill as it is proposed I remember that we do undertake activities outside Australia which are unlikely to lead to hostilities. If you look at the words in this bill you would see that it requires the parliament to be appraised of so much information that it would place at risk our people who are embedded in all sorts of theatres around the world—some of them publicly known, some of them not. They have families back here in Australia, whose addresses could be found. As a member of the Defence family, I would object very strongly to that.

I would say that there would not be a parliamentarian, if they reflected on that, who would not also be very concerned about the wellbeing of all of our forces overseas—whether they are in a military conflict role or not. Indeed, Australia is so well regarded for the quality of our Australian Defence Forces personnel that we need to reflect very carefully because, should this bill be passed, all sorts of information would be made available publicly because the bill requires us to debate these matters in the full parliament, which could place at risk our personnel overseas.

The second point I want to make is that there is a challenge to the current legal authority. For example, there is a question about the legal authority for the proposed deployment. There is the question of a report by the Defence minister about the 'legality, scope and anticipated duration'. Clause 61 makes it very clear that our Constitution gives executive power to the Governor-General, and ultimately to the executive.

I also want to point out, very briefly, that these decisions about deploying our troops or military personnel overseas are quite rightly made by Executive Council—with the cabinet giving the decisions full consideration—without the matters being fully debated.

Why should they not be debated? They should not be debated because of the element, often, in a military circumstance of the likelihood of success. If we are to flag to our potential enemies—our adversaries—exactly what we are doing, how long we are going to be in a theatre and when we are going to exit that theatre, all it will do is to give those opposed to us every chance in the world.

This is not just the case in the current circumstance. You can go way back to Sun Tzu in the Art of War. He said:

All warfare is based on deception. He also said, very tellingly, way back when he wrote the Art of War:
Let your plans be dark and impenetrable as night, and when you move, fall like a thunderbolt.
The great German general, Von Clausewitz, said, about surprising the enemy:

It lies more or less at the foundation of all undertakings, for without it the preponderance at the decisive point is not properly conceivable.

He said that in the 1830s, and if this bill passed we would only be talking about the preponderance of decision-making through the full parliamentary process—passing both houses of parliament. We know that surprise lies at the foundation of all undertakings without exception, only in very different degrees according to the nature of the undertaking and other circumstances.

I regret that I do not have the opportunity to expand on these thoughts. I am very strongly of the view that there should be no circumstance in which the parliament of Australia ever placed our troops at risk as a result of the flagging of our intentions militarily. These decisions, quite rightly, should be made by Executive Council, the cabinet and the Prime Minister of the nation, elected for that purpose.

**Senator WRIGHT** (South Australia) (11:19): It is with a sense of responsibility and solemnity that I am rising today to contribute to this important debate on the Australian Greens bill to require the approval of the Australian parliament to send Australian troops to fight in wars overseas.

In debating this idea, we are considering one of the most important decisions that any government ever has to make—whether to send its citizens away to war, to face death and injury and to kill other people—and to bear the moral burden of that. These are significant decisions.

On 15 February 2003, 600,000 people around Australia marched to show their opposition to the Iraq war. The rest, as they say, is history. What is necessary in dealing with matters of this sort of gravity—matters of life and death—is that we take that history, we face up to it squarely, and we are willing to learn from it.

The views and feelings of those many Australians who marched against the war were ignored by the Howard government. There was no substantial debate about the wisdom of following the United States into yet another war. The clamour to take action and invade Iraq overpowered the many warnings from knowledgeable and thoughtful people about the potential consequences, and the clear opposition from so many Australians.

As with other US wars to which Australia has too-readily signed up, the Iraq war has been increasingly discredited—vindicating those who counselled reason and care, at the time. It is clear now that the justification for the invasion of Iraq in 2003 was based on the lie of the existence of weapons of mass destruction. It is also clear that the invasion of Iraq and its aftermath have contributed to the disintegration we are now seeing in Iraq and provided precursors to some of the anger and burning sense of injustice that is feeding the extremism and brutality that affronts all of us.

The debate on who should be empowered to send Australian men and women to war is an enduring and persistent one, and so it should be. We should never send our troops lightly; we should do so only with clear-sighted knowledge, taking full responsibility that their lives will never be the same again—some will not come home; some will come home but they will be physically wounded; and others will face mental health challenges such as depression, anxiety
and post-traumatic stress disorder for the rest of their lives. None will forget. And so the debate goes on. This is not the first time the Australian Greens have introduced legislation of this nature. We believe this conversation is one that must be had, and we are willing to have it. We will not be silenced by claims that somehow we lack compassion or we support terrorism. They are spurious, hollow, empty claims; they are designed to shut us up and to shut up people who will not go along with the clamour. We will not submit to those efforts. We know that this is the right debate to be having.

This is a highly responsible question about the importance of democratic debate in a democracy and the view that the people who represent Australians have a place in the decision to send Australians to war. How else do we ensure that Australians like those 600,000 who cared enough to get out on the streets in 2003 have their voice heard in this parliament in matters that affect every one of us, sometimes affecting us intimately? How else do we ensure that executive governments are held accountable for their decisions and sometimes the mistakes they make? Merely relying on the next election is not enough in a situation that is as grey and significant as this, because there has been no transparent public process to inquire into the wars that we have been involved in. There has been no full and transparent inquiry into the illegal and open-ended war in Iraq in 2003, and no process to ensure that we have learned from that experience; no process to ensure that this time we will do things better and wiser.

Like everyone, I am deeply, deeply disturbed by what is currently happening in Iraq and what has been happening in Syria. The bloodshed is horrific and in no way would I ever seek to understate the suffering of civilians in that country. How people can live in that environment I think is not only confronting but also inconceivable for all of us. Islamic State is a brutal, barbarous organisation. It is life-defying and it defies the very common humanities of the world's peoples and the world's religions. There is no doubt that something must be done. The question is what. That is the question we have to significantly discuss. I will not subscribe to the tempting but simplistic view that something must be done and war is something, so it must be done. We must ask the fundamental questions before embarking on a war: what will it achieve; will it make things worse? That is the respectful and reasoned debate we must have.

The Australian Greens are strongly supportive of humanitarian assistance for the Iraqi people at this time, with the dropping of water, food and other supplies. During the winter break I had the privilege of visiting the Amberley air base in Brisbane as part of the Australian Defence Force Parliamentary Program. I had the opportunity to see Australia's air force at work at the biggest air base in Australia, and I was able to meet with the personnel there and get a better understanding of and empathy for the work that they do—the job that they do on behalf of all Australians. Indeed it was a privilege, and I came away with a much better understanding. I also had the wonderful opportunity to fly in one of the C17 aircraft—the aircraft often used for delivering loads of humanitarian and other supplies. Some of the C17s are being used in distributing the humanitarian aid that we have been dispensing. They can take supplies or they can be set up with hospital wards. I saw and understood how motivated those pilots and the personnel around them who provide support were in doing their important, lifesaving humanitarian work on behalf of Australia. Certainly it is absolutely important that we do that work.
But military action is another question altogether, and it is an issue that we must approach with the highest level of care, with reasoned thought about why we are doing it and what the consequences will be and what the plan is. We also have to have adherence to international law, because if there is no international law there is nothing. If we do not stand by international law we have no right to ask others to do the same. We must ask the question: is this another case of Australia blindly following in the footsteps of the United States? Australians are rightly concerned about this. They have a right to be. We are already dropping weapons and munitions into Iraq for the Kurdish Peshmerga forces and the likelihood of deeper military involvement seems more likely each day. There is little doubt that, if requested, Australia will agree to the USA's request for further military engagement in Iraq.

In Australia, the executive's decision to declare war and deploy forces overseas has always been taken before Parliament has debated the issue. Traditionally, parliament has been asked to endorse decisions that have already been taken. Though the opposition of the day has usually supported the government's actions, there have been occasions when they have at least initially opposed Australia's involvement in conflicts. Since 1901, neither the Australian Constitution nor defence legislation has required the government to gain parliamentary approval for the decision to deploy forces overseas or, in the rare cases that it has occurred, to declare war. There have been attempts since 1985 to remove the exclusive power of the government to commit Australia to war.

In 2010 the Senate Foreign Affairs, Defence and Trade Legislation Committee reported on an Australian Greens bill—the Defence Amendment (Parliamentary Approval of Overseas Service) Bill 2008 [No. 2]. The committee stated:

The committee is not in any way against the involvement of both Houses of Parliament in open and public debates about the deployment of Australian service personnel to warlike operations or potential hostilities. It agrees with the views of most submitters that the Australian people, through their elected representatives, have a right to be informed and heard on these important matters. The Commonwealth Constitution does not say expressly who is responsible for declaring war or deploying troops. In addition, there is no requirement in the Constitution or defence legislation for parliamentary involvement in most aspects of declaring war and deploying troops. Indeed, for several decades after the Commonwealth came into being, in 1901, the Australian government itself was unsure as to whether it could even declare war against another country without British government approval.

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

With Australia generally adhering to the Charter of the United Nations, which requires member countries to seek UN Security Council approval before engaging in hostilities, past comment and debate in this space has focused on the deployment of troops overseas, once hostilities have been declared by the UN. On a number of occasions, the Australian Greens, and the Australian Democrats before us, have pursued legislation that would require parliamentary approval in most circumstances before Australian troops could be deployed.
overseas. In September 2008, my colleague Senator Scott Ludlam, who has spoken so eloquently on the bill today, sought to repeal section 50C of the Defence Act 1903 and to replace the section with a new provision that would require parliamentary approval before troops could be deployed. Once again, we are bringing legislation to the parliament, with the hope of a real and meaningful debate.

The Australian Greens' bill would be consistent with principles and practices of in other democracies, including Denmark, Finland, Germany, Ireland, Slovakia, South Korea, Spain, Sweden, Switzerland and Turkey, where troop deployment is set down in constitutional or legislative provisions. Some form of parliamentary approval or consultation is also routinely undertaken in Austria, the Czech Republic, Italy, Japan, Luxembourg, the Netherlands and Norway. Our ally the United States has a similar provision that subjects the decision to go to war to a broader forum. Section 8 of article I of the US Constitution quite clearly says, 'Congress shall have power to declare war'. In the wake of the disaster in Iraq, the UK's Westminster parliament now holds the de facto war power, a new convention that prevented a rushed deployment into Syria earlier in 2014. The real challenges posed about the timeliness of decision-making and the degree of confidentiality that would be required can be met, as is obvious from the number of mature democracies that embrace a more inclusive approach to decisions about war.

The debate we are having is not a new debate but one that constantly evolves and gains depth as global contexts change. It is an important debate. I am grateful that we are once again having this discussion, but I am disheartened that the debate has not matured much in recent years. If the lessons of Iraq in 2003 and the escalating, brutal violence we are currently witnessing in that country do not now compel my parliamentary colleagues to engage in this debate, it is difficult to imagine what will.

As someone with a long personal history of activism, I know that people protest when they feel unheard—when they feel ignored by decision makers and those in positions of influence. With this Greens bill we can ensure all Australians a voice in this place through their elected representatives—not just at an election, after the event, when the die is cast, but at the very time of a momentous decision to be made about whether this country goes to war. This bill will ensure there is a real conversation about what it means to send Australians to war and whether it is the appropriate thing to do.

We must always remember that when we send people into conflict on our behalf their lives will never again be the same. That is why there are significant numbers of veterans and members of the Australian Defence Forces who agree with this Australian Greens proposal. I know this because I have consulted with them, I have met with them and I have spoken with them during the three years that I held the veterans affairs spokesperson portfolio for the Australian Greens. It is not surprising, because they truly understand what it means to go to war. They truly understand who will bear the consequences of that decision. They do not want the decision to go to war to be made in sometimes what is a political context, when they think that it is important that all Australians should be able to have their voices heard through their elected representatives in a truly democratic way. By having the decision made in that way, it confers more legitimacy on the ultimate decision of a country to send its people to war. What a profound responsibility we would all share if this bill were to become law.
Senator LAMBIE (Tasmania—Deputy Leader and Deputy Whip of the Palmer United Party in the Senate) (11:35): I rise to briefly speak to the Defence Legislation Amendment (Parliamentary Approval of Overseas Service) Bill 2014. I believe that the current system and process Australia has in place to make a decision to go to war is a flawed process and could be improved. I also believe that the people involved in making a decision on whether to go to war—the current executive—are not capable of making sound decisions. However, after consulting with people who have risked all and served their country in Iraq and Afghanistan, I believe the Greens proposition contained in this bill goes too far and places unnecessary constraints on the executive. I believe that the constraints on the executive proposed by the Greens, as written in this bill, go too far.

The executive needs to be empowered to continue to be able to make quick decisions and make quick deployments in order to properly protect national security. However, there has to be a point at which a military deployment or commitment is discussed and debated in the houses of parliament — perhaps in a joint sitting — in order to ensure that we always maintain mission relevance. And there should not be just one debate. After consulting with veterans, I believe that parliamentary debate should always occur at a point in time when the nature of the military operation significantly changes, for example, when it goes from a humanitarian action into a stabilisation phase or a war-fighting phase.

David Day, one of Australia’s famous authors, has written a book called The Politics of War: Australia at War 1939-45 from Churchill to Macarthur. It will benefit this debate if senators reflect on the words of David Day, which put this debate into historical perspective and context. He wrote:

The outbreak of war therefore raised the question of how far Australia should go in supporting Britain against Germany where the military threat to Australia was limited, while a possibly imminent and very direct threat loomed large in the Pacific.

There was no question in the mind of the Australian prime minister, Robert Menzies, that when Britain was at war so too was Australia. As soon as he had heard Chamberlain's declaration of war on the radio, Menzies made his own sombre announcement of Australia's involvement. There was no triumphal flag-flying or the grandiose protestations of imperial loyalty that Australian leaders had used at the beginning of the First World War. The ravages of that war had removed any illusions Australians might have entertained about the nature of modern warfare. With the trenches of the First World War in mind, Menzies declared that it was his 'melancholy duty' to announce Australia's involvement as a simple consequence of Britain's involvement in events over which Australia had no control. After relating at some length for his radio audience the history of the dispute between Germany and its neighbours, Menzies beseeched 'God in his mercy and compassion' to deliver the world 'from this agony'.

Unlike Canada or South Africa, where the declaration of war was left to the respective parliaments to deliberate upon, Menzies was sufficiently confident to embroil Australia in the war as soon as he learnt of the British declaration. The British viceroy of India similarly plunged his charge into the distant struggle without reference to his subjects. According to Menzies, 'where Great Britain stands there stand the people of the entire British world'. When he was criticised for abandoning any semblance of Australian independence, he pointed to the popular sentiment for war, that the British people needed quick assurances of support and that the King's declaration of war automatically created a state of war between Australia and Germany. This last justification was the one that most determined Menzies' action. His legalistic background, combined with his sense of empire, could not conceive of the possibility of the King being at war in Britain but not in Australia. As it happened, the King remained
monarch of neutral Ireland throughout the war and was not at war in South Africa and Canada until the parliaments of those dominions had met and decided to throw in their lot with Britain's.

The point I have taken from Mr Day's writing, which I believe to be true, is this: the current political system we have in order to determine whether we send our troops to war is not perfect and is flawed. History shows it can be improved. However the Greens' proposition on such an important issue is rushed and needs time for proper consideration. While the PUP and I will be voting against this bill, we will be open for discussion with all parties in the future in order to find a better system and procedures for determining how and when we go to war.

In closing, I would like to remind the chamber about the need for Australian governments to discuss and disclose to the Australian people the true cost of war. As one veteran quoted to me, 'The cost of war is much more than the cost of blankets and bullets.'

I renew my calls for a royal commission into the toxic leadership of our military, the cover-up of abuse and sexual assaults, and the dysfunction within the Department of Veterans' Affairs. We have sent our troops to war and failed to care for them after they have returned. The government cannot be allowed to get away with the cover-up of the veterans' suicide rate. I will not support the Greens' bill but will happily talk about amendments that provide a third path.

**Senator MILNE** (Tasmania—Leader of the Australian Greens) (11:42): I wish to speak again in this debate in order to sum up the debate on the bill for the Greens and I seek clarification as to whether the 11:50 am time is a hard line or whether the delay in the start means that this debate will finish a bit late.

**The DEPUTY PRESIDENT:** The time for the finishing of this debate as a hard marker is 11:57 am.

**Senator MILNE:** I rise to sum up this debate on behalf of the Australia Greens. In so doing, I thank all senators for the serious and sincere way in which they have engaged in the debate. I am very disappointed to hear that Senator Lambie, who up until yesterday was so committed to making sure that the parliament had a say, has changed her mind. I am glad to hear that the Palmer United Party is prepared to discuss it because, dare I say, if this bill is not supported today it will be reintroduced and we will keep on debating it. It has been going on for 30 years, so I hardly think that it is rushed. It has been through many Senate inquiries.

I just want to go to the heart of the matter. This bill has taken over 30 years. It did not get brought into the parliament specifically in relation to the current circumstances in which Australia looks like being committed to a multi-year military campaign in the Middle East without a strategy. This bill has been something that we feel strongly about in principle, and I will just address the principle first.

It is critical that the parliament determines when we deploy our troops to military action overseas. As my colleagues have summed up quite strongly, those other countries that have exactly the same principles and practices ranging from Denmark, Finland, Germany, Ireland, Slovakia, South Korea, Spain, Sweden, Switzerland and Turkey right through to the United States also have the provision. Let us not hear that this would be a dangerous thing to do. It is a recognised democratic principle in those countries.

The other points that I want to make in relation to the rebuttal are as follows. It has been suggested by some senators that this would require secret or military intelligence to be
brought to the parliament. Of course that is nonsense. No one is suggesting that secret military intelligence be brought to the parliament or that the deployment and the organisation of operational matters be brought to the parliament. Nobody is suggesting that. That is a furphy in the extreme. To start with, this is about the principle of engaging in a military campaign. Thereafter, those matters become the decision of the military to give effect.

In terms of flexibility, again, that is another furphy because the bill quite clearly gives appropriate exemptions which provide for the practicality of the situation—that is, where the parliament cannot meet immediately, it provides for the Governor-General to be able to make a proclamation regarding the declaration of war, provided that the parliament is then recalled within a period of two days. So that is a furphy as well. They are all furphies. It is a way of trying to make that fundamental decision: should it be left to a Prime Minister and the executive or should it come to the parliament to make a decision to put our serving men and women in our armed services in harm's way. That is the principle on which we are voting here today. In a democracy, who should decide? The Greens believe that it is the parliament. We will keep arguing that it is the parliament and keep bringing back the bill as a critical way of dealing with this matter.

Finally, since it is pretty clear that we do not have the support of the parliament in this, we need to ask some very serious questions here. One of those is that it is a nonsense to say that there will not be boots on the ground. It is a nonsense to say that this conflict is going to be solved without a strategy for Syria. So I put to the Australian parliament: you need to think very clearly about this because the United States will clearly be making a strategy that will have to include Syria, and Australian decision makers will need to think beyond northern Iraq into Syria. How long is this going to take? What is the extent of our involvement? The same thing goes for the Ukraine. I am fearful that we have a government that is racing into engagement behind the United States, without a serious discussion of how this is in Australia's national interest.

I ask people in the Senate today to consider this: in a democracy, should the parliament decide? When the parliament decides, the question should be: is this in Australia's national interest? And the objectives and risks need to be taken into account. I would urge senators to support this bill.

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

The Senate divided. [12:52]

(The President—Senator Parry)

Ayes .....................12
Noes ....................54
Majority ...............42

AYES

Di Natale, R
Leyonhjelm, DE
Milne, C
Rice, J
Waters, LJ
Wright, PL

Hanson-Young, SC
Ludlam, S
Rhiannon, L
Siewert, R (teller)
Whish-Wilson, PS
Xenophon, N
Question negatived.

DOCUMENTS

Democratic Labour Party

Tabling

Senator MADIGAN (Victoria) (11:55): by leave—I table documents alluded to earlier today.

PETITIONS

Great Barrier Reef

The Clerk: A petition has been lodged for presentation as follows:

To the Honourable President and members of the Senate in Parliament assembled:

I call on all Senators from all parties to support a new law to ban sea dumping in the Great Barrier Reef World Heritage Area.

The Great Barrier Reef is no place to dump dredge spoil. You have the power and the responsibility to protect the Reef and its future.

I can confirm that the petition has been published in electronic form and that the signatories have attached their signatures with the full text of the petition visible as they did so.

I also certify that multiple signatures have been removed to reflect an accurate count of petitioners.
This is true and accurate petition to the Senate.
by Senator Waters (from 3,614 citizens).
Petition received.

NOTICES

Presentation

Senator Hanson-Young to move:
That the Senate requests that the Minister representing the Minister for Immigration and Border Protection provide the chamber with an update on the events that led to Iranian refugee, Mr Hamid Kehazaei, being on life support.

Senator Day to move (contingent on the President presenting a report of the Auditor-General on any day or notifying the Senate that such a report had been presented under standing order 166):
That so much of the standing orders be suspended as would prevent the senator moving a motion to take note of the report and any senator speaking to it for not more than 10 minutes, with the total time for the debate not to exceed 60 minutes.

Senator Day to move (contingent on the Senate on any day concluding its consideration of any item of business and prior to the Senate proceeding to the consideration of another item of business):
That so much of the standing orders be suspended as would prevent the senator moving a motion relating to the conduct of the business of the Senate or to provide for the consideration of any matter.

Senator Day to move (contingent on the Senate proceeding to the consideration of government documents):
That so much of the standing orders relating to the consideration of government documents be suspended as would prevent the senator moving a motion relating to the order in which the documents are called on by the President.

Senator Day to move (contingent on a minister moving a motion that a bill be considered an urgent bill):
That so much of standing order 142 be suspended as would prevent debate taking place on the motion.

Senator Day to move (contingent on a minister moving a motion to specify time to be allotted to the consideration of a bill, or any stage of a bill):
That so much of standing order 142 be suspended as would prevent the motion being debated without limitation of time and

Senator Day to move (contingent on the chair declaring that the time allotted for the consideration of a bill, or any stage of a bill, has expired):
That so much of standing order 142 be suspended as would prevent further consideration of the bill, or the stage of the bill, without limitation of time or for a specified period.

Senator Day to move (contingent on the moving of a motion to debate a matter of urgency under standing order 75):
That so much of the standing orders be suspended as would prevent a senator moving an amendment to the motion.
Senator Day to move (contingent on the President proceeding to the placing of business on any day):
That so much of the standing orders be suspended as would prevent the senator moving a motion relating to the order of business on the Notice Paper.

Senator Day to move (contingent on a minister at question time on any day asking that further questions be placed on notice):
That so much of the standing orders be suspended as would prevent the senator moving a motion that, at question time on any day, questions may be put to ministers until 28 questions, including supplementary questions, have been asked and answered.

Senator Day to move (contingent on any senator being refused leave to make a statement to the Senate):
That so much of the standing orders be suspended as would prevent that senator making that statement.

Senator Day to move (contingent on any senator being refused leave to table a document in the Senate):
That so much of the standing orders be suspended as would prevent the senator moving that the document be tabled.

COMMITTEES
Selection of Bills Committee
Report

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (11:56): I present the 11th report for 2014 of the Selection of Bills Committee and I seek leave to have the report incorporated in Hansard.

Leave granted.

The report read as follows—

SELECTION OF BILLS COMMITTEE
REPORT NO. 11 of 2014
1. The committee met in private session on Wednesday, 3 September 2014 at 7.16 pm.
2. The committee resolved to recommend:
   That—
   (a) contingent upon their introduction in the House of Representatives, the provisions of the Customs Amendment (Korea-Australia Free Trade Agreement Implementation) Bill 2014 and the Customs Tariff Amendment (Korea-Australia Free Trade Agreement Implementation) Bill 2014 be referred immediately to the Legal and Constitutional Affairs Legislation Committee but was unable to reach agreement on a reporting date (see appendix 1 for a statement of reasons for referral);
   (b) contingent upon its introduction in the House of Representatives, the provisions of the Fair Entitlements Guarantee Amendment Bill 2014 be referred immediately to the Education and Employment Legislation Committee for inquiry and report by 24 September 2014 (see appendix 2 for a statement of reasons for referral);
   (c) the provisions of the Higher Education and Research Reform Amendment Bill 2014 be referred immediately to the Education and Employment Legislation Committee but was unable to reach agreement on a reporting date (see appendices 3 and 4 for statements of reasons for referral); and
(d) the Corporations Amendment (Streamlining of Future of Financial Advice) Bill 2014 be referred immediately to the Economics Legislation Committee but was unable to reach agreement on a reporting date (see appendix 5 for a statement of reasons for referral).

3. The committee resolved to recommend—that the following bills not be referred to committees:
   • Corporations Amendment (Financial Advice) Bill 2014
   • Minerals Resource Rent Tax Repeal and Other Measures Bill 2014.

The committee recommends accordingly:

4. The committee deferred consideration of the following bills to its next meeting:
   • Infrastructure Australia Amendment (Cost Benefit Analysis and Other Measures) Bill 2014
   • Marine Safety (Domestic Commercial Vessel) National Law Amendment Bill 2014
   • Mining Subsidies Legislation Amendment (Raising Revenue) Bill 2014
   • Motor Vehicle Standards (Cheaper Transport) Bill 2014
   • Save Our Sharks Bill 2014
   • Tax and Superannuation Laws Amendment (2014 Measures No. 5) Bill 2014.

(David Bushby)
Chair
4 September 2014

APPENDIX 1

SELECTION OF BILLS COMMITTEE

Proposal to refer a bill to a committee:

Name of bill:
   Customs Amendment (Korea-Australia Free Trade Agreement Implementation) Bill 2014
   Customs Tariff Amendment (Korea-Australia Free Trade Agreement Implementation) Bill 2014

Reasons for referral/principal issues for consideration:
   • To enable thorough scrutiny of the provisions of the legislation.
   • To supplement the current inquiry of the Senate Foreign Affairs, Defence and Trade References Committee.

Possible submissions or evidence from:
   Department of Foreign Affairs and Trade
   Australian Customs and Border Protection Service
   Industry groups and businesses affected by the Bill

Committee to which bill is to be referred:
   Senate Legal and Constitutional Affairs Legislation Committee.

Possible hearing date(s):
   To be determined by the Committee.

Possible reporting date:
   Monday 27 October 2014.
APPENDIX 2

SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee:
Name of bill:
Fair Entitlements Guarantee Amendment Bill 2014
Reasons for referral/principal issues for consideration:
For detailed consideration by the Senate Committee
Possible submissions or evidence from:
Employee representatives
Employer representatives Departmental officials Other stakeholders
Committee to which bill is to be referred:
Education and Employment Legislation Committee
Possible hearing date(s):
To be determined by the committee
Possible reporting date:
24 September 2014

(signed)
Senator the Hon Mitch Fifield
Whip/Selection of Bills Committee Member

APPENDIX 3

SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill:
Higher Education and Research Reform Amendment Bill 2014
Reasons for referral/principal issues for consideration:
To examine in greater detail the provisions of the Bill, in particular provisions to:
• Remove caps on student contributions
• Cut funding to the Commonwealth Grants Scheme for undergraduate places
• Change the HECS repayment indexation rate and thresholds
• Abolish the HECS-HELP benefit from 2015
• Extend subsidies - at 70 percent of the university rate - for teaching to all Higher Education Providers (HEPs)
• Expand subsidies for teaching to sub degree programs including those provided by HEP's
• Charge fees for Higher Degree by Research students through the HELP system

(signed)
Senator the Hon Mitch Fifield
Whip/Selection of Bills Committee Member
• Abolish mission based compacts
• Change indexation of university funding back to CPI, from a rate that reflected the costs of institutions introduced by the previous Labor government
• Allow international universities to set up in Australia and be eligible for Commonwealth support (teaching and research)

Possible submissions or evidence from:
Universities, higher education policy experts, staff, students, industry and unions
Department of Education

Committee to which bill is to be referred:
Education and Employment Legislation Committee

Possible hearing date(s):
29 September, 3/6/7/8/9 October

Possible reporting date:
27 October 2014

(signed)
Senator the Hon Mitch Fifield
Whip/Selection of Bills Committee Member

APPENDIX 4
SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee:
Name of bill:
Higher Education and Research Reform Amendment Bill 2014

Reasons for referral/principal issues for consideration:
• To examine measures to increase opportunity for up to 80,000 more Australians to access subsidised higher education, without having to pay upfront.
• To examine proposals to protect universities and students from declining standards and keep students and institutions competitive with rising standards internationally.
• To examine proposals for choice for regional students by allowing universities to specialise in what they do best and offer pathway programs and new scholarships.
• To examine research infrastructure across Australia

Possible submissions or evidence from:
• Professor Sandra Harding, Universities Australia
• Ms Belinda Robinson, Universities Australia
• Ms Vicki Thomson, Australian Technology Network
• Mr Mike Gallagher, Group of Eight universities
• Mr Andrew Norton, Grattan Institute
• Professor Ian Young, Australian National University
• Professor Greg Craven, Australian Catholic University
Professor Warren Bebbington, University of Adelaide
Professor Tim Brailsford, Bond University
Professor Paul Wellings, University of Wollongong
Mr David Gonski, Chancellor, University of New South Wales
Professor John Dewar, La Trobe University
Professor Paul Johnson, University of Western Australia
Professor Scott Bowman, Central Queensland University
Professor Jim Barber, former Vice-Chancellor of University of New England

Committee to which bill is to be referred:
Education and Employment Legislation Committee

Possible hearing date(s):
To be determined by the committee

Possible reporting date:
22 September 2014

(sign)
Senator the Hon Mitch Fifield
Whip/Selection of Bills Committee Member

APPENDIX 5
SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee:

Name of bill:

Reasons for referral/principal issues for consideration:
• Previous Committee inquiry reported on 16 June.
• This legislation has now been significantly amended through the House of Representatives.
• To enable thorough examination of the amended Bill.

Possible submissions or evidence from:
Industry Super Australia
Financial Planning Association
COTA
National Seniors
CHOICE
Financial Services Council
Association of Financial Advisers Ltd
The Treasury

Committee to which bill is to be referred:
Senate Economics Legislation Committee. Possible hearing date(s):
To be determined by the Committee.

Possible reporting date:
Tuesday 30 September 2014.
Senator BUSHBY: I move:
That the report be adopted.

Senator MOORE (Queensland) (11:56): I move an amendment to Senator Bushby's motion:

(1) At the end of the motion, add, "but, in respect of:

(a) the Customs Amendment (Korea-Australia Free Trade Agreement Implementation) Bill 2014 and the Customs Tariff Amendment (Korea-Australia Free Trade Agreement Implementation), the Legal and Constitutional Affairs Legislation Committee report by 2 October 2014;

(b) the Higher Education and Research Reform Amendment Bill 2014, the Education and Employment Legislation Committee report by 28 October 2014; and

(c) the Corporations Amendment (Streamlining of Future of Financial Advice) Bill 2014, the Economics Legislation Committee report by 30 September 2014."

We are proposing to amend the reporting dates for three of the pieces of legislation that have been put forward. The first one is the Customs Amendment (Korea-Australia Free Trade Agreement Implementation) Bill and the associated Customs Tariff Amendment (Korea-Australia Free Trade Agreement Implementation) Bill. We have an amended date of 2 October 2014 for that one. For the second one, the Higher Education and Research Reform Amendment Bill, we have an amended date of 28 October 2014. For the final one, the Corporations Amendment (Streamlining of Future of Financial Advice) Bill, we are seeking to change the reporting date to 30 September 2014.

Senator IAN MACDONALD (Queensland) (11:57): I do not have the government's original motion in front of me, but Senator Moore's amendment refers to the Customs Amendment (Korea-Australia Free Trade Agreement Implementation) Bill and the associated Customs Tariff Amendment (Korea-Australia Free Trade Agreement Implementation) Bill being referred to the Legal and Constitutional Legislation Committee for report by 2 October. It would help if I knew what the government's original motion was.

The DEPUTY PRESIDENT: The motion is that the Selection of Bills Committee report be adopted. Senator Moore is seeking to amend that report.

Senator IAN MACDONALD: I have not seen that report. My point is that I am not sure whether the government wanted it earlier than 2 October or later.

Senator Fifield: Earlier would have been our preference, but we can live with that date.

Senator Kim Carr: What a good negotiation!

Senator IAN MACDONALD: It is often the case that negotiations are conducted with everyone except the government's own backbench. That is no reflection on Senator Fifield, who does a wonderful job in what are, I might say, very difficult circumstances. I very much support what he does.

Perhaps I will get on with the point I really wanted to speak about, and that is that I am told by staff that recently the Senate Legal and Constitutional Affairs Committee was dealing with 14 concurrent inquiries. I was told that that was a record for the Senate. Whether it is true or
not, it is not a record you would be proud of. I simply make this point: there are some bills that for government reasons—very valid reasons—need to be dealt with urgently, but we are getting so many references to both the legislation and he references committee that committees are struggling to cope with the work being given with them. It is not only senators themselves but also the committee secretariat staff, who do an absolutely magnificent job. They must be under pressure in trying to deal with all these committees, to draft chairs' reports and to deal with dissenting reports. It is not fair to the committee staff and, quite frankly, it is not fair to senators either.

The fault lies, of course, with those of us in this chamber because we continue to set up inquiries. I see a couple of other inquiries being proposed today. I do not know when senators are going to get the opportunity to deal with them. I rise today to say what I have been saying privately in our party room: we really do need to have a serious look at the workload of senators. As the Labor Party will know and as the Greens would appreciate as well, in government, ministers and parliamentary secretaries are not usually part of the committee process so backbenchers are dealing with four, five and six committees at the same time. We are travelling—in my case—from North Queensland to Hobart to Perth and trying to do justice to these things.

So I am just making a general plea for us to be a little bit more circumspect in the number of matters we refer to committees. In this instance I am very keen to see the Korea-Australia Free Trade Agreement implemented. I am very keen to be part of the committee that will look at it, because it is an area that I have a particular interest in. I am always a bit sad we did not get a better deal for sugar, but I will talk about that some other time. But it is good that it is coming. It has to be done, and I am sure the committee will deal with it expeditiously. (Time expired)

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (12:02): I move an amendment to Senator Moore's proposed amendment:

In respect of the Higher Education and Research Reform Amendment Bill 2014, omit "28 October 2014", substitute "22 September 2014".

I will not speak for long to this, but I do want to acknowledge the very valid points that Senator Macdonald made and for the benefit of the chamber make clear that the reference of the Customs Amendment (Korea-Australia Free Trade Agreement Implementation) Bill 2014 and the Customs Tariff Amendment (Korea-Australia Free Trade Agreement Implementation) Bill 2014 to the Senate Legal and Constitutional Affairs Legislation Committee was a reference from the opposition, not from the government. We were not seeking to have it referred to a committee. Likewise, with the Corporations Amendment (Financial Advice) Bill 2014 the proposed reference to the Senate Economics Legislation Committee was not one that the government sought; it was a proposed referral by the opposition.

As I have indicated, we did not seek or see the need for that. We are, however, not going to oppose the dates proposed. We can live with those dates, but we do propose an amendment to Senator Moore's amendment in relation to the Higher Education and Research Reform Amendment Bill 2014, which is critical reform. The government is of the view that while, of course, it is perfectly appropriate that a committee of the Senate examine such significant
legislation, nevertheless we are keen to in a reasonable time be in a position where the Senate can consider that legislation in this place.

Senator KIM CARR (Victoria) (12:05): The government did seek to initiate an inquiry into the higher education package that the Minister for Education is pursuing and proposed a date of 22 September. I recognise the point that Senator Macdonald makes about the workload of committees, but they are trying to ram through a reporting date when the government itself has proposed 15 witnesses to be dealt with in two weeks—to take submissions—

Senator Fifield: They are just suggestions.

Senator KIM CARR: You have said it on your bit of paper. That is the problem when you follow advice from House of Representatives ministers: they have no understanding of how the Senate works, no understanding of the implications of what they are actually saying. They propose that the committee receive submissions and take evidence from 15 witnesses all in the space of two weeks.

Mind you, this is a bill that has 325 pages of material—bills, explanatory memorandums and regulatory impact statements—a bill that goes to the most radical change to the higher education system in this country in 40 years, a bill which is in complete and total contrast to what the Prime Minister said would happen prior to the election, a bill which is in complete and total contrast to what the Prime Minister said would happen prior to the election, a bill upon which there has been no consultation before it was announced, a package of measures which is completely false in terms of the claims made about the circumstances that will occur in universities and a perfidy reflected in this government's behaviour when it comes to education.

This is a Prime Minister that told Universities Australia and the Australian people just before the election—in fact, I think it is one year to the day—there would be 'masterly inactivity'. There would be no cuts to education. There would be no changes, said the Minister for Education, to the fee structures of this country. This was all one year ago. And now we are presented with a proposition which has fundamentally far-reaching changes to the way universities function in this country.

This week we have seen what happens in this place when people act in haste. This week we have seen this with the mining tax changes and the effects on superannuation in this country. In this chamber you act in haste and you repent at leisure. That is the cost to the Australian people of one of the most dramatic changes that we have seen to universities in this country in over a generation. So it is fitting that there at least be a process by which we can examine the detail of this government's perfidy when it comes to higher education.

I want to know clause by clause what the implications of this act are. I understand what the government's philosophical position is—and I say it is morally bankrupt. I say this bill is actually rotten to the core, but I do want to know the detail of what this bill proposes, what the implications are for one million Australians, what the implications are in terms of social justice for this nation and what the implications are for the economy of this nation. I think we are entitled to ask those questions before the bill comes in. This is one of the fundamental principles of the Senate committee system. This is the house of review.

The Senate committee system is a very powerful instrument in getting to the bottom of what the government is seeking to do. I will not be surprised if even the comprador section of this coalition, the National Party, comes to understand exactly what the implications are for
rural and regional Australians. It will not surprise me to discover that the implications of these measures go far beyond even what the most idiotic elements of the free marketeers would have thought they were doing. It would not surprise me to discover, when we look at the detail, that these are measures that even the government will not be able to support.

We do know that of the 15 witnesses the government has proposed, not one of them has unequivocally supported these measures—wait until they understand the full detail of it. This is what we found with the Tertiary Education Quality and Standards Agency Amendment Bill 2014. Do you remember the tick-and-flick TEQSA bill? We discovered five separate sets of amendments that the government now acknowledge they have to make. I trust that the Senate finds some confidence in the fact that we need to have an inquiry that actually allows people to put evidence to this chamber.

**The DEPUTY PRESIDENT:** Senator Macdonald, you have already spoken.

**Senator IAN MACDONALD** (Queensland) (12:10): I am speaking on the amendment to the amendment, which is Senator Fifield's amendment. I actually agree and support Senator Fifield's amendment on the change of the date.

Can I also say that I agree with most of what Senator Carr has just said. I do think it is important. This is a fairly substantial piece of legislation. I think it is good legislation. I have been convinced by Mr Pyne that it is good. I have been convinced by the vice-chancellors, who have all been calling for its adoption, that it is the right way to go. I also add—and I put in brackets for Hansard by way of a joke—that I am quite happy for it to be dealt with at an earlier time because I am not on that committee and I will not have to sit through it all. But I will watch it because the points that Senator Carr made are very valid.

Without digressing from my support for this amendment to the amendment, can I briefly in passing refer to the Customs Amendment (Korea-Australia Free Trade Agreement Implementation) Bill 2014. My understanding is that the Korea-Australia Free Trade Agreement bill will be going to the Joint Standing Committee on Treaties, which many senators are already part of. This is the point I was making before: why are we having a Senate inquiry, and taking the time and the resources of the Senate, to deal with a matter that will already be dealt with—correct me if I am wrong—by the Joint Standing Committee on Treaties, where it should be? It seems to me that senators have to have a serious look at the duplication of committees not only in their own interests of health but also bearing in mind the resources and pressures put on committee staff. But I support Senator Fifield's amendment.

**The DEPUTY PRESIDENT:** The question is that the amendment moved by Senator Fifield be agreed to.

The Senate divided. [12:16]

(The Deputy President—Senator Marshall)

Ayes ....................26
Noes ....................34
Majority ...............8

**AYES**

Back, CJ
Bernardi, C
Birmingham, SJ
Brandis, GH
AYES

Bushby, DC (teller)  Canavan, M.J.
Cash, MC  Colbeck, R
Cormann, M  Edwards, S
Fawcett, DJ  Fifield, MP
Heffernan, W  Macdonald, ID
McGrath, J  McKenzie, B
Nash, F  O’Sullivan, B
Payne, MA  Reynolds, L
Ronaldson, M  Ruston, A
Scullion, NG  Seselja, Z
Sinodinos, A  Smith, D

NOES

Brown, CL  Bullock, J.W.
Cameron, DN  Carr, KJ
Conroy, SM  Dastyari, S
Day, R.J.  Di Natale, R
Gallacher, AM  Hanson-Young, SC
Ketter, CR  Lazarus, GP
Leyonhjelm, DE  Lines, S
Ludlam, S  Ludwig, JW
Lundy, KA  McIwen, A (teller)
McLucas, J  Milne, C
Moore, CM  Muir, R
O’Neill, DM  Peris, N
Rhiannon, L  Rice, J
Siewert, R  Singh, LM
Sterle, G  Wang, Z
Waters, LJ  Whish-Wilson, PS
Wright, PL  Xenophon, N

PAIRS

Abetz, E  Urquhart, AE
Fierravanti-Wells, C  Faulkner, J
Johnston, D  Wong, P
Mason, B  Polley, H
Ryan, SM  Collins, JMA
Williams, JR  Bilyk, CL

Question negatived.

The DEPUTY PRESIDENT (12:18): The question now is that the amendment moved by Senator Moore be agreed to.
Question agreed to.

The DEPUTY PRESIDENT: The question now is that the motion, as amended, moved by Senator Bushby be agreed to.
Question agreed to.
BUSINESS

Rearrangement

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (12:19): I move:

That—

(a) government business orders of the day as shown in the list circulated in the chamber be considered from 12.45 pm today; and

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

Non-controversial government business—

No. 3 Competition and Consumer Amendment (Industry Code Penalties) Bill 2014
No. 4 Military Rehabilitation and Compensation Amendment Bill 2014
International Tax Agreements Amendment Bill 2014

Question agreed to.

Rearrangement

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (12:19): I move:

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

(a) general business notice of motion no. 422 standing in the name of the Leader of the Australian Greens (Senator Milne) relating to bank levies; and

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

Question agreed to.

NOTICES

Postponement

Senator WHISH-WILSON (Tasmania) (12:20): by leave—I move:

That general business notice of motion No. 426 standing in my name for today, relating to the renewable energy industry in Tasmania, be postponed till the next day of sitting.

Question agreed to.

Postponement

The following items of business were postponed:

Business of the Senate notice of motion no. 2 standing in the name of Senator Dastyari for today, proposing the disallowance of items 1 to 27 inclusive and item 30 of the Corporations Amendment (Streamlining Future of Financial Advice) Regulation 2014, postponed till 22 September 2014.

General business notice of motion no. 384 standing in the name of Senator Xenophon for today, proposing an order for the production of documents by the Attorney General, postponed till 22 September 2014.
COMMITTEES
Economics References Committee
Reference
Senator DASTYARI (New South Wales) (12:21): I move:
That the following matter be referred to the Economics References Committee for inquiry and report
by the first sitting day in July 2015:
Implications of financial advice reforms, with particular reference to:
(a) the current level of consumer protections;
(b) the role of, and oversight by, regulatory agencies in preventing the provision of unethical and
misleading financial advice;
(c) whether existing mechanisms are appropriate in any compensation process relating to unethical or
misleading financial advice and instances where these mechanisms may have failed;
(d) mechanisms, including a centralised register, that would ensure financial planners found
breached any law or professional standards in their employment are transparent, for both the sector and
consumers;
(e) how financial services providers and companies have responded to misconduct in the industry;
(f) other regulatory or legislative reforms that would prevent misconduct; and
(g) any related matters.
Question agreed to.

BILLS
Stop Dumping on the Great Barrier Reef Bill 2014
First Reading
Senator WATERS (Queensland) (12:22): I move:
That the following bill be introduced: A Bill for an Act to amend the law relating to the Great Barrier
Question agreed to.
Senator WATERS: I present the bill and move:
That this bill may proceed without formalities and be now read a first time.
Question agreed to.
Bill read a first time.
Second Reading
Senator WATERS (Queensland) (12:23): I move:
That this bill be now read a second time.
I seek leave to table an explanatory memorandum relating to the bill.
Leave granted.
I table an explanatory memorandum and seek leave to have the second reading speech
incorporated in Hansard.
Leave granted.
The speech read as follows—
This Bill proposes to ban offshore dumping of port dredging sludge within the Great Barrier Reef’s waters, and it is backdated to ensure that the plan to dump dredge spoil offshore at Abbot Point is stopped.

The Great Barrier Reef is facing its gravest threat since scientific records began. The science is telling us that the health of the Reef is in decline, and without immediate action we will see drastic changes and the end of the Reef as we know it within our lifetimes. The most serious long-term threat to the Reef is undoubtedly climate change, but every additional impact, particularly on water quality of the Reef, decreases its resilience and ability to recover from other pressures.

The Reef is a wonder of the natural world, and a place of surpassing beauty, but it is also a vital economic asset for Australia. It provides more than 63,000 jobs and contributes $6 billion each year to the Australian economy. Aside from this direct contribution, the Reef provides many other ‘ecosystem services’ such as protecting the Queensland coastline from dangerous tropical storms, the value of which has not been calculated.

Dumping of port dredging spoil offshore in the Great Barrier Reef World Heritage Area seriously threatens the health of marine life and corals including by degrading water quality, mobilising legacy pollutants, including heavy metals found in ports and harbours, and smothering flora and fauna.

While offshore dumping is meant to be a last resort option under our current laws, it is a frequent occurrence. There is inadequate consideration of alternatives to offshore dumping and no independent cost benefit analysis of alternatives is done by the regulators. They merely accept the claims by proponents that it would be too expensive to dump dredge sludge onshore. The fact that it is cheaper for the ports and big miners to dump sludge into the waters of the Great Barrier Reef, which makes it politically attractive to the big parties, does not make it the right option for the Reef’s health. The science is clear, dumping sludge in the Reef’s waters is damaging, and this natural wonder of the world should not be a rubbish tip for the financial convenience of the big miners.

The evidence received during the recent Greens-initiated Senate inquiry in the management of the Reef, and expressed by internal and former GBRMPA scientists, justifies an immediate ban on dumping. Those views have been expressed publicly on ABC’s 4 Corners program and internally in documents obtained via freedom of information laws and under a Greens-initiated Senate order for production of documents.

The Reef should not be a rubbish tip for dumping dredge sludge. No new offshore dumping within the Great Barrier Reef World Heritage Area should be approved. As Professor Pandolfi of the Australian Coral Reef Society stated in evidence to the recent Greens-initiated Senate inquiry into the Reef:

‘We are over the limit. Once you are over the limit, how can you justify putting more on? We have a problem. We have to reduce it, we can't add to it.’

Natural (pre-colonial) sediment run-off from the Reef's river catchments into the Reef is estimated at 3 million tonnes per year. On top of that, the Reef is now subject to significant increased sediment runoff due to agriculture of approximately 6 million tonnes per year – which the Reef Water Quality Program is making very positive steps to combat. In light of this, allowing a further 3 million tonnes of sediment to be dumped offshore directly into the Reef's waters, for just one of many planned port developments, completely undermines the efforts of farmers and communities to date to protect the Reef, and makes a mockery of any stated commitments to protecting the Great Barrier Reef.

It's the Great Barrier Reef, it's World Heritage, and it's at risk. We have to step up to protect the Reef for the generations to come. It's time to stop dumping on the Reef.

Under sustained community, scientific, international and political pressure, Environment Minister Greg Hunt has attempted to claim he agrees offshore dumping should not occur. However, the so-called "line in the sand" he says he has drawn under dumping in in the Reef is so full of holes as to be
meaningless. The Minister excluded dumping from maintenance dredging, and confined his commitment to the Marine Park (not the larger World Heritage Area), and said it would apply to 'future' projects without specifying whether that includes projects which have been applied for but not yet approved. The enormous dredging projects planned for Trinity Inlet at Cairns and the Townsville port expansion have already been applied for, so Minister Hunt must clarify whether the livelihood of those local communities in tourism, fisheries and the associated industries will be safe from dumping. If Minister Hunt's commitment excludes any dumping application that has already been applied for (but not yet approved), it is a meaningless commitment. The damaging projects that UNESCO have expressed such concern about are those that have been approved or already applied for. It is hard to countenance that there would be any geographic room (or any economic viability) for additional "future" offshore dumping applications, hence Minister Hunt's 'commitment' is designed to sound good but mean absolutely nothing in practice.

This Bill makes sure that the plan to dump dredge spoil offshore at Abbot Point is stopped. The expansion of the coal export terminal at Abbot Point would involve the dredging and dumping of 3 million cubic metres of sludge just 8km from coral reefs at Nares Rock and Holborne Island. Much of that dredge spoil would spread far beyond the dump site.

The UNESCO World Heritage Committee has expressed concern and regret that the Abbot Point approval was taken prior to any comprehensive assessment of alternative and less damaging alternatives.

Recent scientific findings conclusively show that dredge spoil doubles the risk of coral diseases, including the deadly white syndrome disease. There is strong evidence that dredge plumes can extend much further than anticipated by GBRMPA during the assessment process for Abbot Point.

Furthermore, documents released under freedom of information laws and Greens-initiated Senate orders for the production of documents have shown that GBRMPA's own internal staff and scientists held serious concerns about approving the Abbot Point project throughout 2013. One GBRMPA staff member told the Department of Environment that the proposed 150% water quality offset, which was trumpeted by Minister Hunt, was 'unachievable'. However, a non-scientifically trained GBRMPA bureaucrat then approved the offshore dumping. The Greens believe that politics trumped science.

The Abbot Point decision has sparked an unprecedented but entirely justified public outcry. In the last week, the proponent of the project, North Queensland Bulk Ports, has indicated that they will seek an alternative to offshore disposal. We welcome this, but it should not be a voluntary choice by companies, the government should mandate a ban on offshore dumping in the Great Barrier Reef World Heritage Area.

In this age of climate change, the world's largest coal port should never have been approved, let alone in the World Heritage Great Barrier Reef. Even if the dredge sludge is dumped onshore, the climate impacts which the port will facilitate, the increased shipping traffic with its increase in likelihood of accidents and other impacts, and the dredging required for this port are all unacceptable. It is shameful that both the Queensland and the Australian governments approved this project, and this Bill makes sure that the dumping will not go ahead.

It should be beyond party politics to protect our Reef, to keep it as one of the seven wonders of the natural world that so inspires our spirit, fills our coffers with $6 billion annual sustainable—and long-term— income, and keeps employing 63,000 people. Political parties of all persuasion must take the concerns of the scientists and the local community seriously.

On behalf of Australia's Reef communities, and all Australians who love our Reef, I implore our elected representatives for their support on this Bill. Australia's Great Barrier Reef is simply too precious to lose.

I commend this Bill to the Senate.
Senator WATERS: I seek leave to continue my remarks later.

Leave granted; debate adjourned.

MOTIONS

Australian Workforce

Senator RHIANNON (New South Wales) (12:23): I move:

That the Senate—

(a) notes:

(i) that 40 per cent of the Australian workforce is employed in insecure work,
(ii) there is an increase in jobs that have irregular work hours and pay, inferior rights and entitlements and no job security compared to fulltime work,
(iii) the growth of insecure work is primarily driven by employers trying to increase profits by avoiding costs such as paid leave, workers' compensation, long service leave and superannuation, associated with fulltime work,
(iv) that although irregular working arrangements might suit some people, employees currently have little control over their working hours and arrangements, so 'flexibility' usually just means flexibility for the employer, and
(v) that unions play a key role in protecting workplace conditions of workers; and

(b) calls on the Government to:

(i) help give people a better work-life balance by giving them more control over their working hours and arrangements, strengthening rights and minimum standards for contractors, and securing improvements to the bargaining system,
(ii) ensure all workers have access to fair working conditions, such as annual leave, paid sick leave, overtime, penalty rates and long service leave, and
(iii) recognise the role of unions in securing better minimum standards through awards and legislation.

The ACTING DEPUTY PRESIDENT (Senator Marshall): The question is that the motion be agreed to.

The Senate/committee divided. [12:28]

(Deputy President—Senator Marshall)

Ayes ......................10
Noes ......................43
Majority .................33

AYES

Di Natale, R
Ludlam, S
Rhiannon, L
Siewert, R (teller)
Whish-Wilson, PS

Hanson-Young, SC
Milne, C
Rice, J
Waters, LJ
Wright, PL

NOES

Abetz, E
Back, CJ
Question negatived.

COMMITTEES
Joint Select Committee on the Australia Fund Establishment
Appointment

Senator LAZARUS (Queensland—Leader of the Palmer United Party in the Senate) (12:31): Mr Deputy President, before I ask for the motion to be taken as formal, I wish to inform the chamber that Senator O'Sullivan's name has been added to the motion. I, and also on behalf of Senator O'Sullivan, move:

(1) That a joint select committee, to be known as the Joint Select Committee on the Australia Fund Establishment, be established to inquire into and report on:

The establishment of a fund to support rural and manufacturing industries, with particular reference to:

(a) the need for a fund to assist rural and manufacturing industries in crisis and support communities affected by natural disasters, including the following assistance:

(i) emergency or ongoing financial relief,
(ii) a loan to such a business,
(iii) act as a guarantor for all or part of a loan or proposed loan to such a business,
(iv) purchase all or part of an existing loan to such a business,
(v) capitalise or waive interest owed by such a business,
(vi) assume control of such a business for a particular period,
(vii) grant funds to an appropriate industry body, and
(viii) grant funds to such a business for the purpose of purchasing new technology to make it more economically viable and competitive or restructuring it; and
(b) whether:

(i) existing bankruptcy and insolvency laws should be modified or temporarily relaxed for businesses in times of crisis, and

(ii) any foreign bankruptcy or insolvency laws should be adopted as laws of the Commonwealth.

(2) That the committee deliver its final report on or before 30 June 2015.

(3) That the committee consist of 10 members, 3 members of the House of Representatives to be nominated by the Government Whip or Whips, 2 members of the House of Representatives to be nominated by the Opposition Whip or Whips, 1 member of the House of Representatives to be nominated by any minority group or independent member, 2 senators to be nominated by the Leader of the Government in the Senate, 1 senator to be nominated by the Leader of the Opposition in the Senate, and 1 senator to be nominated by any minority group or independent Senator.

(4) That:

(a) participating members may be appointed to the committee on the nomination of the Leader of the Government, the Leader of the Opposition in the Senate, or any minority group or independent senator;

(b) participating members shall be taken to be a member of the committee for the purposes of forming a quorum if a majority of members of the committee are not present; and

(c) participating members may participate in hearings of evidence and deliberations of the committee and have all rights of a committee member, but may not vote on any questions before the committee.

(5) That every nomination of a member of the committee be notified in writing to the President of the Senate and the Speaker of the House of Representatives.

(6) That the committee may proceed to the dispatch of business notwithstanding that not all members have not been duly nominated and appointed and notwithstanding any vacancy.

(7) That the members of the committee hold office as a joint select committee until presentation of the committee's final report or until the House of Representatives is dissolved or expires by effluxion of time, whichever is the earlier.

(8) That the committee elect a Government member as its chair.

(9) That the committee elect a non-Government member as its deputy chair who shall act as chair of the committee at any time when the chair is not present at a meeting of the committee.

(10) That at any time when the chair and deputy chair are not present at a meeting of the committee the members shall elect another member to act as chair at that meeting.

(11) That, in the event of an equally divided vote, the chair, or the deputy chair when acting as chair, have a casting vote.

(12) That 5 members of the committee constitute a quorum of the committee provided that in a deliberative meeting the quorum shall include 1 Government member of either House and 1 non-Government member of either House.

(13) That the committee have power to appoint subcommittees consisting of 3 or more of its members, and that each subcommittee shall have at least 1 Government member of either House and one non-Government member of either House.

(14) That the committee have power to refer to any subcommittee any matter which the committee is empowered to examine.

(15) That the committee appoint the chair of each subcommittee who shall have a casting vote only, and at any time when the chair of a subcommittee is not present at a meeting of the subcommittee, the members of the subcommittee present shall elect another member of that subcommittee to act as chair at that meeting.
(16) That 2 members of a subcommittee constitute a quorum of that subcommittee, provided that in a deliberative meeting the quorum shall include 1 Government member of either House and 1 non-Government member of either House.

(17) That members of the committee who are not members of a subcommittee may participate in the proceedings of that subcommittee but shall not vote, move any motion or be counted for the purpose of a quorum.

(18) That the committee or any subcommittee have power to call for witnesses to attend and for documents to be produced.

(19) That the committee or any subcommittee may conduct proceedings at any place it sees fit and sit in public or in private.

(20) That the committee or any subcommittee have power to adjourn from time to time and to sit during any adjournment of the Senate and the House of Representatives.

(21) That the committee may report from time to time.

(22) That the committee be provided with all necessary staff, facilities and resources and be empowered to appoint persons with specialist knowledge for the purposes of the committee with the approval of the President of the Senate and the Speaker of the House of Representatives.

(23) That the committee be empowered to publish from day to day such documents and evidence as may be ordered by it, and a daily Hansard be published of such proceedings as take place in public.

(24) That the provisions of this resolution, so far as they are inconsistent with the standing orders, have effect notwithstanding anything contained in the standing orders.

(25) That a message be sent to the House of Representatives seeking its concurrence in this resolution.

Senator MILNE (Tasmania—Leader of the Australian Greens) (12:32): Mr Deputy President, I seek leave to make a short statement.

The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator MILNE: I note that this motion is part of the deal that the Palmer United Party have made with the government to set up a joint select committee to establish an Australia fund, but what we have never been told is whether the backroom deal also includes a sum of money. I think it is important for the parliament to know how much money has been promised behind the scenes for this particular fund.

I also make the point that the Greens will not stand in the way of the establishment of this fund. We do not stand in the way of the establishment of committees, but in this case it is hypocrisy in the extreme that the Palmer United Party wants to have a fund set up for communities affected by natural disasters when extreme weather events fuelled by climate change are driving the natural disasters and it is the Palmer United Party that does not want to address the polluters and wants to now take the money out of the public purse.

Senator CORMANN (Western Australia—Minister for Finance) (12:33): Mr Deputy President, I seek leave to make a brief statement.

The DEPUTY PRESIDENT: Leave is granted for one minute.

Senator CORMANN: I thank the chamber. I can indeed confirm that the government supports this motion and supports the establishment of this joint parliamentary select committee. It is indeed part of the historic agreement that was reached between the government and crossbenchers to get rid of Labor's failed mining tax.
Having said that, we absolutely never predetermine the outcomes of such inquiries. We think it is quite appropriate for parliamentary committees to investigate issues of public concern and issues that are relevant to public policy considerations into the future. But, on any suggestions by the Greens or others that somehow the government has predetermined any outcomes from that inquiry by making pre-emptive allocations of funding, no, we have not. What we have said is that we are very happy for the parliament to set up a committee to investigate these matters, which are clearly matters of public concern, and we will await the recommendations of that inquiry before we make further decisions.

Question agreed to.

**MOTIONS**

**Climate Change**

**Senator SINGH** (Tasmania) (12:34): I move:

That the Senate—

(a) notes that:

(i) climate change has been on the G20 agenda at the most recent leaders' meetings in France, Mexico and Russia, and

(ii) former Australians of the Year, Sir Gustav Nossal, Ms Fiona Stanley and Nobel Laureate Mr Peter Doherty have signed an open letter to the Prime Minister (Mr Abbott) calling for climate change to be included on the G20 agenda because current climate trends, driven by global warming, threaten the basis of future economic prosperity, regional political stability and human health; and

(b) calls on the Prime Minister to put climate change onto the agenda for the upcoming G20 Summit in Brisbane as one of the key financial and environmental risks currently threatening global economic prosperity.

**Senator FIFIELD** (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (12:35): Mr Deputy President, I seek leave to make a short statement.

**The DEPUTY PRESIDENT:** Leave is granted for one minute.

**Senator FIFIELD:** The government does not support this motion as the Prime Minister has previously stated that the focus of the G20 will overwhelmingly be on economic security, our financial stabilisation and the importance of private sector led growth.

Question agreed to.

**COMMITTEES**

**Joint Select Committee on Trade and Investment Growth**

**Appointment**

**Senator SMITH** (Western Australia) (12:35): I move:

(1) That a joint select committee, to be known as the Joint Select Committee on Trade and Investment Growth, be established to inquire into and report on any measures to further boost Australia's trade and investment performance, including, but not limited to, barriers to trade; reduction of red tape and structural challenges and opportunities for the Australian community.

(2) That the committee deliver its final report and recommendations on or before 31 August 2015.
(3) That the committee consist of 10 members, 3 members of the House of Representatives to be nominated by the Government Whip or Whips, 2 members of the House of Representatives to be nominated by the Opposition Whip or Whips, 1 member of the House of Representatives to be nominated by any minority group or independent member, 2 senators to be nominated by the Leader of the Government in the Senate, 1 senator to be nominated by the Leader of the Opposition in the Senate, and 1 senator to be nominated by any minority group or independent Senator.

(4) That:

(a) participating members may be appointed to the committee on the nomination in the:

(i) House of Representatives, of the Government or Opposition Whip or Whips, or any minority group or independent member, and

(ii) Senate, of the Leader of the Government or Opposition, or any minority group or independent senator;

(b) participating members shall be taken to be a member of the committee for the purposes of forming a quorum if a majority of members of the committee are not present; and

(c) participating members may participate in hearings of evidence and deliberations of the committee and have all rights of a committee member except that a participating member may not vote on any questions before the committee.

(5) That every nomination of a member of the committee be notified in writing to the President of the Senate and the Speaker of the House of Representatives.

(6) That the members of the committee hold office as a joint select committee until presentation of the committee's final report or until the House of Representatives is dissolved or expires by effluxion of time, whichever is the earlier.

(7) That the committee elect a Government member as its chair.

(8) That the committee elect a non-Government member as its deputy chair who shall act as chair of the committee at any time when the chair is not present at a meeting of the committee.

(9) That at any time when the chair and deputy chair are not present at a meeting of the committee the members shall elect another member to act as chair at that meeting.

(10) That, in the event of an equally divided vote, the chair, or the deputy chair when acting as chair, have a casting vote.

(11) That 5 members of the committee constitute a quorum of the committee provided that in a deliberative meeting the quorum shall include 1 Government member of either House and 1 non-Government member of either House.

(12) That the committee have power to appoint subcommittees consisting of 3 or more of its members, and that each subcommittee shall have at least 1 Government member of either House and one non-Government member of either House.

(13) That the committee have power to refer to any subcommittee any matter which the committee is empowered to examine.

(14) That the committee appoint the chair of each subcommittee who shall have a casting vote only, and at any time when the chair of a subcommittee is not present at a meeting of the subcommittee, the members of the subcommittee present shall elect another member of that subcommittee to act as chair at that meeting.

(15) That 2 members of a subcommittee constitute a quorum of that subcommittee, provided that in a deliberative meeting the quorum shall include 1 Government member of either House and 1 non-Government member of either House.
(16) That members of the committee who are not members of a subcommittee may participate in the proceedings of that subcommittee but shall not vote, move any motion or be counted for the purpose of a quorum.

(17) That the committee or any subcommittee have power to call for witnesses to attend and for documents to be produced.

(18) That the committee or any subcommittee may conduct proceedings at any place it sees fit and sit in public or in private.

(19) That the committee or any subcommittee have power to adjourn from time to time and to sit during any adjournment of the Senate and the House of Representatives.

(20) That the committee may report from time to time.

(21) That the committee be provided with all necessary staff, facilities and resources and be empowered to appoint persons with specialist knowledge for the purposes of the committee with the approval of the President of the Senate and the Speaker of the House of Representatives.

(22) That the committee be empowered to publish from day to day such documents and evidence as may be ordered by it, and a daily Hansard be published of such proceedings as take place in public.

(23) That the provisions of this resolution, so far as they are inconsistent with the standing orders, have effect notwithstanding anything contained in the standing orders.

(24) That a message be sent to the House of Representatives seeking its concurrence in this resolution.

Question agreed to.

Rural and Regional Affairs and Transport References Committee
Reference

Senator O’SULLIVAN (Queensland—Nationals Whip in the Senate) (12:36): I, and also on behalf of Senator Williams, move:

That the following matter be referred to the Rural and Regional Affairs and Transport References Committee for inquiry and report by 27 November 2014:

Current and future arrangements for the marketing of Australian sugar, including:

(a) the impact of proposed changes on the local sugar industry, including the effect on grower economic interest sugar;

(b) equitable access to essential infrastructure;

(c) foreign ownership levels in the industry and the potential to impact on the interests of the Australian sugar industry;

(d) whether there is an emerging need for formal powers under Commonwealth competition and consumer laws, in particular, whether there are adequate protections for grower-producers against market imbalances; and

(e) any related matters.

Question agreed to.

MOTIONS

Asylum Seekers

Senator HANSON-YOUNG (South Australia) (12:37): I ask that general business notice of motion No. 416, standing in my name today and relating to Iraqi and Syrian refugees, be taken as a formal motion.
The DEPUTY PRESIDENT: Is there any objection to this motion being taken as formal?
Senator Moore: Yes.
The DEPUTY PRESIDENT: There is an objection.

Sport

Senator McKenzie (Victoria) (12:38): I, and also on behalf of Senators Smith and Lundy, move:
That the Senate—
(a) congratulates our team of more than 400 athletes who represented Australia in the 2014 Commonwealth Games in Glasgow and for their success;
(b) notes:
   (i) the Commonwealth Games is a major sporting occasion which brings together people from all over the world who share a connection through the Commonwealth of Nations, and
   (ii) the Australian Government's funding support to help our athletes achieve their dreams in representing their country, and in helping to build sporting infrastructure for the 2018 Commonwealth Games to be hosted by Australia at the Gold Coast; and
(c) recognises:
   (i) that investment in sporting infrastructure greatly benefits grassroots sporting groups, and helps to promote sport to all Australians, and
   (ii) the impact of sport goes beyond national pride; it is a significant contributor to preventative health, while delivering social, environmental and economic benefits.

Question agreed to.

COMMITTEES

Education and Employment References Committee
Reference

Senator Rhiannon (New South Wales) (12:38): I, and also on behalf of Senator Madigan, move:
That the following matter be referred to the Education and Employment References Committee for inquiry and report by 24 November 2014:
To consider the creation of a nationwide portable workplace entitlement scheme for long service leave and any other appropriate entitlements, taking into account:
(a) the number of Australian workers in insecure work;
(b) increased workplace mobility and increasingly precarious working conditions; and
(c) other related matters.

The DEPUTY PRESIDENT (12:39): The question is that business of the Senate notice of motion No. 1 be agreed to.
The Senate divided. [15:43]
(The Deputy President—Senator Marshall)

Ayes ...................... 13
Noes ...................... 33
Majority .................. 20
AYES

Di Natale, R
Leyonhjelm, DE
Madigan, JJ
Rhiannon, L
Siewert, R (teller)
Whish-Wilson, PS
Xenophon, N

Hanson-Young, SC
Ludlam, S
Milne, C
Rice, J
Waters, LJ
Wright, PL

NOES

Bernardi, C
Birmingham, SJ
Bushby, DC
Cash, MC
Collins, JMA
Dastyari, S
Edwards, S
Fifield, MP
Ketter, CR
Lines, S
Marshall, GM
McKenzie, B
Moore, CM
O’Sullivan, B
Reynolds, L
Singh, LM
Wang, Z

Bilyk, CL (teller)
Bullock, J.W.
Canavan, M.J.
Colbeck, R
Cormann, M
Day, R.J.
Fawcett, DJ
Gallacher, AM
Lazarus, GP
Ludwig, JW
McGrath, J
McLucas, J
O’Neill, DM
Peris, N
Ruston, A
Smith, D

Question negatived.

BILLS

Competition and Consumer Amendment (Industry Code Penalties) Bill 2014

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator McLUCAS (Queensland) (12:46): Labor supports the Competition and Consumer Amendment (Industry Code Penalties) Bill 2014. This bill amends the Competition and Consumer Act 2010 to implement a number of changes that have been proposed as a result of a review commissioned by Labor in government. This review was known as the Wein review into the franchising code of conduct. The recommendations from the Wein review were mostly accepted by Labor in government under Minister Gary Gray and Parliamentary Secretary Bernie Ripoll following extensive consultation with the franchising sector.

It is important to note that much of the work in this area was done in a bipartisan manner—particularly through Labor in government working with the franchise industry—by looking at ways we could improve some of the behaviour in the sector, as well as improve some of the
regulations, including an agreement, right across the sector, that pecuniary penalties ought to be matters that are regulated appropriately.

The specific purpose of this bill is to introduce changes to the Competition and Consumer Act that allow for the provision of pecuniary penalties to be prescribed in the Franchising Code of Conduct. The changes proposed are consistent with the majority of feedback from the Wein review and are consistent with the view of the former Labor government.

Labor has an excellent record of reform in this area and did the heavy lifting whilst in government. Labor commissioned the Wein review and was in the process of drafting legislation that would have taken forward a majority of the recommendations.

The contribution that franchised businesses make to the Australian economy is significant. There are 73,000 franchisees in Australia and 1,180 franchisors. Their contribution to the national economy amounts to more than $130 billion annually and represents one of the most important and exciting segments of the diverse small business community.

The code is a mandatory industry code under the Competition and Consumer Act that regulates the conduct of franchisors and franchisees. It was introduced, in part, in recognition of the imbalance in bargaining power between franchisors and franchisees. Broadly, it seeks to achieve this by requiring franchisors to disclose specific information to franchisees and to follow set procedures in their dealings with franchisees. The code provides minimum standards of disclosure and conduct to assist both franchisors and franchisees in undertaking the due diligence process. The Australian Competition and Consumer Commission— the ACCC—energy enforces compliance with the code.

Franchising has been subject to many state based reviews, a major federal government review and countless reports on its future and better regulation. In recent years there has been broad agreement from all sides of politics and the sector itself on the way forward to ensure a bright and healthy future of both franchisees and franchisors. Most notably, following the 2008 report of the Parliamentary Joint Committee on Corporations and Financial Services into the Franchising Code of Conduct, recommendations and some changes were made that were further enhanced in 2010. Subsequently, a full review was undertaken by the eminent Mr Alan Wein and handed down in 2013. This review has been received across both sides of the parliament and his recommendations have been almost fully accepted.

The changes proposed involved all major stakeholders and representative organisations plus more than 160 responses from the community, and provided the way forward to remove unnecessary regulation and red tape duplication with the states, and to provide a consistent approach across the country. It also provides a balance in the relationship between franchisees and franchisors. The key changes include building on an effective disclosure regime by ensuring that disclosure remains relevant, timely and effective, and reflects modern changes in our economy such as the growth of online shopping; by clarifying that the government expects franchisors and franchisees to act in good faith toward one another by making it a requirement under the code; by enhancing compliance and enforcement of the code by providing additional tools to the Commonwealth regulator, the Australian Competition and Consumer Commission; and by clarifying the policy intent of provisions of the code which have caused unintentional confusion or an administrative burden without any corresponding benefit.
This bill amends the Competition and Consumer Act 2010 to insert a number of provisions. It allows regulations to be made that prescribe a pecuniary penalty, not exceeding 300 penalty units, for the breach of a civil penalty provision of an industry code. It will also allow the ACCC to issue an infringement notice, in the amount of 50 penalty units if the person is a body corporate, and 10 penalty units in any other case where it has reasonable grounds to believe a person has contravened a civil penalty provision of an industry code.

The intent of the changes in the bill is substantially similar to what we did in government. If it were not for the September 2013 election, the recommendations from the review would now be largely in place. One has to wonder why it has taken the government almost a year to get this far. However, whilst we believe this legislation could have been enacted sooner, we do recognise the bipartisan way in which the government has continued the reforms Labor designed in government. Labor's record in government on small business is one we can be proud of. We were a doing government; we were a government that took note of some of the challenges small business had and that the economy was going through, and we made sure that in practical ways we did all the things that some just talk about. We actually did them.

In spite of the cooperation the government has shown on this legislation, I note that this week the Prime Minister and his Minister for Small Business have again demonstrated how little regard they have for Australia's two million small businesses. By pushing through the repeal of the minerals resources rent tax this week in what can only be described as a dirty backroom deal, the government has removed Labor's small business tax concessions, the tax-loss carry back and the instant asset write-off provisions plus the special depreciation rules for motor vehicles. This will be a significant cost to small businesses across Australia, with the government cutting more than $5 billion of direct tax assistance. Small businesses employ more than five million Australians and are well placed to increase their productivity and employment with the right policy settings. That ought to be the focus. This bill certainly goes to some measure of that—high productivity and better regulation. Labor initiated and completed many reforms in government to assist small business. In opposition, we will continue to support any work that better supports small business. Labor is pleased to support this bill.

Senator BIRMINGHAM (South Australia—Parliamentary Secretary to the Minister for the Environment) (12:54): I thank Senator McLucas for her contribution—or at least the first half of her contribution—to this debate and I thank the opposition for their support of the Competition and Consumer Amendment (Industry Code Penalties) Bill. This government believes a strong economy is essential to the small business sector, as it is to all businesses in Australia, and our reforms, including the repeal of the mining tax, are all about ensuring we have the strongest possible economy to create the competitive conditions that will allow small business and other sectors to survive and thrive. We have gone through the proper processes in bringing this legislation to the chamber. I acknowledge the work of the Wein review that occurred under the previous government.

Contrary to the assertions made by Senator McLucas, the heavy lifting of proper consultation and proper process still had to be done to bring this legislation to the parliament. That is why it has taken 12 months. We have acted as fast as possible to bring this forward because we are committed to making sure that the franchising sector in Australia, as with all small businesses, is as successful as possible. We acknowledge the employment of more than
400,000 Australians in this sector and the annual turnover of $131 million, and we are committed to the introduction of a new franchising code of conduct later this year. As has been discussed, this legislation will provide and strengthen the penalties and provisions the ACCC has to provide for strong deterrent against breaches of such a code. They will add flexibility to the ACCC’s toolkit and ensure that when the code comes into being we can have confidence that it will work. Both the bill and the new code are expected to commence on 1 January 2015. These are important reforms that will give confidence to an important sector of our economy. I commend the bill to the house.

Question agreed to.
Bill read a second time.

Third Reading

Senator BIRMINGHAM (South Australia—Parliamentary Secretary to the Minister for the Environment) (12:56): I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

Military Rehabilitation and Compensation Amendment Bill 2014
Second Reading

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

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (12:57): The Labor Party supports the Military Rehabilitation and Compensation Amendment Bill. It is something that the Labor Party instigated when in government. In 2009 Labor initiated and completed the review into our military compensation and rehabilitation agreements under the Military Rehabilitation and Compensation Act 2004. The government accepted 96 of the 108 recommendations. Some of these recommendations are being implemented in this bill. The purpose of this bill is to make technical corrections to the Military Rehabilitation and Compensation Act regarding the making of transitional impairment calculations. More importantly, these corrections will have a neutral or positive impact on the recipients. No veteran will be worse off under this bill.

The Australian community is justly proud of its victims and ex-service men and women. They have served proudly in the finest tradition of the Australian Defence Force, and the parliament should be doing all it can to support our veterans. We will certainly continue to work with the government to do this. I do note, however, that the Abbott government has taken steps in its first budget that unfairly target veterans. I am not going to go into that today but I urge the government to reconsider its actions. Veterans not only deserve our respect—they deserve our support as well.

Senator BIRMINGHAM (South Australia—Parliamentary Secretary to the Minister for the Environment) (12:58): I thank Senator Conroy for his contribution and the opposition for their support of this important piece of legislation, the Military Rehabilitation and Compensation Amendment Bill, which will maintain or increase transitional permanent
impairment compensation payable under a number of schemes to veterans. I commend the bill to the chamber.

Question agreed to.

Bill read a second time.

Third Reading

Senator BIRMINGHAM (South Australia—Parliamentary Secretary to the Minister for the Environment) (12:58): I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

International Tax Agreements Amendment Bill 2014

First Reading

Bill received from the House of Representatives.

Senator BIRMINGHAM (South Australia—Parliamentary Secretary to the Minister for the Environment) (12:59): 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 BIRMINGHAM (South Australia—Parliamentary Secretary to the Minister for the Environment) (12:59): 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—

INTERNATIONAL TAX AGREEMENTS AMENDMENT BILL 2014

This Bill will amend the International Tax Agreements Act 1953 to give the force of law to the new tax treaty signed by Australia and Switzerland on 30 July 2013.

Tax treaties facilitate trade and investment by reducing barriers caused by the double taxation of residents in the two countries. Australia has 44 bilateral tax treaties.

Australia and Switzerland share a close economic relationship and the new tax treaty—the Convention between Australia and the Swiss Confederation for the Avoidance of Double Taxation with Respect to Taxes on Income and its associated Protocol—will strengthen this relationship.

The new treaty will update the existing bilateral tax arrangements between Australia and Switzerland, to align them with current Australian and international tax treaty policy settings. This is expected to further encourage bilateral trade and investment.

The new treaty will fulfil Australia’s 'most favoured nation' obligations, contained in the existing tax treaty with Switzerland, to reduce its withholding tax rates on dividends, interest and royalties paid by Australian residents to Swiss residents.
The new treaty will also modernise the bilateral taxpayer information sharing arrangements and permit, for the first time, the exchange of taxpayer information for the purpose of preventing tax evasion. This greater transparency includes access to Swiss bank information that could help Australia better enforce its tax laws.

Maintaining a secure and sustainable tax system is central to the Government's efforts to repair the budget and, consistent with this objective, the information sharing arrangements provided by the new treaty will enhance the integrity of Australia’s tax system. The new arrangements are also consistent with the Government's ongoing engagement with international efforts to improve tax compliance globally.

In addition to updating the rules that allocate taxing rights over certain income derived by Australian and Swiss residents, the new treaty will provide a number of benefits for taxpayers. These include rules to:

- help remove double taxation of transactions between associated entities;
- prevent the double taxation of fringe benefits provided to employees;
- prevent tax discrimination against Australian and Swiss nationals; and
- provide taxpayers with the option of referring unresolved tax disputes to independent arbitration.

The new treaty will enter into force following the last notification that both countries have completed their domestic requirements which, in the case of Australia, includes the enactment of this Bill.

The Bill will also amend the International Tax Agreements Act 1953 to clarify the meaning of the term 'immovable property' for the purposes of both the new treaty and any future Australian tax treaties that also use that term.

This will align the term 'immovable property' with the Australian domestic law term 'real property', and provide for consistent treatment of income and gains derived from such property across Australia's tax treaty network.

Full details of the measure are contained in the explanatory memorandum.

Senator McLUCAS (Queensland) (12:59): Labor will be supporting the International Tax Agreements Amendment Bill 2014. The bill amends the International Tax Agreements Act 1953 to give the force of law in Australia to the Convention between Australia and the Swiss Confederation for the Avoidance of Double Taxation with Respect to Taxes on Income, and its protocol—the Swiss Convention—which was signed in Sydney on 30 July 2013. Once in force, the Swiss Convention will replace the Agreement between Australia and Switzerland for the Avoidance of Double Taxation with Respect to Taxes on Income, and protocol—the existing Swiss Agreement—which entered into force on 13 February 1981.

Labor welcomes the government's implementation of legislation to give effect to the revised Australia-Swiss tax treaty, which was signed on 30 July 2013. The revised treaty was the result of hard work by the previous Labor government. The revised Australian-Swiss tax treaty will enhance the already strong economic relationship between Australia and Switzerland by aligning the bilateral tax arrangements more closely with current Australian and international tax treaty policy settings. The revised treaty will also strengthen administrative assistance between Australian and Swiss revenue authorities, in particular by permitting them to exchange taxpayer information, including information held by banks and other financial institutions, in order to address tax evasion. This reflects the commitment of both governments to a fair tax system and is consistent with ongoing international efforts, including within the G20, to improve tax system integrity globally.
The revised treaty will enter into force after both countries have completed their respective domestic requirements. We welcome the government's move to give effect to this treaty through this legislation. However, the opposition is still concerned with the government's inaction on multinational tax avoidance through profit-shifting and transfer-pricing. This government has shown a significant gap between its rhetoric and its actions when it comes to ensuring that multinationals pay their fair share of tax within Australia. Since coming to government, the coalition has provided over $1 billion in tax breaks to multinational firms. It is a simple equation: every dollar that is avoided by multinational companies must be paid for by Australian taxpayers and businesses, or by cutting services. We have seen with this budget which side the government is on. It is the side of the billionaires and certainly not the battlers.

Cracking down on multinational profit-shifting is not just about making sure that firms pay their fair share of tax. It is also about making sure that the tax burden is fairly shared across companies. For an Australian company without subsidiaries in offshore tax havens, it is hard to compete against a multinational that is able to get away with paying a lower share of tax. Unfair tax arrangements also distort investment decisions by creating an incentive to invest overseas and put local companies at a disadvantage against international conglomerates.

The Prime Minister used his speech in Davos on the government's G20 agenda to argue:

… the G20 will continue to tackle businesses artificially generating profits to chase tax opportunities …

However, the only action the government has taken on multinational tax integrity is to dump Labor's thin capitalisation reforms and transparency measures.

Alongside repealing important measures to limit multinational tax avoidance, the government wants to repeal Labor's tax transparency reforms. These reforms would have ensured the public could see how much tax Australia's largest companies are paying. As United States Supreme Court justice Louis Brandeis famously wrote, 'Sunlight is said to be the best of disinfectants.' If a company is paying its fair share of tax then it has nothing to hide when it comes to its tax affairs.

If the government is serious about making sure companies pay their fair share of tax, why are they trying to let these same companies hide how much tax they are paying? Just as publicly available food inspector reports lead to cleaner restaurant kitchens, so too a little publicity about tax paid is likely to serve the public. The fact is that the government is not serious about making sure that multinational companies pay their fair share of tax. The budget shows that the government would prefer to take revenue from Australia's least wealthy citizens rather than from some of the world's wealthiest companies. Labor supports this legislation and looks forward to the government reversing its course to take greater action on multinational tax avoidance.

Senator BIRMINGHAM (South Australia—Parliamentary Secretary to the Minister for the Environment) (13:05): I thank Senator McLucas for her contribution to this debate, and the opposition for their support of this legislation. In regard to some of the comments Senator McLucas made, I want to reiterate that it is this government's intention to ensure that we do tackle tax avoidance wherever possible, in particular global tax avoidance. It is our intention in this space, as with any other, that the policy measures applied must be effective, coordinated and efficient. They must effectively work to tackle tax avoidance. In this global space they must be coordinated with other nations, and they must be efficient in that they do
not add unreasonable or unnecessary red tape that does not contribute effectively to solving the problem.

Our concern with some of the measures of the previous government is that that they did not pass this test. But we are working hard, in particular through the G20 process, to try to get the type of coordinated action that can ensure everyone has confidence that a fair share of tax is paid, an appropriate share of tax is paid, by all companies.

In relation to this legislation, I note that the agreement with Switzerland was signed in 1980 and is one of Australia's oldest unamended tax treaties. This bill will give effect to the amendments that have been negotiated in the revised tax treaty between Australia and Switzerland. It will also clarify the meaning of 'immovable property' for the purposes of the revised Swiss treaty, and for other Australian tax treaties that use that term. So it takes important steps in modernising our arrangements, not just with Switzerland but with other countries affected by that provision. I commend the bill to the chamber.

Question agreed to.

Bill read a second time.

Third Reading

The ACTING DEPUTY PRESIDENT (Senator Smith) (13:07): As no amendments to the bill have been circulated, I shall call the parliamentary secretary to move the third reading unless any senator requires that the bill be considered in Committee of the Whole.

Senator BIRMINGHAM (South Australia—Parliamentary Secretary to the Minister for the Environment) (13:07): I move:

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

Bill read a second time.

Energy Efficiency Opportunities (Repeal) Bill 2014

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator SINGH (Tasmania) (13:08): This Energy Efficiency Opportunities (Repeal) Bill 2014 before us is another example of this government's repealing of a once bipartisan effective piece of legislation introduced by the Howard government to enable Australia to deal with this century's inevitable transformation of energy generation and supply. Its repeal is another irrevocable and incredible indication that this coalition government is more reactionary and owns less foresight than the Howard government, characteristics which many of us might not have thought possible back in 2007. But just like the Renewable Energy Target, the energy efficiency opportunities legislation is being repealed because it was too successful.

Energy efficiency refers to gaining the same or higher level of useful output using less energy input. Increased energy efficiency is a very effective economic driver. It reduces overall demand for energy and delays the need for new energy generation equipment. Energy efficiency is also about productivity. It is about lower inputs and bigger outputs. It is about
lower costs and doing things better, doing things smarter and doing things more cost-effectively. Improving Australia's uptake of commercial energy efficiency opportunities has the potential to increase our economic health and lower the rate of growth in greenhouse gas emissions.

In 2004, along with the Labor Party, the Howard government recognised that bipartisan energy policy action was needed. The energy white paper in June 2004 entitled *Securing Australia's energy future* identified the improvement of Australia's energy-efficiency performance as a key part of the Howard government's energy policy in order to achieve greater prosperity, sustainability and energy security. The Energy Efficiency Opportunities Bill 2005 was to establish the mandatory energy efficiency opportunities assessments announced in that white paper. It was part of a wide-ranging effort to ensure the careful and prudent use of our valuable energy resources by industry and the community.

The Energy Efficiency Opportunities program—the EEO program, as it was known—requires corporations who use more than half a petajoule of energy to identify and assess energy efficiency opportunities and subsequently report the outcomes of those energy assessments, both publicly and to the government. The EEO program was part of a framework. It took its place alongside a range of measures to pursue the benefits of using energy more efficiently: energy market reforms, solar cities, improved appliance and building standards, and targets for reduced energy use in government agencies—all good stuff. It stood alongside energy market reform, important measures that were put in place to help make our national energy market more efficient. And it complemented the Solar Cities program, important ideas to introduce large-scale solar energy into the power supply of our Australian cities. It worked next to improved appliance and building standards at a time when many appliances were transitioning from older technology to newer technology. This program was an industrial counterpart to the domestic measures that had been in place to assist families with their own family budgets to manage more sensibly the electrical goods that they purchased. This broad range of energy efficiency measures had the potential to improve economic health and lower the rate of growth of greenhouse gas emissions. Those measures and this program enjoyed bipartisan support.

And just like the Renewable Energy Target, the EEO has proven to be extremely successful. In its predetermined review of the Renewable Energy Target, the government's hand-picked review panel criticised the RET because it was too successful. The RET has created thousands of jobs, which apparently is too many jobs for this government. The RET has encouraged billions of dollars of investment, which is too much investment it seems for this government. And just like the RET, the EEO has achieved exactly what it was designed to achieve. In fact, let me refer to the review of the EEO program at the end of its first cycle that was completed by ACIL Tasman at the request of the former Department of Resources, Energy and Tourism. 'The EEO program has been successful,' it said. Just like this successful RET, the government is getting rid of the successful EEO program. Go figure.

The 2013 Full Cycle Evaluation of the program found that the EEO has been successful in its objectives of raising awareness and embedding energy efficiency practices in Australian industry since 2006. The program has been effective in driving down emissions and has saved industry approximately $323.2 million per year in power expenses. Corporations found the government's regulation to have been beneficial in providing a structure and framework for
companies to embed energy-management systems. It has delivered benefits to participants well in excess of their costs and, extremely importantly, there is still more benefit to be gained by continuing with the EEO program through the second cycle. The program has significantly lifted the energy-management capability and awareness with many corporations reporting the key elements of the program are now standard business practice. These achievements would not have been made possible without government intervention. The independent FCE report showed that corporations found government regulation to have been beneficial in providing a structure and a framework through which information and data were used for energy efficiency.

Despite the benefits still to be gained, the progress still to be made and the energy efficiency improvements yet to be achieved, this Abbott government argues that the program has run its course and is no longer needed. The explanatory memorandum reads:

Through its application businesses have built up a bank of energy efficiency projects which can be considered based on current energy prices and specific circumstances. With energy prices driving companies to use energy more efficiently and the increased capacity to respond embedded in industry, the government considers this program, underpinned by the EEO legislative framework, to be no longer required.

There is no real disagreement about whether the program has been effective. I think we all do agree about the incredible effectiveness of this program. But our argument is that its closure now, by this government, is nothing more than ideological and myopic rather than logical and prescient. Australian companies cannot be too energy efficient in this century. If energy prices rise, the discovery and exploitation of efficiency opportunities will become more necessary, from both a business and an environmental sense.

On what bank of case studies and projects will these businesses rely in the future if this impetus for driving efficiencies as technologies change is undermined? As the explanatory memorandum makes clear, from now on the government will rely only on high energy prices to drive any efficiencies into the future. 'Let's just put the price up'—it says—'Let's hope the price drives efficiency instead of common sense, discussion, best business practice, and allowing that best business practice to be shared amongst peer companies.'

The FCE report conservatively estimates that, during the first cycle, the EEO program was responsible for about 40 per cent of the energy efficiency improvements in the Australian industrial sector. The evidence suggests that there is still more benefit to be gained by continuing with the EEO program through the second cycle. It has been estimated that it could be responsible for a further 20 per cent of energy efficiency improvements achieved during the second cycle. It is impossible to argue that a 20 per cent efficiency gain is insignificant and unnecessary. How can a government argue against that? A gain of that magnitude is undoubtedly worth pursuing for a further seven-year cycle. But the government claims that they are closing down the program to remove unnecessary regulatory burden, at the same time, I note, as opening up the nightmarishly burdensome regulatory shambles of Direct Action and the Emissions Reduction Fund. It is all right to have that regulatory burden, which is a policy not supported by any economist or scientist out there, but it is a very effective bipartisan policy that has been in place since John Howard's term—that is, use the regulatory burden argument there and get rid of it.
I agree it would be inefficient for a policy to provide further information if the cost of doing so outweighs the benefits that could be expected. But the review found that this is not the case. The cost of providing further information does not outweigh the expected benefits—in fact, quite the contrary. Let me again refer to ACIL Tasman's review:

Our conservative estimate of the ratio of industry's cumulative benefit to cumulative cost attributable to the EEO Program is 3.67, net of implementation and compliance costs.

That is what it said—a very conservative estimate. ACIL Tasman did not simply conclude that the benefits of this program outweigh its costs. They concluded that the benefits of this program over the full-cycle analysis had generated savings to industry in power expenses of over $300 million. This government is strangely, today, dismissing $300 million in savings to industry as red-tape. For example, the steel maker Arrium benefited enormously from the EEO program, showing the benefits to job protection and business solvency that energy efficiency brings. Arrium has itself reported:

Since commencement of the EEO program in FY07, Arrium has assessed 340 opportunities and reported implementing 118 projects resulting in a total energy reduction of 4.16 PJ/yr, equating to 508 kt CO2-e/yr. A further 0.88 PJ/yr is expected to be saved through projects committed for future implementation, with an additional 2.17 PJ/yr remaining under investigation …

In its first recommendation the review states:

We find that the EEO Program to date has delivered benefits to participants well in excess of their costs

I think the Arrium example shows that as well. Significant improvements have been seen in the performance of participating corporations against the elements of the assessment framework. Many barriers to improved energy efficiency have been reduced and the identification of opportunities is increasingly integrated into normal business operations.

What does the government do in response to that? It says, 'Let's get rid of this program because it's red tape.' The government is saying, 'We'll just get rid of something that has saved industry over $300 million and is helping the environment because it is red tape. That makes sense to us!'

That is what the Abbott government is telling these corporations. That is what the Abbott government is telling the industry. It is absolutely blind, nonsensical policy to get rid of this effective program. What else are they saying? They are saying, 'We don't break promises; we are the government that doesn't break promises, that doesn't break the bipartisanship that we had for over a decade.' Instead, they try to argue their red-tape, black-is-white justification.

This program has enjoyed bipartisan support. It has provided, as I have outlined, a benefit both to the bottom line of businesses and to the environment—and there is still more benefit which could be derived from continuing this program. As with the potential abolition of its own renewable energy target, this is just another example of this government's misguided ideology overwhelming its understanding of the effective, logical energy policy instituted by the Howard government. The repeal of the program will be unhindered by the opposition, but we will not pretend that this means we support it. We do not support the repeal of good policy that has future life in it, as this policy does, and we do not support the blind, ideological argument put forward by this government—that it is repealing the Energy Efficiency Opportunities Program in order to reduce red tape. This is a policy that has been very good at creating energy efficiency opportunities for industry, for buildings, for consumers, for
Senator MILNE (Tasmania—Leader of the Australian Greens) (13:24): It is really disingenuous and dishonest of the Labor Party to have one of its senators give an entire speech on why we should keep the Energy Efficiency Opportunities Program, how good this program has been and why energy efficiency is so important—and then, at the end, say, 'However, we will not hinder the government in repealing it.' This why so many people are disengaged and fed up with politics—people tell them one thing in public and then do an entirely different thing behind closed doors.

I have just checked on what happened in the House of Representatives, because I was rather confused here after hearing a whole speech saying why the Energy Efficiency Opportunities (Repeal) Bill 2014 should not be passed. That is of course my view—that the act should not be repealed—and I will get to that in a minute. I found that Labor did not call a division in the House of Representatives. They just let the bill pass in the hope it would drift through in the Senate. Clearly they wanted to be able to go out to the community and put out this speech saying how great the Energy Efficiency Opportunities Act has been and how Labor has totally supported it—whilst voting with the government to repeal it. It is just disgraceful behaviour.

It is no wonder young people are so disengaged. They say to me: 'We are told one thing. We vote. We change the government—and then they just say something different. No-one does what they say or believe.' Senator Singh obviously believes the Energy Efficiency Opportunities Act should stay, but her party clearly does not. So we get this case of: 'Go out there and make a big scene and say you support something. Kick the government as hard as you can and then quietly let them do as they like.' It is disgraceful—and I can tell you that the Greens will not be behaving like that.

I am wholeheartedly supportive of the Energy Efficiency Opportunities Program. It is disgraceful that the government is getting rid of it. I spoke on the bill establishing the program when it came through in February 2006. At the time Senator O'Brien, a Labor senator, said that the bill did not go far enough. Now we have the Labor Party—after the success of the program has been proven—backing the government in getting rid of it. We are in a ridiculous position in this country. We are a laughing-stock around the world. It is a no-brainer to go after energy efficiency opportunities. How can a government that goes on about the costs of energy then take away one of the only bits of legislation—and it is actually a pretty weak piece of legislation; nevertheless it has achieved some results—that gets people to reduce the amount of energy they use? The basis of this action is, the government claims, that it is too costly for industry to report on how they could save energy.

This is where I want to say how disgraceful the business leadership of Australia is at the moment. What a bunch of climate-denying cowards they are, whether it is the Business Council of Australia or ACCI or any of the others. They are saying to their own members that they do not care, that they should go ahead and use more energy. Why do they want people to use more energy and use more power? 'Don't worry about the climate, just get those coal fired generators cranking. Let's use more power.' That is what Dick Warburton wants. That is what he was saying in his RET review: 'Use more power.' He talked about 'when electricity demand recovers' and about how 'electricity demand must recover'. In other words, he is saying, 'Use
more power.' He is saying this in an age when everyone else in the world is saying that business needs to be superefficient and that the best way to get your costs down is to have energy efficiency—that you should make your production process so energy efficient that you bring down your costs.

But not in Australia. No, we say: 'Rev'em up. Rev up your costs. It does not matter how inefficient you are or how much power you use; let's just rev up the cost—but let's make sure the power you use is coal fired power. That is what we want—not renewable energy but coal fired power. Let's get those coal mines revving. Let's get those coal fired generators revved up. Let's get Australian industry to go backwards and become such a rust bucket that it is uncompetitive with industries in the rest of the world.'

Energy efficiency, whether it is commercial, residential or industrial, is important. The Europeans have now perfected prefabricated wooden houses with triple-glazed windows that are energy neutral. Within 10 years, they hope to have energy-positive housing—that is, you can put up a house that will generate energy for the grid and create a net energy benefit. That is an extraordinary thing, but should we try to do that in Australia? 'No.' Do want a national energy efficiency target? 'No, why would we want that? We have plenty of coal. We don't care about the climate. We don't care about whether industry operates efficiently.' It is an absolutely disgrace.

Let me just go through where we are. When this program was set up, I said that it was not enough for it to be voluntary. We did not want to see companies identify where they could save money on energy efficiency but then have their boards say: 'We have other priorities. We are not actually going to do this.' So at the time I said we should make it mandatory—not only mandatory to report on where energy efficiency opportunities are but mandatory to implement them on a sliding scale. At the time, I said that all what we wanted to do was make it mandatory to implement them if there was a two-year payback initially. What a no-brainer—requiring a company to implement something if, over two years, there was a full payback on whatever the technology or improvement was and thereafter there were permanent savings. But I could not get Labor or the government to agree in 2006 to mandatory implementation of whatever energy efficiency opportunities had been identified. Now we have gone backwards even further. We are not even going to require them to report on the energy efficiency identified.

So what have we got? We have gotten rid of the carbon price, which is leading to increased emissions from coal and is driving greenhouse gases harder. We are now getting rid of energy efficiency opportunities. That means we will not have an energy efficiency target. We have nothing. We have a measly five per cent emission reduction target, which will have to go higher. The question is: if you are not going to support renewable energy or energy efficiency, where on earth are you going to get a five per cent emission reduction from, let alone the 40 per cent to 60 per cent reduction that will be necessary if we are to keep global warming to under two degrees? Australia agreed to that but apparently the Abbott government does not agree with it.

I also want to say how disgusted I am by these regulatory assessments that have come out saying that the benefit here is the reduced cost from not having to do the report without looking at the cost benefit of the outcome—reduced energy use and reduced greenhouse gas emissions. What is even more extraordinary is that the UK has just adopted our scheme—the
Australian scheme—to drive transformation of their big emitters. Just as we are dumping it, they are picking it up because they realise it has been so successful in Australia and could be even more successful. Why are they doing it? It is because they have already done a huge amount on energy efficiency at a residential level and now they want something for their big emitters. They have some sincerely good transformational energy strategy in UK to bring down greenhouse gas emissions. We took from their green climate bank to create the Clean Energy Finance Corporation. That is where I got the idea from to put into the clean energy package. The Clean Energy Finance Corporation came from the UK, and they have now picked up our energy efficiency opportunities. But here we are trying to smash everything good.

There is a complete lack of professionalism from the assessors doing these jobs. There is the Warburton assessment. It is all based on completely wrong assumptions, telling modellers to make an assumption with the RET review that they do not have to take into account the commercial realities of coal. They just suspended commercial reality because they do not want a report that is going to do anything other than encourage coal fired generation. What a disgrace.

Where is the rigour in any of this? Where is the science? Where is the technical rigour? Where is the sense? Ultimately, you are talking about big industry in Australia—the big energy users. They are going to shut down if they are not competitive. They will not be competitive if they are allowed to be lax and wasteful when it comes to energy. They are not going to be able to bring down their costs and compete with the Germans, for example, or anyone in Europe, who will be sticking with very strict energy efficiency rules. That is exactly what we should be doing.

Not only do we think that we need to keep the Energy Efficiency Opportunities Act, but I say again that payback periods needs to be made mandatory. I can only assume the reason for doing this is to allow for more corporate welfare from the government under Direct Action. They want to get rid of the Energy Efficiency Opportunities Act and get rid of any regulatory requirement to report and then fudge the figures on additional effort. Under Direct Action it has to be Kyoto compliant. To be Kyoto compliant, it will have to be additional. But now we are getting rid of all the regulation. The rest of the world is going to look at us and say we are cheap. They are going to start auditing how Australia is calculating what it is doing on climate change because of the dodgy deals going on. All of this legislative effort is designed to facilitate dodgy deals that will be done in the name of energy efficiency and Direct Action. You have to think that the intention to repeal the act is that it places a small compliance requirement on huge businesses and the government is committed to arresting the rapid decline in energy demand that has occurred since 2009 and 2010 in order to prop up its associates in the failing fossil fuel generation sector.
That is what I said at the start. This is all about using more energy, using more coal, getting the coal fired generators cranked up, making Australian business less efficient and ultimately putting people out of business. Then, when they are going out of business because they are so inefficient in a rust bucket economy, they will have their hands out to the government and Mr Palmer's new inquiry about manufacturing assistance because the government will have facilitated them in being less efficient and competitive than they should have been. What a disgrace. That is not the action of a clever, innovative country. That is not the action of a country moving to decouple economic growth from environmental degradation, pollution and fossil fuel generation. It is the action of a country saying, 'We want to lock together economic growth and coal fired power,' which has been a disaster in this century and a recipe for backwardness. This is very bad legislation.

I conclude by saying to the Labor Party: do not go out and try to con the community by saying one thing and doing another. You are facilitating the end of the Energy Efficiency Opportunities Act because, no doubt, the coal and gas fired generators out there want this legislation gone. The big polluters want it gone, and Labor is facilitating them while making speeches saying how bad it is. It is so dishonest.

The Greens will not be supporting this legislation. We remain committed to a national energy efficiency target. I remain committed to bringing back this legislation with changes making it mandatory to report and introducing a mandatory schedule for implementation of the recommendations those reports make in relation to energy efficiency for big emitters and big users of energy in Australia.

Senator LUDWIG (Queensland) (13:38): I rise to speak on the Energy Efficiency Opportunities (Repeal) Bill 2014. The Energy Efficiency Opportunities Act gave rise to a program which was designed to address market failure relating to the availability and use of energy efficient information.

More broadly, this bill leads me into a discussion on where we sit in the world at large. Recently, Australia signed a Korean free trade agreement. Energy features large in that particular agreement; energy and mineral products account for approximately 80 per cent of the value of Australia's merchandise exports to Korea. While many Australian minerals and energy exports to Korea enter duty free, Korea has applied tariffs of up to eight per cent on a range of priority resource products and tariffs of up to 13 per cent on manufactured products. This tells me where in the globe the energy efficiency opportunities are. Even Korea itself has passed legislation setting up a national emissions trading scheme.

The Labor Party is the party of jobs, investment and growth. We have consistently been the party that has supported economic growth underpinned by a responsible social safety net. We believe in growth combined with fairness; we have been champions of free and open trade that serves the national interest. As a party, we have perused deals for the benefit of Australian industry that suit the current and future economic times. We have delivered outcomes for Australia that fully recognise our strengths and positions in the world. We are the party of APEC, the party of the G20 and the party of gaining a seat at the UN Security Council. We have a strong track record over the last 30 years of advocating for trade liberalisation. That record has delivered economic growth, created more competitive industries and benefited Australia's consumers and workers. We are committed to an open
global trading system because reducing global trading barriers and expanding trade is a pathway to a high skills, high wage future for Australians.

What concerns me most about this legislation and the position that those opposite have adopted is that they are not the party of those things. We saw that in the recent report of Joint Standing Committee on Treaties, which reviewed the free trade agreement between the government of Australia and the government of the Republic of Korea. As that report stated, the Republic of Korea is Australia's third-largest export market, our fourth-largest trading partner and a growing investment partner. In agriculture, resources and services, Korea is a significant export market for Australian industry. Our two-way trade is valued at over $30.5 billion in the last financial year. That free trade agreement covers beef, sugar, dairy, wheat, wine and horticulture. Combined, those sectors employ 20,000 workers.

We have a government that does not want to support opportunities in energy; it does not want to support programs designed to address market failures relating to the availability and use of energy efficiency information. On the other hand, we have former Labor governments that commenced negotiations with Korea for a free trade agreement. The Abbott government finalised those negotiations earlier this year. The role of the committee is to assess free trade agreements against the national interest. Further, its role is to scrutinise and assess the quality of any agreement signed in Australia's name, and that is what the committee's report did. The current state of play in relation to Australian-Korean trade is a story of tariff walls and increased competitive disadvantage. However, they have moved on an emissions trading scheme. The regulation impact tabled with the FTA shows current average Korean tariffs on agricultural goods of 53.6 per cent. Australian exporters to Korea are facing stiff competition with other countries. The European Union, the United States, the ASEAN group and Chile all have preferential arrangements in place with the Republic of Korea. New Zealand and Canada are close to concluding their own arrangements. The Centre for International Economics puts Australia's potential disadvantage without an FTA at a reduction of five per cent in exports by 2030. Under this agreement, tariffs will be zeroed on 84 per cent of the imports from Australia to Korea immediately. In 10 years, tariffs will be zeroed on 95.7 per cent of Australia's imports.

The Korean FTA is an important vehicle for Australia's beef producers—both farmers and meat-processing companies. The United States already has an FTA with Korea which gives American beef producers significant tariff cuts in the Korean market. Those tariff cuts will grow over the coming years. This means Australian beef producers risk being placed at a competitive disadvantage against their American counterparts in Korea. The government has failed to recognise that that is a problem which can occur in other areas, such as here where energy is so important. The Korea-Australia FTA will address this problem but not the root cause of this government not addressing energy efficiency. It will help improve Australia's industry-competitive position in the Korean market through significant reductions in Korean tariffs on Australian beef. The challenge, of course, for Australia is to decide whether to accept higher tariffs and less market access and disadvantage to other trading partners or to strike a deal in the national interest. Whilst forming the view that it is in the national interest to have a Korean FTA, there is a legitimate role for criticism as there are real concerns with the treaty. It is appropriate for these concerns to be ventilated and weighed against national interest.
Labor does have concerns about the quality of the Korea-Australia Free Trade Agreement delivered by the Abbott government. There are two areas of concern to note: intellectual property rights and the inclusion of investor-state dispute settlement provisions. Rightfully, the committee report highlights the ongoing concern of the inclusion of intellectual property rights in the FTA. The Productivity Commission has raised this issue as well, noting:

… any IP provisions that are proposed for a particular agreement should only be included after an economic assessment of the impacts, including on consumers, in Australia and partner countries.

This is sound advice, and the majority report notes this concern. I want to credit the work of Mr Tim Watts in this area of the inquiry in highlighting the importance of the issue in that report.

The most significant and contentious issue raised by this free trade agreement is the inclusion of the investor-state dispute settlement mechanism, known as an ISDS clause. I acknowledge that there are legitimate concerns with ISDS provisions, and at the outset these need to be taken in context. In short, the ISDS is not new. As a nation we have had 28 such provisions with other economies. More than 3,000 international investment agreements include ISDS provisions. Safeguards unique to the Korean FTA are in the agreement, and I welcome them. For its part, Labor does not believe the ISDS provision should be included in Australia's free trade agreement. That was our position in government. However, the government's position is that ISDS clauses should be considered on a case-by-case basis. This agreement, as the report noted, includes carve-outs for public welfare, health, culture and the environment. I understand that the agricultural sector are positive or at least neutral in relation to the addition of such clauses. The report detailed correctly the argument for concern on ISDS clauses.

The European Parliamentary Research Service has examined this issue in some detail. I note that the highest level of treaty based dispute were registered in 2012, in a growing trend of increased disputes. The European parliamentary paper further highlights ISDS concerns of transparency, independence and impartiality, costs and the chilling effect on state regulatory powers.

Of course, in the alternative, the United Nations has drafted models reform that include boosting transparency measures, establishing powers within the international investment court to handle matters, and instituting appeal mechanisms. The United Nations Conference on Trade and Development has stated:

Challenges posed by today’s investor-State dispute settlement (ISDS) regime create momentum for its reform.

Further, it states:
The proliferation of ISDS under international investment agreements (IIAs) shows the importance this mechanism has gained. But it also increasingly reveals that there are a number of problems.

It is stated fact that the Korean government would not sign the agreement without an ISDS mechanism and so it appears here. But noting all the legitimate and real concerns, the question still stands as to whether the agreement is in the national interest. The majority report recommendation demonstrates where the committee landed on that question.

When this government looks across the world, it looks with blinkers on—shocking blinkers. It looks at specific areas that do not have emissions trading schemes and that do not
have energy efficiency programs and highlights those as being the places where we should all look. If you look across our major trading partners, you do find important work being done in Korea on an emissions trading scheme and in the US on an emissions trading scheme. You find important work being done across the globe for programs which require large amounts of energy efficiency. And where there is market failure we should assist. We should talk about how to drive down emissions, which can save industry significant amounts of money per year in power expenses.

The independent ACIL Tasman review of the Energy Efficiency Opportunities Program found it has delivered benefits to participants well in excess of the costs. All of that tells us why Labor should allow the passage of the legislation on the basis that it was a Howard government policy implemented before there were any credible and long-term clean energy initiatives.

This government have not been up-front with the Australian people about what they are going to do under Direct Action. How are they going to manage that program to ensure transparency, to ensure that it drives down emissions? The Korean government have implemented an emissions trading scheme that is transparent, open and accountable; whereas this government has not even provided the design of what Direct Action is going to look like. With those few short words, I will leave the debate at that, recognising that it is a noncontroversial opportunity to speak and that I should not incite the coalition too greatly on this issue.

Senator BIRMINGHAM (South Australia—Parliamentary Secretary to the Minister for the Environment) (13:51): I thank contributors to this debate, in particular Senator Ludwig, for a wide and far-ranging contribution that at times seemed to have little particular relevance to the legislation before the chamber. But I acknowledge his interest in matters that stretch further afield than perhaps Australia's energy efficiency arrangements.

The Energy Efficiency Opportunities (Repeal) Bill 2014 is important legislation, because it removes another red tape burden from Australian business. This bill has a commencement date that is retrospective of 29 June 2014, in line with the announcement that was made for the removal of the Energy Efficiency Opportunities Program. Repealing this program will save Australian businesses over $17.7 million per million. That is $17.7 million that can be funnelled into energy efficiency practices rather than being wasted on unnecessary red tape compliance. Ultimately, this program as it currently operates is all about assessment and reporting requirements placed on businesses. We hear others claim that those requirements have saved industry money. The truth is that it is the actions of industry and energy efficiency that have saved industry money. Businesses do not need regulation to tell them that they should save money by keeping their electricity bills as low as possible. It is common sense for businesses, for households, for anybody to be able to keep their bills as low as possible.

With this in mind, this program, although it has of course seen some achievements in its life, ultimately comes at a cost to business such that when it is removed we will be able to see that money go into efficiency elsewhere. I acknowledge that the Labor Party and the Greens do not seem to have seen any regulatory reporting arrangements, taxes or the like that they have not liked. But in this case I am pleased that Labor appears to not be a block of the change. We want to make sure in this place that across all areas we reduce the red tape and
green tape burden as much as humanly possible. I heard during the debate comment about the Renewable Energy Target and the claim that it has created thousands of jobs. Well, the thing those opposite all need to learn is that when it comes to input costs like energy, when it comes to compliance costs like regulation, you want to keep them all as low as possible, because that is how you strengthen every other business in the economy and the rest of the economy. With that, I commend the bill to the Senate.

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

The Senate divided. [13:59]

(The President—Senator Parry)

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<th>Ayes</th>
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**AYES**

Abetz, E  
Bernardi, C  
Birmingham, SJ  
Bullock, J.W.  
Cameron, DN  
Carr, KJ  
Colbeck, R  
Cormann, M  
Day, R.J.  
Fawcett, DJ  
Gallacher, AM  
Ketter, CR  
Lazarus, GP  
Lines, S  
Lundy, KA  
Marshall, GM  
McKenzie, B  
Moore, CM  
Nash, F  
O'Sullivan, B (teller)  
Payne, MA  
Polley, H  
Ronaldson, M  
Scullen, NG  
Sindonis, A  
Sterle, G  
Wang, Z  
Xenophon, N

**NOES**

Di Natale, R  
Ludlam, S  
Rhiannon, L  
Siewert, R (teller)  
Whish-Wilson, PS  
Hanson-Young, SC  
Milne, C  
Rice, J  
Waters, LJ  
Wright, PL
Question agreed to.
Bill read a second time.

Third Reading

Senator BIRMINGHAM (South Australia—Parliamentary Secretary to the Minister for the Environment) (14:04): I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

QUESTIONS WITHOUT NOTICE

Superannuation

Senator CAMERON (New South Wales) (14:04): My question is to the Minister for Finance, Senator Cormann. I refer to the minister's joint statement with the Treasurer on 2 September 2014 that freezing the superannuation guarantee would have the impact of reducing businesses' overall wage bills. How can the minister and government claim that workers will have more money in their pockets when the minister and the Treasurer say that freezing the superannuation guarantee will reduce wage bills?

Senator CORMANN (Western Australia—Minister for Finance) (14:05): I thank Senator Cameron for that question. While I have not got the release in front of me, I can confirm that he accurately quoted a small part of that release in isolation. I see him smile and laugh; he knows that is exactly what has happened. The truth is that increases in superannuation payments come out of wages and represent a cost to business. Everybody on this side of the chamber knows this.

What I have pointed out for a very long time is that Mr Shorten—the Leader of the Opposition, when he was the Minister for Financial Services and Superannuation—kept saying, 'No, no, no. There are increases in compulsory super. They do not come out of business profits. They come out of people's wages.' He kept saying, 'We are going to go and put our hands into people's pockets. Increases in compulsory super come out of people's wages.' On 1 July 2015, under Mr Shorten's plan, people were going to get a 0.5 per cent pay cut in order to pay for the increase in compulsory super.

The important point here is that increases in compulsory super do not come out of thin air. They either come out of people's wages or they come out of the cost of doing business. By reducing the cost of doing business, we are enabling businesses across Australia to employ more Australians. Guess what? We inherited an economy growing below trend and rising unemployment from the Labor Party. We are working to turn that around. We are keen to ensure that we can grow a stronger economy and create more jobs on the back of stronger investment. Part of that is ensuring that businesses in Australia are more competitive internationally than what they have been in the past. The Senate's decision the other day was good for the national interest. If Labor is so opposed to it, why don't they promise to repeal it?

Senator CAMERON (New South Wales) (14:07): I ask a supplementary question, Mr President. I refer to the comments by Kate Carnell, the CEO of the Australian Chamber of Commerce and Industry, that the correlation between the superannuation freeze and wage increases would 'obviously not be linear' and that 'in the end, employers will pay what they
can afford to pay.' Does the minister stand by his statement yesterday that workers will be better off because they will have more money in their pockets?

Senator CORMANN (Western Australia—Minister for Finance) (14:07): That statement by Ms Carnell is very astute and is entirely accurate. I absolutely stand by everything that the government has said in relation to these matters. The point is that employers who hire employees and workers consider the overall remuneration package. If you pay an employee more in super, you pay them less in wages. I do not know which part of that mathematical formula Senator Cameron does not understand. Perhaps in the union movement people do not understand these sorts of realities. If you are in business, you look at the total cost of employing a particular employee. You pay more on superannuation, you pay less on pre-retirement take-home pay. The Senate agreed with the government that—in the context of the mining tax repeal package that we have put forward and the amendments that the Senate was keen on—we needed to ensure that there were other adjustments to the superannuation arrangements. That means that people will end up with more money in their pocket prior to retirement than they otherwise would. *(Time expired)*

Senator CAMERON (New South Wales) (14:09): I ask a further supplementary question, Mr President. I refer to comments by Innes Willox, CEO of the Australian Industry Group:

Over the next couple of years, we would not expect wages to rise to completely offset the postponement of the Superannuation Guarantee increases.

I ask again: does the minister stand by his statement that workers will be better off because they will have more money in their pocket?

Senator CORMANN (Western Australia—Minister for Finance) (14:09): I absolutely stand by those statements. I refer to the statements of the Leader of the Opposition when he was the Minister for Financial Services and Superannuation, when he said, 'increases in components for a super come out of people's wages, not other business profits'. I would also refer the honourable senator to a very astute and insightful article by Peter Martin in the Fairfax papers, hardly an apologist for the coalition, who pointed out that if the Labor trajectory in increasing compulsory super had stayed in place, workers were in line for a 0.5 per cent pay cut on 1 July 2015 and a 2½ per cent pay cut by—

Senator Cameron: I rise on a point of order on relevance, Mr President. The question is very specific. Peter Martin does not employ anyone—

The PRESIDENT: The minister answered the question in his opening remarks. The answer has been directly relevant, and he is following up with supplementary commentary, which is—

Senator Cameron: So you are not allowing me to finish my point of order?

The PRESIDENT: On the matter of direct relevance, a minister could not have been any more relevant.

Senator CORMANN: I could not have been more relevant. Under the previous Labor government's approach, workers across Australia were in line for a 2½ per cent pay cut in order to pay for the increase in compulsory super. Under the coalition together with crossbench senators, like the Palmer United Party, the Family First Party—*(Time expired)*
National Security

Senator REYNOLDS (Western Australia) (14:11): My question is to the Attorney-General, Senator Brandis. Can the Attorney-General update the Senate on the current threat of terrorism to Australia?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:11): Thank you, Senator Reynolds. The escalating terrorist situation in Iraq and Syria and the risk of returning foreign fighters is the greatest national security threat Australia has faced in many years. This problem does not only exist on the other side of the world, it has its origins in our own suburbs.

The number of Australians involved in the Syria and Iraq conflicts is significantly higher than in previous foreign conflicts. For example, of the 30 Australians who fought or trained with extremist groups in conflict zones between 1990 and 2010, including Pakistan and Afghanistan, 25 returned; of those, eight were convicted of terrorism-related offences on the Australian mainland. By comparison, we know that around 60 Australians are currently participating in the conflict zones in Syria and Iraq, while we know that another 100 Australians are assessed to be supporting the conflicts through activities such as funding and facilitation.

The national public terrorism alert level is at medium, which means that a terrorist attack could occur. The terror level is under constant review by the Australian government, based on advice from our national security agencies. This is an analytical judgement of ASIO—not a political decision of the government. The government is taking all necessary steps to keep Australia and Australia's interests safe. We will continue to work with state and territory governments and in consultation with our agencies to review and monitor the current threat environment.

Senator REYNOLDS (Western Australia) (14:13): I ask a supplementary question, Mr President. Can the Attorney-General inform the Senate about the role of the public terror threat level and whether it needs to be reviewed?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:13): Senator Reynolds, Australia's national terrorism public alert system informs the public about the risk of terrorist incidents occurring. It is an important mechanism to keep the public informed of the terrorist threat facing Australia and the level from time to time of that threat. As the Director-General of ASIO said recently:
The security environment today is becoming more complex since I was appointed as director-general of security in 2009 …

For that reason, and in that context, the Australian government is currently reviewing the alert system, drawing on the advice of agencies to ensure that the gradations and descriptors are as precise as possible in the complex national security environment in which we now live.

Senator REYNOLDS (Western Australia) (14:14): I ask a further supplementary question, Mr President. Can the Attorney-General update the Senate on the public threat level of comparative Western nations?
Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:14): Yes, I can, Senator Reynolds. You may be aware that, on 30 August, the United Kingdom raised its terrorism threat level from 'substantial' to 'severe'. That change reflected that the threat of a terrorist attack against the UK was assessed to be highly likely. This move by the UK indicates the significance of the threat posed by ISIL and other terrorist groups in Syria and Iraq to the United Kingdom. In 2011 the US government updated its terror alert system. The US national terrorism advisory system removed the standing alert levels and replaced them with an approach based on advising the public of specific elevated or imminent terrorist threats.

Australia continues to work closely with the UK, the US and other partners about the threat from terrorist groups active in Syria and Iraq and from returning foreign fighters. The government will take all necessary steps to keep Australia and Australia's interests safe.

Higher Education

Senator McLUCAS (Queensland) (14:15): My question is to Senator Nash, the Minister representing the Minister for Health. Is the minister aware that the Australian Nursing and Midwifery Federation yesterday called on MPs and senators to reject the deregulation of university fees, stating:

'It's nonsensical that as a significant Australian nursing shortage looms over the next decade, the Abbott Government is intent on systematically destroying nursing education in this country …

Has the Department of Health done any analysis on the impact of fee deregulation on the health system's capacity to attract, train and retain Australian nurses?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:16): I am aware of some comment from the sector, both nursing and the medical sector more broadly, about the deregulation of the higher education sector. I have certainly listened to all of those concerns and those views. But this government believes that the appropriate way forward for the higher education system is through the deregulation package that we have put forward.

I understand that work has been done, as you have asked, around the impact on health. My understanding is that has been the case; if it is not, I will certainly come back to the chamber. But the important thing to realise here is that the coalition is absolutely focused on ensuring that we have a higher education sector that is sustainable and that can grow. In my dealings across the sector, including the regional sector, and around those issues of health, the deregulation of the higher education sector is indeed the most appropriate way forward.

Senator McLUCAS (Queensland) (14:17): Mr President, I ask a supplementary question. Can the minister confirm that independent modelling by NATSEM at the University of Canberra found that the full cost of a nursing degree for a female graduate under the proposed higher education changes would increase from around $23,000 to around $63,000? Is the Department of Health considering targeted scholarships to ameliorate the impact of this near-trebling of the cost of a nursing degree?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:17): I will take on notice the specifics of that around the work that has been done in that area, but I say the focus of this government is ensuring we
have into the future the workforce that we need when it comes to the medical professions. You are talking about the future of the provision of that part of the sector out in the community. We believe what we are doing with the deregulation reforms will indeed provide the appropriate way forward for growth and will address many of the issues you have raised.

Senator McLUCAS (Queensland) (14:18): Mr President, I ask a further supplementary question. Given that nurses do not earn high wages and that many are women who take time out of the workforce to have families, won't applying a real interest rate to HECS debt have a particularly adverse and regressive impact on these critical and caring workers, discouraging young women from starting in the profession?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:18): The coalition does not agree with that. We believe that the package of reforms that we have put forward is indeed the best way forward for the sector. We have indeed put much work into this to ensure that we have come up with the most appropriate package, and the coalition stands by what we are doing in this sector.

Carbon Pricing

Senator MILNE (Tasmania—Leader of the Australian Greens) (14:19): My question is to Senator Cormann, the Minister representing the Minister for the Environment. National Electricity Market data has just shown that electricity emissions have leapt in the two months since the carbon price was abolished by an annualised rate of one million tonnes. Is achieving the largest leap in greenhouse gas emissions in eight years something the government will proudly list in its anti-environment achievements of its first year in government?

Senator CORMANN (Western Australia—Minister for Finance) (14:20): I thank Senator Milne for that question. When we came into government, we inherited an economy growing below trend and below expectations. Do you know what the result is of an economy that grows less? It emits less. And do you know what we have been working on? We have been working on growing the economy more strongly. And do you know what happens when you grow the economy more strongly? You emit more. And you know what? We can actually stop emissions altogether if we all just sit here quietly and do nothing, but on this side of the chamber we think it is good to have a strong economy. We think it is good to have a stronger, more prosperous economy and create more jobs.

We actually know that our businesses here in Australia are by and large more efficient than many of our competitors in other parts of the world. You know what has happened with the Labor-Greens carbon tax, which I am sure you would like to introduce? It helped make businesses in other parts of the world—manufacturing businesses that were higher emitting—more competitive than businesses here in Australia. As we were losing market share to China and other parts of the world, guess what. Not only did the jobs go overseas, not only did the economic activity go overseas; the emissions went overseas as well and, for the same amount of economic output, their emissions were actually higher. So you might have been reducing emissions in Australia a little on the back of shrinking our economic growth potential, but you actually increased the economic growth potential in the rest of the world and increased emissions beyond that. You are actually helping to boost global greenhouse gas emissions on the back of the completely destructive carbon tax that you and the Labor Party imposed on the Australian people.
Senator MILNE (Tasmania—Leader of the Australian Greens) (14:22): Mr President, I ask a supplementary question. I thank the minister for being honest enough to brag about increasing greenhouse gas emissions, but I now ask: as a result of this great leap in greenhouse gas emissions, can the government now confirm that coal is displacing gas, wind and hydro in the National Electricity Market and leading to higher profits for Liberal National Party donors in the coalmining and coal generation industries?

Senator CORMANN (Western Australia—Minister for Finance) (14:22): Senator Abetz just handed me this article that appeared in The Mercury in Hobart in 1991, where a gentleman by the name of Dr Bob Brown—do you remember him?—made some statements on what would be good for the environment. This is what it says: 'Coal fired power, best option.' Did you know Dr Brown back in 1991? Were you chaining yourself to the trees with Dr Brown back in 1991? Guess what? On this side of the chamber we want to continue to grow the economy strongly. We want to continue to create opportunity for people to get ahead. We want to ensure that across Australia we can have affordable and reliable access to competitive energy sources and, of course, coal will continue to play an important role, as will gas, as will renewable energy sources, but we need to ensure that it does not undermine our capacity to be competitive with other countries around the world. (Time expired)

Senator MILNE (Tasmania—Leader of the Australian Greens) (14:23): Mr President, I ask a further supplementary question. I note that it was former Labor Senator Ray who wanted to build a nuclear power station on Flinders Island at the time. My question is, will the government be listing within its achievements—

Government senators interjecting—

The PRESIDENT: Just a moment Senator Milne. Order on my right! Order! You too Senator Williams. Senator Milne, you have the call.

Senator MILNE: Mr President, will the government be listing in its year one achievement that it has deliberately increased the risk of more intense and frequent bushfires, floods and crippling droughts across our country? Is that something you are proud of?

Senator CORMANN (Western Australia—Minister for Finance) (14:24): As much as I would like to take that question seriously, I just wonder whether I should just say that we will have to agree to disagree. If you go into the community and say, 'Because we want to grow a stronger economy, that's why we are causing bushfires,' and we say, 'We want to build a stronger economy because we want the young people of Australia to have an opportunity to get ahead,' you can get whoever you can convince to vote for you and we will get whoever we can convince to vote for us. Why don't we just leave it at that? The truth is that your policy, the policy that you and the Labor Party put in place in the last period of government, actually made the global emissions problem worse. In the context of 'a continuing demand for certain products and services', you shifted the supply, you shifted the manufacture, you shifted the creation of those products and services into areas around the world, along with the jobs that go with it, to where the emissions intensity was higher than it would have been here in Australia.

The PRESIDENT: Before I call the next question, I remind senators when asking questions or answering questions that they address their remarks to the chair and not to individual senators. Senator Ketter.
Health

Senator KETTER (Queensland) (14:25): My question is to the Minister representing the Minister for Health, Senator Nash. I refer to the minister's answer yesterday that National Party policy goes on to form coalition policy. I also refer to the 2013 coalition health policy to fund 50 per cent growth funding of the efficient price of hospital services. Will the government honour this coalition commitment?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:26): The first commitment that the coalition is going to honour is fixing the economic mess that you left us after your period in government, and we are going to ensure that we do that. It is this side of the chamber that is going to honour their commitments when it comes to health. It is this side of the chamber that is going to honour their commitment to ensure a sustainable health system into the future.

Senator KETTER (Queensland) (14:26): Mr President, I ask a supplementary question. Can the minister advise what percentage of growth funding of the efficient price the government will fund. And doesn't the failure to meet the pre-election commitment to fund 50 per cent represent a cut of more than $50 billion to public hospitals?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:27): The specific I will take on notice. What I can tell senators is the fact that, far from cutting funding to hospitals, we are actually increasing it. As I said yesterday—perhaps those opposite were not listening—we are actually going to increase hospital funding by nine per cent in 2014-15, by nine per cent the year after that, by nine per cent the year after that, by six per cent the year after that. There is $70 billion going into hospitals over the forward estimates, going from $14 billion to $18.9 billion. So, far from cutting funding to hospitals, we are increasing it.

Senator KETTER (Queensland) (14:27): Mr President, I ask a further supplementary question. Following the government's decision to tear up the national partnership agreement on improving public hospital services, can the minister confirm that the government is walking away from the National Elective Surgery Target? Does the minister agree with the South Australian government that this will lead to a doubling in elective surgery waiting times?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:28): We are not walking away from our requirement to ensure that health improves through our hospitals and through the arrangements that we have with the states. We will ensure that. The NPA that the senator refers to fell down in many areas, which is why it was not continued. It is this government that is going to have appropriate arrangements in place ensuring that we have responsible allocation for funding for better outcomes in our hospitals. It is this government that is going to commit to do that and not those opposite.

Senator Moore: Mr President, I rise on point of order on direct relevance. The specific question is around the National Elective Surgery Target. While the minister has talked vaguely about what they are going to do, the question was about the National Elective Surgery Target.
The PRESIDENT: Senator Ketter did ask, and I wrote it down in particular: 'Can the minister confirm about walking away and does the minister agree?' The minister did say, 'No, we are not walking away.' The minister was directly relevant.

Senator Jacinta Collins: No, she said that she was not walking away from something else.

The PRESIDENT: I will review the Hansard.

Senator Jacinta Collins interjecting—

The PRESIDENT: Order, Senator Collins! I believe the minister was being directly relevant and the minister has 26 seconds left to answer the question. Minister, you have the call.

Senator NASH: Thank you, Mr President. I had concluded my answer.

University Fees

Senator MUIR (Victoria) (14:29): My question is to the Minister representing the Minister for Education, Senator Payne. Can you give an assurance to future university students that, under your proposed reforms, university will not become unaffordable for everyday Australians?

Senator PAYNE (New South Wales—Minister for Human Services) (14:30): I thank Senator Muir very much for his question and for some prior notice to my office of the question. In relation to Senator Muir's question, clearly the government's view is most certainly that that will not be the case, but there are many third parties also participating in the debate at the moment who equally agree with the government's position on this matter. I will begin by referring to one that has an institution in the senator's constituency of Victoria—RMIT. Vicki Thomson, who is the Executive Director of the Australian Technology Network of Universities, has written an opinion piece and made it quite clear in that. She said:

So let me repeat what has been said a million times: the university sector is not looking to introduce standard $100,000 degrees and deregulation won't deliver them.

Those who have brainwashed some journalists and … senators to accept that we plan to do just that deserve to be shot down.

It is not only wrong, it is shameful for the fear such myths are creating in the community.

She goes on to say:

Deregulating fees will provide students with increased choice and universities with flexibility. Will fees go up? Some may, but others would also decrease as we have the freedom to determine the size of our institutions and the degrees that we offer.

A far more realistic estimate of how high fees might rise for a standard degree in a deregulated market is $12,000 to $14,000 a year—rather lower than the $100,000 being yelled from certain rooftops.

Senator Muir asked about the government's view. Most certainly we are of the view that we will give students more choice, more flexibility and more opportunities, particularly with Commonwealth funding for those who are pursuing degrees such as associate diplomas and diplomas, both in private institutions and even through TAFEs in some examples— (Time expired)
Senator MUIR (Victoria) (14:32): Mr President, I ask a supplementary question. If your higher education reforms were to pass as is, student HECS debt would accrue interest at the government bond rate. Can you explain why a woman or a man who studies at university and then takes time out of the workforce to raise a family should have to pay the government bond rate rather than the CPI and be punished for having a family?

Senator PAYNE (New South Wales—Minister for Human Services) (14:32): Thank you, Senator Muir, for your supplementary question. That is a very important question and it is one that has been raised consistently with the government since the package was introduced through the budget process. We are very interested in the views of those who are prepared to have a sensible conversation about this—

Senator Kim Carr: What about an answer?

Senator PAYNE: Those who choose to scream from the rooftops, perhaps not. As you know, at the moment student debts are indexed by the CPI. Our proposal is to increase it to the 10-year bond rate. The reason for that is that the bond rate is the same as what it costs the government to borrow the money that it lends to students in the first place. On budget night though the minister did announce two working groups on the higher education issues. The first on legislation and financing is being chaired by Professor John Dewar, the Vice-Chancellor of La Trobe University. They have considered a number of options on the interest rate on student debt and in fact have proposed three alternatives to the government's measure. They are summarised in the regulation impact statement to the reform bill. (Time expired)

Senator MUIR (Victoria) (14:33): Mr President, I ask a further supplementary question. I did not go to university but I want my five children to have the option to go to university if that is the path they choose. I am very fortunate to be on a high income for the next six years that I am in this chamber. I hope to be here for six years after that, but who knows? I may end up back in a sawmill on a modest wage. If that is the case, I worry that I will not be in the financial position to be able to support my children to get the quality higher education they choose and I worry that all my friends still working in a sawmill will be in that position. What should I tell my children when they ask me why the government wants to deregulate the sector that could put universities out of reach for millions of ordinary Australians?

The PRESIDENT: Senator Muir, I was very generous with you going over time. I remind senators that, if you have a long preamble, you run the risk of running out of time.

Senator PAYNE (New South Wales—Minister for Human Services) (14:34): I thank Senator Muir for that question. As to the end of the six-year period, we are all in the same boat. I say in response to Senator Muir's question that most certainly the government is not changing any aspect of the system that requires no student to pay any costs while they are studying and not to pay a cent before they earn $50,000. That would be the first thing I would say.

The second thing I would say is that we are pursuing a process to extend Commonwealth funding to those who wish to undertake qualifications in a much broader range of areas—and that support is not currently available to students who want to study in those areas, whether it is a diploma, an associate diploma or a pathway course. That will open up opportunities for, we estimate, another 80,000 students over the next four or five years. That is a very significant change in the opportunities available. We are also very proud of the institution of
the Commonwealth scholarship scheme, which I would be happy to explain further to the senator— (Time expired)

National Security

Senator BACK (Western Australia) (14:35): My question is to the Assistant Minister for Immigration and Border Protection, Senator Cash. Can the minister update the Senate on how the government's counter-terrorism measures will help our border protection agencies to identify individuals who seek to leave Australia to fight in foreign conflicts?

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (14:36): I thank Senator Back for his question in relation to what is obviously a very serious area. I can inform the Senate that the government is taking action to address the threats to our borders, not just through people smuggling, as senators would know through the success to date of Operation Sovereign Borders, but against terrorism and the threat that foreign fighters present to Australia. As part of the $630 million counter-terrorism package announced on 5 August by the Prime Minister, the Australian Customs and Border Protection Service will receive $150 million for several measures, including establishing counter-terrorism units at Australia's major international airports and the rollout of biometric testing, which the former government talked about but never delivered. It will be delivered by this government and we have allocated the appropriate resources to ensure that this occurs.

Counter-terrorism units commenced operations at a number of airports in August 2014. Customs and Border Protection will shortly establish similar units at all international airports in Australia. These measures will add to the more than 1,300 officers already deployed to more than 40 airports across Australia. The most recent announcement will complement the creation of the Australian Border Force, which will be formed on 1 July 2015, with the consolidation of the Australian Customs and Border Protection Service into the Department of Immigration and Border Protection. This will allow for the creation of the new, single, better resourced, frontline force responsible for investigations, compliance and detention.

Senator BACK (Western Australia) (14:38): Mr President, I ask a supplementary question. Will the minister explain to the Senate why it is important to improve our capabilities at the border and what risks are posed by not remaining vigilant to these emerging threats?

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (14:38): The package of measures recently announced by the government will further assist border agencies in addressing these threats both with increased resources and broader legislative powers. We will be bringing to the Australian parliament a package of legislative measures designed to toughen and strengthen the powers available to prevent certain people from entering and leaving Australia. Our border agencies do know that there are some Australians who seek to leave Australia to take part in foreign conflicts. Counter-terrorism unit officers have already had success in intercepting a number of such people of national security concern. Those departing Australia to take part in overseas conflicts are a risk to national security. If they are successful in leaving Australia, they may eventually return war hardened and with the intent to harm Australians. The officers of the Customs and Border Protection service should be commended for the exceptional work that they do in keeping all Australians safe.
Senator BACK (Western Australia) (14:39): Mr President, I ask a further supplementary question. I ask the minister: how does the government's commitment to adequately resource our border protection agencies contrast with previous approaches?

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (14:39): It is no secret that the key areas in the customs space have been neglected over the period of the last six years. Over $700 million was ripped out from the Customs and Border Protection portfolio under the former Labor government, and this government is putting that funding back. The creation of the Australian Border Force will achieve budget savings by managing both Customs and Border Protection and the Department of Immigration and Border Protection and some functions of the department. We are reinvesting those savings back into the front-line operations of the agency.

In a fiscal environment like the one which we have inherited that is how you get additional resources to the front line. You do so by having more efficient agencies. The establishment of the Australian Border Force will better equip the portfolio to deal with the integrity challenges, resulting in clearer lines of accountability and improved resourcing. The funding, resources and policies the government is rolling out are all going towards making Australia safe. (Time expired)

India: Nuclear Cooperation Agreement

Senator LUDLAM (Western Australia) (14:40): My question is to the Minister representing the Prime Minister, Senator Abetz. I refer to the Prime Minister's delegation to India to sign a uranium trade deal, among other things, and I ask the following: does the government understand that Australian uranium exports will simply—

Government senators interjecting—

The PRESIDENT: Order on my right!

Senator LUDLAM: Does the government understand that Australian uranium exports will simply free up India's domestic uranium for nuclear weapons production, as senior Indian officials are on the record as saying? Can the minister identify how our safeguards agreement can possibly—

Government senators interjecting—

The PRESIDENT: Order on my right!

Senator LUDLAM: You are really embarrassing—you all are!

Government senators interjecting—

Senator LUDLAM: Can the minister identify how our safeguards agreement can possibly prevent Australia from fuelling a nuclear arms race?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:41): I am sure that every Australian wishes the Prime Minister's success in his visit to India to grow that bilateral relationship. Indeed, I understand the Punjabi language is in fact the fastest growing language base in Australia as we speak.

In relation to the issue raised by the honourable senator I can indicate that the Prime Minister has announced that during this visit it is his intention to sign a nuclear cooperation
agreement with India. Exports of Australian uranium to India will comply with Australia's international legal obligations.

Australia takes its responsibilities seriously in this regard. If we as a nation want to see the standard of living increasing in India and we want that to occur with the provision of electricity, there is a choice: we can keep on exporting huge amounts of coal; or, if we are genuinely concerned about greenhouse gasses and CO2, then a way to restrict those would in fact be to assist the emerging powerhouse of India to be able to create energy from such a non-polluting source. It will strengthen the relationship between our two nations and, what is more, hopefully will provide electricity that the honourable senator and I take for granted each and every day but which is not available to many Indian citizens. (Time expired)

Senator LUDLAM (Western Australia) (14:43): Mr President, I ask a supplementary question. Will the minister table a list of the industry representatives and lobbyists who are accompanying the Prime Minister on this trade mission? Will he also now table a copy of the safeguards agreement so that this parliament can see what the Prime Minister has signed us up to?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:44): I do not think there is a great secret in relation to either of those matters but, believe it or not—unlike with Senator Leyonhjelm's onion levy that I did have in my back pocket—I do not have in my back pocket the list of the delegation accompanying the Prime Minister, so I will take that on notice. I just checked my other back pocket and I do not have a copy of the agreement that the senator was referring to, and so I will take that on notice as well and provide it to him.

Senator LUDLAM (Western Australia) (14:44): Mr President, I ask a further supplementary question. In the light of this government's prudent decision, which Senator Abetz informed us of the other day, to ban future uranium exports to the Russian Federation following the implied threats of nuclear escalation made by the Russian President, how can the government guarantee that we will not be placed in exactly the same position down the track if hostilities between India and Pakistan should ever escalate? What will it take for us to actually learn?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:45): One has to make decisions in the context of the particular times. If what Senator Ludlam is saying is that there is about to be a break-out of hostilities in the Subcontinent and that we should be taking that into account, let him put that on the public record. Let him indicate that. Let him indicate whether he believes India or Pakistan will be the aggressor et cetera and just put it into context.

We believe that the purpose of Australian uranium, which will solely be used for the purposes in the agreement, is to supply the Indian population so that an energy source that the honourable senator and I get to enjoy, and most Australian citizens get to enjoy, each and every day will also be made available to vast numbers of Indians that actually live in abject poverty because they do not have access to a regular supply of electricity. (Time expired)
Budget

Senator KIM CARR (Victoria) (14:46): My question without notice is to the Minister representing the Prime Minister. This weekend is the one-year anniversary of the Prime Minister's pre-election promise of 'no cuts to education'. Why has the Prime Minister broken his promise to the Australian people by slashing $5.8 billion from the higher education funding in his first budget?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:47): The Prime Minister made a number of promises to the Australian people, and the overarching promise was to get the budget back into shape. A budget situation that the Australian people understand included the borrowing, each and every month, of $1,000 million just to pay the interest on existing borrowings. I think most Australian people accept that that is unsustainable. Therefore, it was vitally important that we look at different sectors to ascertain how we could assist them and grow them without putting a further demand on either borrowings or the Australian taxpayer.

In the space of higher education, what Mr Pyne, in a very masterful way, has been able to craft is a policy that will see an extra 80,000 places for young, or mainly young, Australians to go to tertiary education. Surely, that is a huge win for the Australian population, especially those 80,000 that would have previously been unable to get into higher education but for our policy in this area.

What is very interesting is that, overwhelmingly, the tertiary sector are now coming on board as they understand more and more of our policy positioning in this area. Be it from regional universities, be it from the more established universities, be it from the commentators—they see the benefits of our changes, which will see a growth in the university sector, a sector that needs to remain internationally competitive as it is either our third or our fourth largest export earner.

Senator KIM CARR (Victoria) (14:49): Mr President, I ask a supplementary question. The National Party federal council last weekend urged change in the higher education package because regional and rural students will be priced out of a university degree. Does the minister agree with his colleague the member for New England, Mr Barnaby Joyce, that such students, 'If they have to go back to their parents and say, "Well, you'll actually have to pay for me to stay in Sydney or you'll have to pay for me to stay in Armidale," the parents can afford it'— (Time expired)

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:49): I am not sure that there was actually a question there at the end, but we loved the rant that we have come to expect from Senator Carr, especially on a Thursday afternoon. It is one of the traditional events in this place to have Senator Carr provide us with the benefit of his decibels.

Can I say to the honourable senator that one of the benefits of our reform package is in fact the Commonwealth scholarship system, which will enable students to potentially use that scholarship money to actually live—

Senator Moore: I rise on a point of order, Mr President, on direct relevance and also the fact that there was clearly a question placed to the minister—
Government senators interjecting—

The PRESIDENT: Order!

Senator Moore: There was clearly a question: do you agree with Barnaby Joyce's statement? He could review Hansard, Mr President, on that. There was a question and we have not got close to hearing a comment on Barnaby Joyce's statement.

The PRESIDENT: Senator Moore, you are correct: the senator did start his question by saying, 'Does the minister agree,' but he never actually concluded his question completely.

Senator Kim Carr: Yes, I did!

The PRESIDENT: Not completely.

Senator Kim Carr: Yes, I did!

The PRESIDENT: Order! The minister has gone just over halfway in answering the question—

Senator Conroy interjecting—

The PRESIDENT: Order, Senator Conroy! If I am asked to take a point of order by your side, allow me at least to rule on the point of order. The minister was just over halfway through his answer. He still has 21 seconds left to answer the question.

Senator ABETZ: Regional students and their communities are among the big winners from the Australian government's higher education reforms. Regional education providers will have the opportunity to offer more courses and be able to compete to attract more students. Indeed, that is why the Wollongong university—(Time expired)

Senator KIM CARR (Victoria) (14:52): Mr President, I ask a further supplementary question. At the weekend, a delegate to the National Party Federal Council, Martin Svikis, said, and I quote: 'Fee deregulation means let it rip.' Why is the government so determined to press ahead with fee deregulation when even rank-and-file members of the National Party know that it means 'let it rip'?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:52): Mr President, you always know that Senator Carr is in trouble when he claims to be an expert in relation to matters National Party. I confess I do not necessarily always understand my coalition cousins. For it to come from Senator Carr really is stretching 'credulity' just that little bit too much. What we do want to see is the university sector grow. Whether you want to say, 'let it rip', I do not know, but to see the sector grow with an extra 80,000 positions is something, I think, we should all celebrate. Let us not forget that everybody with a university degree—not everybody, but on average—in their lifetime will be earning an extra $1 million over the income of those that do not have a university degree. This is an opportunity for another 80,000 Australians—(Time expired)

Water Infrastructure

Senator CANAVAN (Queensland) (14:53): Mr President, my question is to the Minister for Indigenous Affairs, Senator Scullion, representing the Minister for Infrastructure and Regional Development. Will the minister update the Senate on the government's plan for the development of strategic water infrastructure?
Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:54): I thank Senator Canavan for the question. Mr President, I know this is an issue in which Senator Canavan takes a great interest, having been intimately involved in the work of the coalition dams task force prior to the 2013 election, which has laid the groundwork for the creation of the Water Infrastructure Ministerial Working Group chaired by the Minister for Agriculture.

This government is committed to ensuring that we execute a clear, pragmatic and concrete plan for action to build the strategic water infrastructure which will enable our nation to grow and prosper for generations to come. The right infrastructure in the right place will help boost our economy, meet the challenges of the future and manage our vital water resources responsibly. As we have outlined in the coalition's 2030 Vision for Developing Northern Australia prior to entering office, capturing these opportunities requires a federal government with a vision. I am pleased to report to this place—and for those on the other side—that this is in fact a government with that vision.

Through the ministerial working group, Minister Joyce has recently provided the Prime Minister with a water infrastructure options paper. This options paper includes a list of water infrastructure projects for the government's consideration and canvasses options to accelerate strategic water infrastructure development right across Australia. There is a short list of some 30 projects that have been identified from over 100 sites. The paper has taken into consideration the work of the coalition before the last election and, more recently, in an extensive consultation with state and territory governments. The government will now consider recommendations within the options paper as part of the Developing Northern Australia and Agriculture competitiveness white papers.

Senator CANAVAN (Queensland) (14:56): Mr President, I ask a supplementary question. Can the minister explain how the government's plans for strategic water infrastructure will aid the development of Australia's agricultural production capacity?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:56): Australia needs sufficient water storage because of our highly variable rainfall and in order to underpin both our agricultural and urban needs. There is a fundamental need to build new water infrastructure in Australia. In 1980, Australia had 5.5 megalitres storage capacity per person in dams across the nation. That figure has now fallen to four megalitres per person. The reality is, if we do not build more capacity it will be about 2.5 megalitres per person by 2060. Building water infrastructure will be critical in unlocking the potential of many regional and rural areas. The inevitable economic development as a result of these initiatives can then build a critical mass needed by regional communities to enable the delivery of important services like health and education. The Abbott government is committed to helping facilitate economic growth by building water storage capacity. And as Mr Joyce says: 'You do not have a dams task force if you are not going to build dams.'

Senator CANAVAN (Queensland) (14:57): Mr President, I ask a further supplementary question, and I thank the minister for his answer. Can the minister further advise how the government's work on strategic water infrastructure will help aid agricultural development, specifically in Northern Australia?
Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:57): The recently released green paper, as part of the Northern Australia white paper, states that unlocking the potential of Northern Australia will require government leadership that fosters private sector investment and ingenuity. New water infrastructure that is designed to build capacity is one of the six key policy areas outlined in the green paper to drive the growth of the north and help capitalise on our geophysical proximity, as we are close to two surging regions of global economic and population growth—the Asian region and the tropical region.

Through the creation of the Water Infrastructure Ministerial Working Group, this government is proving its commitment to the future growth of the development of regional and rural Australia and the water needs of this nation in the future. This is a commitment which underpins our dedication to Australian agriculture as a key pillar of our economy and a fundamental tool in rebuilding our nation after six years of neglect under the previous government.

Goods and Services Tax

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (14:58): My question is to the minister representing the Prime Minister, Senator Abetz. I refer to Senator Johnston's statement last week reaffirming his call to the Western Australian Liberal Party conference, which said:

If you are unhappy with Western Australia receiving 38c in the dollar as a return on your GST, what you need to do is make a detailed submission to the white paper inquiry on federalism and the white paper inquiry on tax reform.

I also refer to the Prime Minister's edict in the party room this week that there should be no submissions by federal Western Australian Liberals. Will the government allow coalition members and senators to make submissions to these white paper inquiries?

Senator Sterle: I can answer that!

The PRESIDENT: Order, Senator Sterle.

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:59): Mr President, what may or may not have been said in the Liberal Party room—or the coalition party room—is undoubtedly of tantalising interest to the honourable senator. But I am not going to either confirm or deny what those matters may or may not be.

The simple fact is that we as a government are prepared to have a look at the taxation challenges that the nation faces. That is why we are having this taxation white paper. We have also said, in that context, that in relation to the GST specifically, it is an agreement between the states and the Commonwealth that requires each and every signatory to agree to a change.

Therefore it stands to reason that any change in that arrangement will only occur, and can only occur, if each and every state signs onto it. Therefore, it stands to reason that the home state of Senator Bilyk—that happens to be my own home state and, indeed, yours, Mr President—would only sign onto such an arrangement if it believed that it was in the interests of the people of Tasmania. What is more, since the election of the Hodgman Liberal government in Tasmania, Tasmanians can be absolutely—
Senator Moore: I rise on a point of order. While, naturally, the minister has been relevant to the general question, the final question was specifically: would the government allow coalition members and senators to make submissions to the white paper inquiry? That was, in fact, the only real question.

The President: I note, though, that the question went to matters that did not pertain to the minister's portfolio—namely the coalition party room. I allowed the question to stand. Ordinarily that would have been out of order. The minister has been answering the question. He has 32 seconds left to answer the question.

Senator ABETZ: As I was saying, the people of Tasmania can be assured that with the election of a Hodgman Liberal government, their interests will be so much more protected than they used to be under the previous Labor-Green government that wrecked the Tasmanian economy and saw Tasmania top the charts in all the wrong ways—high unemployment, recession, the highest rate of debt, the lowest rate of education. On all those factors, it was a failure. Tasmania will be looked after.

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (15:02): I have a supplementary question. I refer to comments by Senator Dean Smith, who said that it made sense of the Western Australian Liberals to endorse a state government submission, as the GST issue is 'the most important issue to Western Australia—full stop; no ifs no buts.' Is he right?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (15:02): It stands to reason that the GST issue is the most important issue for the people of Western Australia. So Senator Smith was right. Can I say, from a Tasmanian perspective, that the GST issue is the most important issue from a Tasmanian perspective as well, as it is for New South Wales, for Victoria and Queensland. So, of course, Senator Smith is right, as it would be right for any other senator to assert and to advocate in this place, that the GST distribution is the most important issue facing that particular state. So, there is no inconsistency in Senator Smith's defending his state and my defending my state.

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (15:03): I have a further supplementary question. I refer to comments by the Treasurer that he understands where Western Australia is coming from in relation to the GST, and that this is something that is going to be very actively considered as part of the Federation and tax white papers. Is the Treasurer laying the groundwork to break yet another pre-election promise?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (15:04): The answer, of course, is an absolute no. The Treasurer fully understands where Western Australians come from on this issue, and he appreciates their situation. He also fully appreciates the position from which Tasmanians come on this issue. He appreciates their position. In that context, might I say that, with a great presence in the coalition party room of the federal members for Bass, Braddon and Lyons, Messrs Nikolic, Whiteley and Hutchinson, the Tasmanian cause has been enhanced, courtesy of the Tasmanian people at the last federal election.
So the four Tasmanian voices have become seven Tasmanian voices. So, where Senator Bilyk failed, in her government, in looking after Tasmania, the coalition party room—enhanced as it has been—will look after the Tasmanian interests. (Time expired)

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

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Education

Senator McLUCAS (Queensland) (15:05): I move:

That the Senate take note of questions asked by opposition senators today.

I asked Senator Nash some questions today about the impact of the interrelationship between the proposals to change the way we fund our universities in this country, and the impact that will have on the future health workforce in Australia.

Frankly, I was rather disappointed at Senator Nash's somewhat flippant responses. I would have thought, given the commentary—in the health media, and around health generally—about the concern that we have about how many doctors and nurses we are going to need in the future, that Minister Nash would have had a far more fulsome answer to the question that I raised.

The Australian Nursing and Midwife Federation yesterday called on all of us to reject the deregulation in university fees. I will quote them again. They said:

It’s nonsensical that as a significant Australian nursing shortage looms over the next decade, the Abbott Government is intent on systematically destroying nursing education in this country …

The coalition government has form on this. When they were in government last time I believe it was health minister Abbott who cut the training places for our doctors, and as a direct result of that action his government had to deal with the doctor shortages that arose. They had to make large increases to the number of undergraduate doctor places, and then we had again the problem we now have with training. You have to plan for a workforce. I was terribly disappointed that Minister Nash had not been asking her department to get busy, to do the work, and analyse the impact of fee deregulation on our health system and on our health system's ability to attract, to train and to retrain Australian nurses. I was shocked that Senator Nash said there would be no impact on the way we train nurses. We know that most of our young people going into nurse training are women, and if we say to them that they will graduate with a bill of $63,000 if they go into nurse training then surely that will raise a question in the minds of those young women. The current cost of getting a nursing degree is $23,000. Basically, we are going to triple that cost. Of course it is going to be a disincentive for young women—particularly young women from rural areas who are from low-income families—to undertake a nursing degree. How are we going to staff our hospitals into the future, how are we going to staff our aged care facilities into the future, if we put such a barrier in front of young people getting a nursing education?

Minister Nash also referred to an answer she gave yesterday to Senator Ketter. She said yesterday:

If those opposite paid a little more attention—

be assured we do pay attention—
they would realise that that is National Party policy. We then go on to form coalition policy for the election campaign and that immediately addresses the issue.

That made me go and find their health policy. It states:

Only The Nationals' Regional Health Rescue Plan can ensure that the one third of Australians living in the regions get a fair go from the health system and a fair share of health funding.

So what do they do? They go around Australia with this document that says that only the Nationals can do this and then they go into their little meeting with the coalition and say, 'This is what we've put together'—and what happens then? The Liberal Party says, 'That's no good; we won't have that.' But they have had their campaigning opportunity, running around Australia telling everybody that only the Nationals can do this. The first thing in the Nationals' plan is that they will have a minister for regional health. But we do not have a minister for regional health. Everyone who has read this document, who voted National because they believed that this was what the National Party would deliver for them, believed that we would have a minister for regional health—but we do not. We do not have a minister for regional health and country people are the big losers in this budget. (Time expired)

Senator BIRMINGHAM (South Australia—Parliamentary Secretary to the Minister for the Environment) (15:11): This Sunday will mark the first anniversary of the 2013 election that saw the end of a hapless period of Labor government—a period marked by division and disunity; a period marked by dysfunctional policy, as we have seen this week, writ large and highlighted by the release of the report of the Royal Commission into the Home Insulation Program, and a period marked by mounting government spending, record deficits and record debt. Twelve months on, this Sunday, this government stands here proudly delivering on our promises—promises to get the budget back under control, to build the roads of the 21st century, to stop the boats and control Australia's borders, to axe the carbon tax and to axe the mining tax. We have seen this week further progress on the last of those key promises—axing the mining tax has been delivered for all Australians.

We heard in question time today questions from those opposite who continue to go on about the impact of the mining tax package. The impact for all Australians of the mining tax package just passed is that we will greatly reduce this country's future level of debt. We will reduce that debt enormously because over the forward estimates the package the Senate passed this week will save some $10 billion. Over the next decade that package will save some $50 billion. The legacy the Labor Party left this country of $25,000 debt for every man, woman and child is being tackled and is being tackled through reforms just like that one. We are continuing with further reforms—not just those to get the budget under control but reforms to make Australia more competitive. Those reforms apply right across the economy, but they apply, importantly, in education as well—another sector those opposite asked questions about today and an area that Senator McLucas was trying to talk about before. I note that Senator McLucas's contribution seemed to focus on whether we have a minister for regional health. She seems worried about titles on business cards, and there seems to be constant carping from those opposite about that. We on this side are worried about policies and reforms and things that make a difference to all Australians.

In the higher education reform space, we are implementing a suite of packages that will make Australia's higher education system more resilient to increasing global competition for higher education dollars and will ensure Australians have the best possible access to the
broadest possible range of education opportunities. Contrary to the lies coming from those opposite, funding for higher education, including the total of Commonwealth Grant Scheme funding for student places and regional loadings, is going up under the coalition government. We are spending more on higher education because we will be supporting more students having more opportunities.

For many disadvantaged students, the most important of the reforms that are proposed perhaps will be the support we will put in place for an uncapped number of diplomas, advanced diplomas and associate degrees, creating enormous opportunities for students to access taxpayer support for places that they have never before had support for. It will create opportunities for an estimated 80,000 additional students, many of whom will likely come from lower socioeconomic backgrounds, many of whom may come from regional Australia, and all of whom will benefit from this important reform.

It sits alongside the deregulation opportunities in these reforms that exist for universities that will allow them to focus on specialising and doing what they can do best. It will ensure that we have universities operating among the best in the world for years to come, as well as ensuring we have universities choosing to specialise in delivering key courses like nursing to the best of their abilities by creating those places for students into the future.

Importantly, every Australian needs to understand that as a result of these reforms no-one will have to pay a dollar up-front. There is no change to the way the HECS scheme works in that regard, and no-one will have to repay their loans until they are earning over $50,000 a year. This is the type of reform that will set Australia up for the future. (Time expired)

Senator CAMERON (New South Wales) (15:16): The problem with Senator Birmingham's contribution is that no-one in Australia believes you. No-one trusts you. No-one trusts this government, because this is a government that came to power based on lies. This is a government that came to power based on misrepresentations, and it is a government that came to power based on fear campaigns.

It is clear now that 12 months into this rabble of a government the Australian public are shaking their heads, wondering what happened to all the promises that were made. Why are pensioners being hammered by this government? Why is the health system being stripped of resources by this government? Why is this government not the government they said they were going to be, prior to the election? This is a government that has demonstrated in the last 12 months that it is incompetent. It is absolutely incompetent.

The Treasurer has delivered a budget that is universally condemned around this country. He has delivered a budget that has rank-and-file National Party members standing up at their conferences condemning the issues and the aspects of the budget that the Liberals are forcing on the National Party. If the National Party were not such doormats to the coalition, they would actually be standing up for rural and regional Australia. They would actually be saying, 'Why are you ripping away at the residents of rural and regional Australia?' They would be demanding a fair go for rural and regional Australia. Yet, what do we have from the National Party? We have absolute silence.

Removing the superannuation contribution for workers earning less than $37,000 affects rural and regional Australia more than most other areas. In the National Party seat of Cowper, 46.5 per cent of workers are earning less than $37,000, and they are the ones who are being
affected by this cruel attack on superannuation. In Page, the seat of Mr Kevin Hogan, 46 per cent of the electors are affected by this. So you are getting superannuation entitlements ripped away from ordinary Australians. It is no use if Senator Cormann stands up here and tries to ignore what business is saying. Business is saying that this money will not come back to ordinary Australians. Business is saying, ‘Because your superannuation increases are being stopped, you will not be getting pay rises.’ That is what business is saying.

Yet this rabble of a government, this incompetent government, stands up here and continues its misrepresentation. It continues to live in a parliamentary bubble and just does not understand what is happening in the real world out there in Australia. They just do not get it. To save for your future is something the Liberal Party used to say was a good thing. Now we have the Liberal Party standing up and saying, ‘No, just get the money now and spend.’ Where is the argument that thrift, that saving for your future, is a good thing? Where has that gone? It has simply gone because this government has absolutely no compunction about lying to the Australian public. And when it has lied to the Australian public, when it finds itself in a difficult position, it just lies and lies again.

That is why the public do not trust this government. They see the government as one based on lies and misrepresentations. They see this government as one based on ideology, an ideology which says, ‘If you have brown paper bags full of money and you can hand it over to the Liberal Party, we will look after you. But if you are a pensioner, we are going to cut the pension.’ That is what this government is—incompetent and untrustworthy. (Time expired)

Senator BACK (Western Australia) (15:21): Forty-three years as a veterinary surgeon enables me to give Senator Cameron a bit of advice, which is that if you flog a dead horse often enough, it still remains dead. What Senator Cameron seems to have overlooked is that 12 months ago this weekend the people of Australia, in 150 electorates around this country, actually voted for a coalition government with the very polices that poor old Senator Cameron stands up here and so badly maligns. The people of Page and the people of Cowper had as much brains last year as they will have in two years time, Senator Cameron. The Labor Party risks dealing itself into the world of irrelevancy in higher education and health, as indeed it was rendered irrelevant on the mining resource rent tax earlier this week. Senator O'Neil was going on about the mining industry and small business and I gave her the challenge that Senator Sterle might want to take her to Hannan Street, Kalgoorlie, where he could walk her up and down Hannan Street to look at all the empty businesses that were occasioned as a result of the shocking, rotten mining and carbon taxes that befell that very, very proud mining community. I do not know where the Labor Party is when it talks about protecting Australian jobs.

We have just heard the usual rant from the dead-horse flogger Senator Cameron, when he was talking about the Australian people believing that what the coalition has been saying are lies. He has now brought the entire Universities Australia sector into that. Let me quote from a 28 August release—only a couple of days ago—from Belinda Robinson, the Chief Executive of Universities Australia, in which she said:

The peak body representing Australia’s universities has called on the parliament to support the deregulation of Australian universities with changes to the government’s proposals that will assure affordability for students and taxpayers.

No dead horses there. That is what Universities Australia is talking about.
... a once in a generation opportunity to shape an Australian higher education system—
and these are Belinda Robinson's words, not ours—
that is sustainable, affordable and equitable in serving the best interests of students and the nation.

It was Senator Carr, the shadow Minister for Education, who made the allegation about regional universities. I had the pride and privilege of being on the faculty of a regional university for 13 years in our state of Western Australia so I do speak with some authority on that. It is very, very deeply disappointing—and I would urge the leadership of the Australian Labor Party to think carefully about this—that Senator Carr has been out there saying in the education space, 'We do not care what the coalition's policies are in higher education. We are going to oppose them and oppose them and oppose them because we want to force the coalition to a double dissolution election.' That man over there in that seat is the alternative Minister for Education. If he is so politically driven and so policy starved that he is not prepared to examine, to accept and to listen to the views of the very universities charged with responsibility in this field, then the man ought to submit his resignation.

But let me tell you about the opportunities for regional universities as one who was in them. He made the comment 'let it rip.' Well, if I was still at the Muresk Institute—then part of Curtin University—I would be saying the same thing. I would be saying, 'Deputy President, look at these new policies'—through you to Senator Brown—with funding for diplomas and funding for sub-university degrees and that whole vertical integration from skills development right through to degree courses and higher education. They are all funded through the HECS scheme. What cost to a student starting their course—zero. No dollars. All paid for by the Australian taxpayers—people like yourselves up there. Absolutely not one dollar being paid at the time and nothing paid until that person is earning $55,000 or probably $60,000. And even then—to pick up the points about nursing—

Senator Carol Brown interjecting—

Senator BACK: please, Senator Brown, some courtesy—to have that figure capped for someone earning $55,000 to $99,000 a year. And the maximum? Four per cent—not a bad deal. Not a bad deal if you are going to earn a million dollars over your career with a degree initially funded by the Australian taxpayer. Only when you are at $100,000, would you be paying a maximum cap of eight per cent. This is the best opportunity that young Australians have ever had. It leaves us internationally competitive. I am proud to support it. (Time expired)

Senator KETTER (Queensland) (15:26): I rise to take note of answers given by the Minister for Finance and the minister representing the Minister for Health on questions without notice asked by opposition senators today in relation to superannuation and certain health matters.

As we come to the 12-month anniversary this weekend of the 2013 federal election, it is worth reflecting on the promises that this government made to the people of Australia a year ago and how they have systematically and underhandedly gone back on those promises over the last year. We can recount the various areas in which this government has regrettably gone back on pre-election commitments in the areas of health, education, no new taxes and superannuation.
This week alone in the Senate we have seen the future superannuation savings of millions of Australians snatched away by this government with no consultation, no prior notice and no explanation. We have also seen government senators justifying cuts to rural and regional health care on the basis that what they said before the election were merely National Party commitments and not coalition commitments. Regrettably, that appears to be what the National Party has been reduced to under this Abbott-led government: a party that suggests policies for rural Australia but has no power to enforce them when in government.

I refer back to my question to Senator Nash today. I asked about the 2013 coalition health policy to fund 50 per cent growth funding of the efficient price of hospital services. If one goes back to the coalition's policy document, it says:

A coalition government will support the transition to the Commonwealth providing 50 per cent growth funding of the efficient price of hospital services as proposed, but only the coalition has the economic record to be able to deliver.

I emphasise that last sentence, because when we are talking about delivering on promises it is quite ironic that the actual policy emphasises that the coalition is going to deliver on this promise, but we are seeing that is not going to happen.

On the issue of rural health, I would like to take honourable senators back to some information from the National Rural Health Alliance going back to May and in particular in respect of the GP co-payment and the effect that this has on the rural communities. There was an opinion piece on 16 May by Catherine Nielson which was entitled 'Measuring the fairness of the federal budget for rural people'. Ms Nielson prepared an overview and concluded that it was likely to have a damaging impact on the people of rural and remote Australia. The article goes on to talk about various areas of policy, including welfare payments, age pensions, disability support, pensions, fuel excise, Indigenous programs, environmental initiatives, education. It goes on to conclude:

Overall, evaluation of the changes in such program areas as briefly described here leads to a gloomy prognosis for the income and wellbeing of families in rural and remote areas. And therefore it leads to a gloomy outlook for their health.

I turn to the area of superannuation. Senators might remember that in my first speech, I made specific reference to the world-class superannuation system that we have in this country. Superannuation savings in Australia are approximately fourth-largest in the world. The deal to cut future superannuation contributions, which we have seen this week, was done with such disregard for due process and was rushed with such speed through the House that the government hardly gave time for even cursory consideration of it. These changes to superannuation are so blatantly opportunist, it is no wonder that the government is loath to talk about them. It will pretend that the events of this week never happened, but I will tell you who will not forget—the millions of Australians who will find a comfortable retirement that little bit further out of reach.

Before the election, the Prime Minister said that he expected people to be very harsh on a new government that does not keep its commitments. So what was his commitment on super? He had said:

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

The only thing that is clear and categoric— (Time expired)
The DEPUTY PRESIDENT: The question is that the motion moved by Senator McLucas be agreed to.
Question agreed to.

India: Nuclear Cooperation Agreement

Senator LUDLAM (Western Australia) (15:31): I move:

That the Senate take note of an answer given by the Minister representing the Prime Minister, (Senator Abetz), to a question without notice asked by Senator Ludlam today relating to the Prime Minister leading a uranium industry delegation to India.

There may be a lot more afoot. He might be doing all sorts of other things while he is there. But all we are really hearing about is the Australia-India uranium deal. This parliament has an authority that looks at these international agreements, whether they be trade agreements or treaties, assesses them and provides a view to the parliament. The parliament can then make of it what it will. The key flaw in this process—and it is about to be vividly demonstrated in this place—is that the deals get done and then the parliament gets asked its opinion. The Joint Standing Committee on Treaties in 2008 submitted a damning report on the subject of uranium deals to Russia. Everything that we wrote in that report—which, I think, was the first one that I signed when I arrived here—has been vindicated this week, with the government suspending future uranium exports to the Russian Federation in the same week that the Prime Minister leads a delegation of uranium executives and lobbyists to New Delhi, or to Mumbai, to seek to open yet another avenue of this toxic trade.

The question that I put to Senator Abetz was based on a quote. I have lost track now of how many times I have put this one on the Hansard record—one more for good luck and maybe it will get through. The question was premised on the following piece of information.

A gentleman named K. Subrahmanyam, the former head of Indian National Security Advisory Board, said:

It is to India's advantage to categorise as many power reactors as possible as civilian ones to be refuelled by imported uranium and conserve our native uranium fuel for weapons-grade plutonium production.

That is the basis on which I put the question to Senator Abetz. How on earth do you write a safeguards agreement that protects against that kind of behaviour when it is right out in the open? We are now complicit, or we will be complicit, if this trade commences with a subcontinental nuclear weapon's arms race that has been in play for at least 30 years. We will not be able to say that we were not warned. That is why I put this quote on the record again.

If Senator Abetz wants to come back in here again and explain how the safeguard agreement can prevent the Indian government from using its dwindling and quite low-grade uranium supplies in a weapons program, having freed up those domestic supplies with uranium from Australia, then let us see it. But it cannot be done. We know it cannot be done. So the Australian government might be going into this issue with a blindfold on. The Australian Greens are not and neither are very large numbers of the Indian people.

I want to quote briefly from some correspondence that I received earlier in the week from Bhargavi and Sundaram on behalf of very large numbers of people who have been campaigning against the construction of a Russian nuclear power plant on the south coast of
Tamil Nadu in an area, which, by coincidence, was flattened by the Tsunami in 2004. They write:

This deal endangering the lives of the aboriginal people of Australia and the poor, working-class masses of India is an unacceptable one. The Indian state has a track record of repression, violence and resorting to undemocratic means in dealing with the people's movements and hence it needs of global attention to embarrass both the governments on their ill-informed deal.

'An ill-informed deal'—I could not have put it better myself. You will not be able to say that you were not warned. Why, for example, rather than backing up the Indian government's repressive attempts to build further nuclear power plants on the Indian mainland, which have been met with stiff resistance—I am talking about tens of thousands of people massing on that coast in Tamil Nadu to try and prevent the construction and commissioning of these plants, because they have to live next to the damn things and they do not want their kids growing up in the shadow of atomic reactors when they know the damage that is being done elsewhere in India: the near misses, this spills, the misadventures, the near meltdowns, the fires, the floods, the containment vessel collapses. This is all on the public record. You will not be able to say that you were not warned.

Let us look at what the Indian authorities, technologies and industry are doing in the solar sector. When Senator Milne proposed this during question time, people laughed at her. On the coalition benches there was giggling and harassment about 'Why don't we just sell them candles?' You purely do not get it. You are extraordinarily out of step with what the Indian government is doing with solar technology. At a small-scale, it is much better suited to the micro-grids and the village-scale electricity infrastructure, or lack of infrastructure, that prevails for much of the regional Indian subcontinent. There are also large industrial-scale solar power stations that power the industry in the big cities. It is real. You can ignore it all you like, but it is real. That is why you are being so profoundly wrong-footed in your miscalculation of Indian energy needs. This deal is something that the Australian and the Indian people will come to regret. (Time expired)

Question agreed to.

DOCUMENTS

Asylum Seekers
Tabling

The DEPUTY PRESIDENT (15:37): I present a response from the Minister for Immigration and Border Protection, Mr Morrison, to a resolution of the Senate of 14 July 2014 concerning asylum seekers.

Register of Senate Senior Executive Officers' Interests
Tabling

The DEPUTY PRESIDENT (15:37): I present the Register of Senate Senior Executive Officers’ Interests incorporating statements of interests and notifications of alteration of interests lodged between 1 July 2014 and 31 August 2014.
BUSINESS

Leave of Absence

Senator McEWEN (South Australia—Opposition Whip in the Senate) (15:38): by leave—I move:

That Senator Wong be granted leave of absence for today, 4 September 2014, for personal reasons. Question agreed to.

DOCUMENTS

National Security

Order for the Production of Documents

Senator COLBECK (Tasmania—Parliamentary Secretary to the Minister for Agriculture) (15:38): With reference to Senator Ludlam's return to order motion of 27 August 2014, I table a document concerning data retention.

COMMITTEES

Joint Select Committee on Northern Australia

Report

Senator IAN MACDONALD (Queensland) (15:38): I present the final report of the Joint Select Committee on Northern Australia, *Pivot North: an inquiry into the development of Northern Australia*, together with the minutes of the committee and I seek leave to move a motion in relation to the report.

Leave granted.

Senator IAN MACDONALD: I move:

That the Senate take note of the report.

In presenting the report, I first of all want to express my appreciation to my Senate colleagues on this side of the chamber, Senator Smith and Senator Canavan, for allowing me to present the report. Although I was not and am not a formal member of this committee, I did attend most of the hearings and meetings. The development of Northern Australia has been a passion of mine since I first came to this chamber some 24 years ago. Indeed, in my first speech, which coincidentally was given 24 years ago on this day next week, I made significant reference to the development of Northern Australia. In the six years prior to the election of the Abbott government, I was the coalition spokesman on Northern Australia and in that capacity travelled very widely, consulted very extensively and argued the case across the North—and indeed the rest of Australia—for a serious push to develop Northern Australia.

I also thank all the other senators and members of the House of Representatives for their contribution to this report. It is, you will note, a unanimous report of the committee: from the coalition, from the Labor Party and from the Greens. That is rather unusual—I might say unexpected—for an inquiry of this breadth with a lot of different issues. The committee worked well together to come to a conclusion that I think will be useful for the future. I particularly want to thank Warren Entsch, the chairman of the joint select committee. Warren is a personal friend of mine and a great Northern Australian. His passion for the North almost equals mine. I also want to mention, in addition to those senators who may well speak on this report, former Senators Sue Boyce and Alan Eggleston, both of whom were on the original
committee but who retired from it when they left the Senate at the end of the last financial year.

The inquiry has formed one part of a broader process aimed at looking at ways to develop Northern Australia. The Australian government made a commitment to produce, within 12 months of the last election, a white paper outlining its vision for the future of Northern Australia. The committee's findings and recommendations will inform the white paper process, assisting the government to formulate its policy for the future development of Northern Australia.

The inquiry into the development of the North was greeted with a huge amount of enthusiasm and anticipation but also with some scepticism about possible outcomes. Since 1937 there have been numerous investigations, reports and recommendations aimed at developing Northern Australia which are gathering dust on shelves. It is now up to the government to prove the sceptics wrong and get things moving.

Indeed, as the Minister for Regional Services back in 2001, I started a process which got about to this stage but then faded away—and nothing happened. My colleagues and I are determined to ensure that the work done by this committee, and by other groups that have been formed around this effort, does actually come to fruition. I am disappointed that the process was a little delayed. As I said when I moved an amendment to the motion setting up this committee, it is my desire to ensure that something does in fact happen following this process.

The development of Northern Australia is one of the great challenges and opportunities facing the nation. Northern Australia covers over 40 per cent of Australia's land mass and generates something over 50 per cent of Australia's export earnings but contains less than five per cent of Australia's population. It has abundant land, water and mineral resources. It has medical and educational institutions with world class facilities.

Northern Australia is on the doorstep of Asia and is part of the tropical world, part of the Torrid Zone which circles the globe between the Tropic of Capricorn and the Tropic of Cancer. By 2050, the tropical world will be home to over half the world's population. There are great opportunities for the people of Northern Australia within the tropical zone. The development of the North has in the past lacked a commitment by governments at all levels to pursue investment and development in a consistent, sustainable and coordinated way.

The committee has made some 42 recommendations covering a wide range of important issues. There are seven priority recommendations and, given time, I will return to those later. The remaining recommendations include particular development proposals and measures to address opportunities for and overcome impediments to development. To realise the opportunities development could bring, the committee has made recommendations to establish a CRC for northern agriculture and to develop a national institute for tropical sports and sports medicine. The committee also recommended the exploration of new methods to better engage the Aboriginal and Torres Strait Islander workforce. This is particularly significant given the large and growing proportion of Aboriginal and Torres Strait Islander people in Northern Australia. The committee has recommended the implementation of long-term strategies for the development of capital infrastructure and agriculture in Northern Australia. Those strategies will underpin the long-term growth and development that Northern Australia needs.

CHAMBER
There are serious impediments to Northern Australia's development which must be addressed. To do this, the committee has recommended improved regulatory arrangements for aquaculture and better regulation of fisheries to enable sustainable growth of the industry. The report also addresses growing concerns over fly-in fly-out employment, calling for improved taxation arrangements to encourage local employment in the resources sector.

I am pleased that, with the change of the terms of reference, the committee was able to focus on other taxation matters and I am particularly pleased that the committee has addressed and made recommendations in relation to an upgrading of the zone tax rebate, which will be an important element in the further development of Northern Australia.

The main purpose of the committee's recommendations is to promote investment in and the liveability of Northern Australia. One major constraint that Australia faces is growing the population in the north. That is absolutely critical.

In presenting this report I also want to mention my thanks to the committee secretariat, who have done an absolutely magnificent job. The amount of information that has come in, been sorted through and been put into a readable form is enormous, and the committee, currently led by Ms Stephanie Mikac, previously by Peter Stephen and including secretaries Dr John Carter, Dr Bill Pender, Ms Loes Slattery, were magnificent. The administrative officers Emily Costello, Megan Pealy and Carissa Skinner have also been very helpful.

On behalf of the chair I would like to thank all those who contributed to the inquiry and those who gave evidence. A lot of it many of us have heard before, but it has now all been gathered into one very comprehensive if quite lengthy tome which has resulted from the inquiry. The committee undertook an extensive program of travel for public hearings and inspections and received, as I said, many valuable submissions.

I again thank all of those involved in the committee. Having me, Senator Siewert and Ms Alannah MacTiernan in the one room on the one committee would, some might say, pose challenges, but I am delighted to say that, although we obviously will disagree on some elements, by and large we are all dedicated to the sustainable development of the north. I hope that our comprehensive report in fact endorsed that.

I do not have time to go through any of the recommendations; I will have to save that for some other time. Thanks to those involved. Thanks to the secretariat. Thanks to all those who contributed. I commend the report to the Senate.

Senator SIEWERT (Western Australia—Australian Greens Whip) (15:48): I too would like to take note of this report. As Senator Macdonald said, having representation of the major parties and the Greens in this committee could, you would think, have challenges—and in fact it did—but I think we have worked well together to produce a report. It would be fair to say, wouldn't it, Senator Macdonald, that some of us have more support for some of the recommendations than others, but we were able to agree on the recommendations? We have, I suspect, a different vision for the north that involves perhaps not quite as much industrial development as some others, but we can agree on the parameters in which we need to be looking at the north in terms of development and what parameters need to be put in place.

We all agreed that development, infrastructure and things that go ahead in the north must be based on the principles of sustainability and must be subject to scientific assessment. For example, for infrastructure there is a set of parameters that we recommended, including that
Infrastructure Australia reviews proposals for substantial investment in infrastructure. We all agreed that we needed to ensure that development proposals and other proposals for the north took into account the change in climate and that all planning processes included the development of adaptation and mitigation policies and strategies for Northern Australia. We also agreed on water resources. While I suspect there is a difference of opinion on which water resources should and could be developed, we did agree on a set of principles by which that development, if it is to go ahead, should occur, and that should be subject to scientific investigation and have access to the best scientific information.

We also, very importantly, all agreed, acknowledged and recognised as a committee that Aboriginal and Torres Strait Islanders have rights as traditional owners and/or native title holders over significant areas of Northern Australia both on land and at sea. In addition, the committee expressed its respect for the centrality of Aboriginal and Torres Strait Islanders' language and culture and acknowledged that any future development of Northern Australia will require the engagement of Aboriginal and Torres Strait Islander peoples not only as landowners but as participants and potentially partners and leaders in the development process. That was very important.

When we visited areas in the north, we did talk to a lot of Aboriginal land owners and native title holders and also some really good examples of really positive projects that Aboriginal communities own or Aboriginal people own and have developed. These are multimillion dollar companies. The Rusca Bros is one that sticks in my mind because of the way that they run their business. They focus on supporting Aboriginal youth, particularly into employment, and understand the need to provide wraparound services for those young people going into employment so that they can maintain a connection with that employment. We were provided with examples of where young people have come from lacking necessary numeracy and literacy skills to then engaging employment and maintaining employment, and then gaining the certifications needed to operate very heavy equipment. We were also shown a project where a $170 million contract to deliver some necessary road infrastructure was completed on time, and not only was it performed on time but also with the efficiencies to do extra work with the money that was available and, at the same time, train people.

I want to acknowledge Senator Macdonald's role in promoting this and recognising the significance of culture and the arts in the North and building that into the recommendations. He also acknowledged the importance of Aboriginal and Torres Strait Islander art and culture. You will find there is a recommendation about that as well.

Environmental sustainability was obviously another key area that I was particularly keen to make sure that we addressed. In the report we acknowledged areas that have the potential to impact negatively on the environment such as harbour dredging, the use of water, the development of water resources and mining developments. We also looked at conservation benefits.

We did not all agree 100 per cent to 100 per cent of the recommendations. We were a little bit nervous about some of the recommendations in the report, and different members of the committee were also nervous about them, but we do not want to repeat the development mistakes of Southern Australia in Northern Australia. We need to make sure that we do not destroy the environment in any further developments of the North. We need to acknowledge that there are already communities in the North that do need some support.
It is pointed out in the report—and Senator Macdonald touched on this—that they face a higher cost of living and they do not have access to the same education, health and social services that people in the major capital cities in the southern areas of Australia have access to. If we are to support a population, in particular the growing Aboriginal population—we know that Aboriginal populations are growing much faster than non-Aboriginal populations—we need to make sure that we invest in social infrastructure. We have also touched on those recommendations in the report. In terms of other Aboriginal recommendations, we have acknowledged the need to make sure that we enhance employment opportunities and work in partnership with communities.

I am looking forward to continuing the work in Northern Australia and working as part of the committee to look at how the white paper comes out and to look at what the government does to make sure that we do not repeat those mistakes and enhance the opportunities for those people already in the North, particularly Aboriginal and Torres Strait Islanders. We did visit the Torres Strait Islands and gathered evidence there. I will say that there were a number of proposals from all over the North about development, some of which have more legs than others and some that are on the edge in terms of being sensible or viable. One of the projects I do think is really good is the proposal for renewable energy in the Torres Strait. We also built into this report the role for renewable energy in the development of the North.

I look forward to my continuing involvement in this report and working with my colleagues to see if we can continue to work together to see that any development that happens in the North meets the triple bottom line of being socially, environmentally and economically sensible. I commend the report to my colleagues and encourage them to read it.

Senator CANAVAN (Queensland) (15:57): I too wish to be associated with the remarks on this pathfinding and, hopefully, 'path-breaking' report. I too want to give credit to Senator Macdonald who has been, as we have just heard, pushing this case for some time. He often makes the point that there are very few politicians from Northern Australia. He could probably give me the number, but there are not many out of the 226 in this place.

Senator Ian Macdonald: Twelve.

Senator CANAVAN: Twelve. Thank you, Senator Macdonald. That is a fairly small proportion. We need people like Senator Macdonald pushing this case, because the only way we can bring somewhere like Northern Australia to the forefront of our debate is by people getting up and pushing it further. This report is another little step towards bringing the development of the North closer. It is starting to snowball. It is starting to get some momentum. This is another turn of the ball here with this report, and I very much hope, as Senator Macdonald said, that the government can now turn words into actions in the next year.

I do want to say that the development of the North should not be something that is of concern to Northern Australians. It is a national priority. It is something that we should all be behind, because too many Australians live in our capital cities—about 60 per cent of our population live in our top five cities. If you look over at the US, their top five cities account for somewhere between five per cent and 15 per cent of their population, depending on how you count their cities. So we are a very concentrated country and we do need to develop the frontiers of our nation.
We only have 16 cities in Australia that have more than 100,000 people, and three of the five youngest towns with more than 100,000 people are in Northern Australia: Cairns, Darwin and Townsville. Interestingly, they were all founded in the decade between 1865 and 1876. There is something significant about that decade. I am thankful that my colleague, Senator McKenzie, who is from Victoria, is here, because the coincidence is that they were founded just a few years after the Burke and Wills expedition of 1860 to 1861, which, of course, originated from her great state in the south of our nation.

One reason we were able to do the Burke and Wills expedition at that time—and it was a massive expedition at great cost—was that we had the wealth to do so. We had the wealth to do so thanks to the gold rush. The Victorian government took the decision to fund the expedition. I was reading a book about it recently. Apparently, there was some speculation that they funded the trip to try to annex north Queensland. That was their real aim. Thankfully, it was not successful, Senator Macdonald, otherwise we would all be playing AFL not rugby league. That did provide a great legacy because it opened up that part of our country. If you spend any time in that part of the world these days you are continuously reminded of the legacy of Burke and Wills. So many areas are named after Burke and Wills. The town of Cloncurry is named after Robert O'Hara Burke's cousin Lady Cloncurry.

We have just had the biggest terms of trade boom since the gold rush and we as a nation should be focusing on how we turn the wealth we have had in the last decade to a new frontier of wealth, as we did 150 years ago, to a new area of our nation. Then we will be able to look back in 20, 30 or 40 years at what we have done. This report is another step in helping to do that. We have amazing opportunities in northern Australia. Many of them are thanks to the development of Asia and the markets that exist over there.

I want to quickly relate a story to the Senate. I was lucky enough to be in Shanghai a few months ago and I enjoyed a very nice T-bone steak in a Shanghai hotel. That 300-gram steak cost A$110. I can tell you that our beef producers are not getting $330 a kilogram right now, but there is lots of money to be made there. There is a huge opportunity for our agricultural industries to take advantage of that demand and willingness to pay. I am very glad, therefore, that this report has identified some specific projects that can help our agricultural industry take advantage of those opportunities and take the next step.

Many water projects have been recommended by this report—and Senator Macdonald went through some before—such as in the Fitzroy Basin the Rookwood Weir and the Eden Bann Weir, the development of the Gulf, the Cave Hill dam, off stream storage near Richmond and other off stream projects that will be viable in the Gilbert and Flinders rivers. We need to invest in roads and ports as well because no farm is an island. They need to be connected to these markets in Asia, so there is a role for the government to make investment, to provide some funds, to help connect those new irrigation opportunities to ports so things can get to Asia—to Shanghai and to Tianjin—and all the places where people are willing to pay good money for our produce.

We hear a lot of talk about the potential for private investment to help with this development. There is no doubt that that will play a substantial role, but in my view that needs to be partnered with some public investment as well in the public infrastructure that governments should provide, such as roads, dams and ports. It is great to see that this inquiry has made such recommendations on all those areas of infrastructure.
I will conclude on water very briefly, so I can leave time for others to make remarks. I was fortunate when the coalition were in opposition to have some role in Senator Joyce's office—he is Minister Joyce now—developing our approach to dams. There is so much water in our north—60 per cent of our rainfall is in the north—but it is really important that we focus as a nation on using water where it falls. It is attractive to think that we can take the water in the north and bring it down here and develop places that are available, but that would be a mistake because water is very expensive to transport. It is very heavy and we do not have a lot of height in our country, so we need to focus on using water where it falls. That is why we should develop northern Australia and that is why I am very glad that this report has identified the areas that we can develop. I look forward to seeing the government response through their green paper and white paper, which I am sure will demonstrate a great and prosperous future for northern Australia.

Senator SMITH (Western Australia) (16:04): I would also like to associate my comments with those of Senator Macdonald, Senator Canavan and Senator Siewert and congratulate the Joint Select Committee on Northern Australia on this report. I would also like to draw attention to the great work that former senator Alan Eggleston did, a former Mayor of Port Hedland. He was a very strong advocate for the north-west of our nation. I hope in my own little way to be able to continue his contribution in this place.

It is important for us to remember when thinking about northern Australia that it is not a homogenous set of communities. In fact, Western Australian communities across the north of our country are vastly different from those that we might find on the east coast of our country in Queensland. The towns of Port Hedland, Newman, Derby, Wyndham, Kununurra and Broome are very different to those that will be more familiar to Senator Macdonald and Senator Canavan in Queensland. I think this demonstrates a very important point. It is when we look at communities individually and understand their particular circumstances that we are best able to develop a response and maximise the opportunities that are available to them and to us in our country.

Of course in the north-west of Western Australia this is more about the fantastic opportunities that Asian development and Asian growth are presenting to us. It is easy to look at our success as a country through the prism of minerals resource development and minerals exports, but with the rising levels of income in India and China people are going to require greater quality in their food. I am very much an optimist when it comes to Australia's agricultural exports and the opportunities that are presented for them in China particularly and certainly in India. Later this year I look forward to having an opportunity to inspect those opportunities myself.

In my final remarks I want to read briefly from a prime ministerial media statement. The media statement says:

Today the Prime Minister and Commonwealth ministers met with the Premiers of Queensland and Western Australia to discuss means of achieving closer cooperation in the development of Northern Australia.

The media release goes on to say:

It was agreed that this arrangement provided the most appropriate machinery upon which to develop closer cooperation and coordination of activities between the two states and the Commonwealth, including the Northern Territory.
It goes on to state:

The ministers agreed that appropriate Commonwealth and state ministers would meet together from time to time to review progress in northern development, to coordinate thinking and give directions to those who will be required to investigate particular proposals.

The meeting that this media release refers to was attended by Mr McEwan, Mr Holt, Senator Sir William Spooner and Mr Barnes. It was issued in May 1964. Of course, the Prime Minister was the Rt Hon. Sir Robert Menzies. But it goes to demonstrate a very important point: The challenges are not new, the will and enthusiasm to make the most of these opportunities are not new but, dare I say, it will require constant vigilance, and I am sure that the work of the joint committee over the coming 12 to 18 months will keep the government honest to make sure that we are doing everything that we can.

I seek leave to continue my remarks.
Leave granted; debate adjourned.

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

Senators' Interests Committee

Report

Senator DASTYARI (New South Wales) (16:08): I present the Register of Senators' Interests, incorporating statements of registrable interests and notifications of alterations lodged between 1 July and 31 August 2014.

Education and Employment References Committee

Additional Information

Senator DASTYARI (New South Wales) (16:09): I present additional information received by the Education And Employment References Committee on its inquiries into the Australian Building and Construction Commission and in the provisions of the Fair Work (Registered Organisations) Amendment Bill 2013.

Senator McKENZIE (Victoria) (16:09): by leave—I move:

That the Senate take note of the documents.

The contributions from Labor and Green senators on the ABCC show that the Labor-Greens alliance is desperate to prevent, at any cost, the restoration of law and order to the building industry so that they can continue their protection racket for unions, such as the CFMEU. This position has been untenable for a number of years. However, in the light of the most recent evidence of corruption and thuggery involving the CFMEU, it is not only untenable; it is downright shameful.

Just this week the Heydon royal commission detailed evidence of kickbacks to CFMEU of $2,500 per week made by companies run by the reported crime figure George Alex. A
number of witnesses gave evidence of these transactions, understood to be kickbacks to the CFMEU, for allowing Mr Alex's companies onto various building sites, despite their appalling record of safety breaches and unpaid employee entitlements.

Evidence was also given that senior CFMEU officials Brian Parker and Darren Greenfield were seen at Mr Alex’s house. Presumably they were not there for tea and scones. One witness to the royal commission revealed that he had been bashed in prison last Friday and had his family threatened because he had been called to give evidence that may be damaging to some of the CFMEU’s more dubious associates. Other individuals may have been able to give evidence on this matter, but they were not available for various reasons. One of them, Joe Anton, Mr Alex’s enforcer, was recently shot dead. Another close associate of Mr Alex involved in this scandal, Khaled Sharrouf, is currently in the Middle East taking photos of severed heads with his young son. These are the sorts of people who have infiltrated the building industry and this is the sort of company the CFMEU now keeps. On the basis of various revelations this year it now appears that there is only one degree of separation between the CFMEU and organised crime figures, a murdered standover man, bikie gang and forces, and a jihadist executioner.

This week in the royal commission we saw video evidence of the CFMEU official physically confronting and threatening a Fair Work Building and Construction inspector on an Adelaide building site, using language that I cannot repeat here. We saw further evidence of repeated intimidation of Fair Work Building and Construction officials at the Barangaroo site. A report in The Australian yesterday of this incident said:

… a series of Fair Work building inspectors told of thuggish treatment they received from officials of the Construction Forestry Mining and Energy Union when they were called to investigate reports of unlawful industrial action.

Further:

The inspectors told how they were branded a “[expletive] dog”, a “[expletive] grub” and “lower than a pedophile” during visits to Sydney’s Barangaroo casino hotel construction site in July this year.

The report goes on to say how one female building inspector was abused in disgustingly sexist language that I will not repeat here. The report says:

She said she felt intimidated, fearing for her safety as CFMEU officials and 40 building workers surrounded her and a colleague.

What has the CFMEU had to say about these revelations of blatant thuggery, workplace bullying and breaches of rights at work? CFMEU boss Dave Noonan issued a media release on 2 September in response to this evidence and sought to excuse such conduct by asserting that ‘swearing on building sites is nothing new.’ We have seen intimidation of Commonwealth officials, threats of violence and sexist abuse and harassment of female workers and all Mr Noonan has to say is 'swearing on building sites is nothing new'.

Where is the outrage by the rest of the union movement, which supposedly cares for the rights of workers? Where is the feminist sisterhood? Why aren't they denouncing Mr Noonan's failure to act on this genuinely sexist and misogynist behaviour by his own officials? Julia Gillard, Ged Kearney, Anne Summers—where are you? We cannot hear you.
In this environment very few Australian companies have had the courage to stand up to the sick underworld culture of the CFMEU. One corporate leader who has is Mike Kane, the head of Boral. In a speech today Mr Kane asked a very important question:

When will the self-respecting unions in this country who do a fair job for their members and don’t engage in this perverse distortion of the principles of unionism—speak out and disassociate themselves from this unlawful mob?

I think that is an extremely good question. More importantly, we should also ask: when will the Australian Labor Party finally discover some semblance of moral principle and do the same?

The current attitude of the CFMEU harks back to the worst days of the BLF, which remains notorious in my home state of Victoria. However, the close collaboration with organised crime now makes the modern CFMEU far more dangerous than the BLF was at its worst. Never before has this union been so brazen and never before has the Labor Party been so craven. Consider the reasons why the Labor Party opposes stronger workplace laws in the building industry. Since 2000, the CFMEU has been fined over $5 million for breaches of various laws. In the same period, the CFMEU has donated over $9 million to the ALP.

The worst example of Labor's cowardice has been displayed by the Victorian Labor leader, Daniel—or it could be 'Dan' these days—Andrews, who welcomed his favourite union into his own socialist left faction in 2012 and then gave its leaders, John Setka and Shaun Reardon, centre stage at the party's 2013 Victorian state conference. This was the same conference which Mr Andrews was too embarrassed to invite the then Prime Minister, Julia Gillard, to address. Only nine days later, Shaun Reardon was seen marching at the head of a CFMEU protest rally in Melbourne next to the sergeant-at-arms of the Comancheros bikie gang. This particular individual was wearing a CFMEU jacket over his Comancheros T-shirt, which really does symbolise how close these two organisations now seem to be.

Once upon a time, we had Labor leaders with courage and moral clarity such as Bob Hawke and John Cain, who had the decency to take a stand against thuggery and criminality by a rogue union by acting to deregister the BLF. John Cain himself vowed he would 'remove this rogue organisation' from the Victorian industrial scene. In contrast, Daniel Andrews, who seeks to emulate John Cain by becoming Premier of Victoria, plans to give a rogue union control of every building site in Victoria and, more frighteningly, control over a future state Labor government.

After all of the contentious revelations of CFMEU extortion, thuggery and lawlessness, surely it is time for Labor to say enough is enough. It must end its protection racket for the CFMEU, it must support the reintroduction of the ABCC and it must have the guts to finally disassociate itself from this rogue and thoroughly corrupt organisation.

Question agreed to.

DOCUMENTS

Asylum Seekers Tabling

Senator HANSON-YOUNG (South Australia) (16:17): by leave—I table a letter from more than 70,000 Australians to the Minister for Immigration and Border Protection and to
the Australian Senate opposing the government's inhumane refugee policy and calling for the 
closure of the Manus Island and Nauru detention centres.

**COMMITTEES**

**Senate Publications Committee**

**Report**

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (16:18):

On behalf of the Chair of the Publications Committee, I present the eighth report of the 
Publications Committee, and I move:

That the report be adopted.

Question agreed to.

**BUDGET**

**Consideration by Estimates Committees**

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (16:18):

I present additional information received by committees relating to estimates.

**COMMITTEES**

**Community Affairs Legislation Committee**

**Economics Legislation Committee**

**Report**

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (16:18):

Pursuant to order and at the request of the chairs of the respective committees, I present 
reports on legislation from the Community Affairs Legislation Committee and the Economics 
Legislation Committee, as listed at item 10 on today's Order of Business, together with the 
*Hansard* records of proceedings and documents presented to the committees. I move:

That the reports be printed.

Question agreed to.

**Treaties Committee**

**Report**

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (16:19):

I present the 142nd report of the Joint Standing Committee on Treaties, tabled on 13 May 
2014, and I seek leave to move a motion in relation to the report.

Leave granted.

Senator FAWCETT: I move:

That the Senate take note of the report.

I present the Joint Standing Committee on Treaties report 142, containing the committee's 
views on the free trade agreement between the government of Australia and the Republic of 
Korea. The Korea-Australia Free Trade Agreement, better known as KAFTA, was tabled in 
parliament on 13 May 2014. Free trade agreements are becoming increasingly the means by 
which trade liberalisation is encouraged, opening up market access and strengthening bilateral 
relationships. This, indeed, is the eighth free trade agreement that Australia has signed.
Korea is one of Australia’s most important trading partners, our third largest export market, our fourth largest trading partner and a growing investment partner. Currently, Australia faces various tariff and non-tariff barriers and restrictions in Korea. The average tariff on imports into Korea from Australia is 16.8 per cent, with an average tariff on agricultural goods of 53.6 per cent and tariff peaks of over 500 per cent. KAFTA will eliminate these very high tariffs on a wide range of Australian goods, including beef, wheat, sugar, dairy, wine, horticulture and seafood. It will also create new market openings in key areas of commercial interest to Australian services providers, including legal, accounting, financial, education and other professional services.

KAFTA is expected to be worth some $5 billion in additional income to Australia between 2015 and 2030. It is expected to provide an annual boost to the Australian economy of approximately $650 million after 15 years of operation. In its first year of operation, KAFTA is expected to create 1,700 jobs. Eighty four per cent of Australia’s current exports by value will enter Korea duty free. Agricultural exports are expected to increase by 73 per cent and manufacturing by 53 per cent by 2030 as a result of the agreement.

The committee found that a range of benefits are likely to flow from the implementation of KAFTA for Australian businesses, industry and exporters. Apart from the direct value of tariff reductions, increased competitive advantage and potential future opportunities were identified as tangible positive results. Witnesses emphasised the importance of the agreement in protecting our competitive edge in the Korean market as Korea signs free-trade agreements with our major competitors including the United States, the European Union, Chile and ASEAN countries.

We identified and examined a number of issues that are causing concern amongst the wider community, in particular, the perceived dangers associated with the inclusion of an investor-state dispute settlement mechanism in the agreement and the possible changes to intellectual property rights. More generally, ongoing dissatisfaction with the treaty-making process in Australia was drawn to our attention. However, we recognised the constitutional constraints on the process in Australia and we highlighted the improvements that have been made over the last two decades. Overall, the committee is satisfied that KAFTA will provide substantial economic benefit not only to Australian business and industry but also to the broader community. On behalf of the committee, I commend the report to the Senate.

Senator WHISH-WILSON (Tasmania) (16:23): The Greens have put in a dissenting report. Whereas we found the overall report that has been put through by JSCOT to be very good, having provided a balanced discussion of the evidence that was provided to the committee, unfortunately, the recommendations really did not reflect, in my opinion, anything that was in the main body of the report.

This is a second-rate trade deal. But more importantly, it has been done through a second-rate and, possibly, a fundamentally flawed trade negotiation process. In the past, JSCOT and the Productivity Commission have recommended looking at the way we conduct our trade negotiations. The reason, I suppose, that this is sensitive for the Greens—and I have no doubt Labor would share a similar opinion on this—is that earlier this year the Senate passed a motion for an order of production of documents to consider to ask the government to release the final draft text of this agreement prior to it being signed by cabinet, because once it is
signed by cabinet it is officially a done deal. Once it goes to JSCOT, of course we can scrutinise it, but it is an all-or-nothing proposition from that point on.

There is a lot to like in this deal with Korea, but in the Greens' opinion it contains some very significant risks, not least being the inclusion for the first time in years of an investor-state dispute settlement clause. Evidence was provided to the committee that the reason the deal had sat there for years without being signed was because the Koreans insisted on putting an ISDS clause in the trade agreement and the previous Labor administration had refused to sign that.

We also had evidence from the beef producers that they lobbied the government to compromise on this particular issue. The issue with compromising on this issue is a big one. We are about to enter into the Trans-Pacific Partnership agreement. We have been negotiating that for years. It is the biggest trade agreement in this country's history. It is with 12 countries including the US. If we sign an ISDS clause in the Korean free-trade deal—because it is the first time in a decade we have the policy of using these things as a negotiating tool—then we have no doubt that it will be used in the Trans-Pacific Partnership agreement with a very litigious nation, the United States. This poses a big risk to our sovereignty. It is not just the Greens that are saying this; this is a massive international issue. The Greens recently put up a bill to ban the use of these clauses in modern trade deals. They are not necessary. There is no evidence they bring anything to the party to facilitate trade flows or to reduce risk to corporations. But they do, as we have seen with the Philip Morris case, introduce significant risks to the public interest.

The Greens also have issues in our reports which are outlined around IP, intellectual property. This was almost like a old-fashioned free-trade deal that gives agriculture access, and the other complicating factors seem to be a nuisance to the government. Proper consideration was not given around risks in IP, nor risks in the investment treaty side of it.

And just to finish up, because I know I have limited time, the Greens were very disappointed that the impact on the car industry was not taken into account in the final signing of this deal and in the modelling around the deal either before or after. The car industry made it very clear that these trade deals, and especially this one, were the straw that broke the camel's back. That evidence was provided by the union. But of course, even though other experts were saying this in the 12 months leading up to KAFTA, clearly a value judgement was made by this government to trade cars and the car industry for cows and coal. That was a value judgement made by this government and by the negotiators at DFAT. It was done in secret with limited transparency. We have to change the way we do trade deals in this country so we are taking a stand on this and recommending that this deal is not ratified by parliament. We need to get these negotiations right. The Chamber of Commerce and Industry tended to agree with us around process issues and negotiations. We had a lot of stakeholders who said that we need to look at a model investment trade treaty in this country and redo the way we do trade deals.

We have recommended that parliament does not ratify this deal. It is second-rate. We can do a lot better. Unfortunately, the way the process stands does not allow parliament to make necessary changes to this deal. We have to take a very strong and principled stand on issues like ISDS because they pose significant risks to this country. We do not believe these risks were properly assessed—or assessed at all—or given any consideration by this government,
which is very keen to get trade deals done in the early part of its administration to get some
good headlines and to get some good consultation going with stakeholders. But it is a bad
precedent and we do not believe parliament should ratify it.
   Question agreed to.

Membership

The ACTING DEPUTY PRESIDENT (Senator Sterle) (16:28): The President has
received letters from a party leader requesting changes in the membership of committees.

Senator COLBECK (Tasmania—Parliamentary Secretary to the Minister for Agriculture)
(16:28): by leave—I move:

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

   Australia Fund Establishment—Joint Select Committee—
   Appointed [contingent upon the House of Representatives agreeing to the Senate resolution
   establishing the committee]—Senator Carr

   Education and Employment Legislation Committee—
   Appointed—
   Substitute member: Senator Carr to replace Senator O’Neill for the committee’s inquiry into
   the provisions of the Higher Education and Research Reform Amendment Bill 2014
   Participating member: Senator O’Neill

   Foreign Affairs, Defence and Trade References Committee—
   Appointed—
   Substitute member: Senator Wong to replace Senator McEwen for the committee’s inquiry
   into the proposed Korea-Australia Free Trade Agreement on 8 and 9 September 2014
   Participating member: Senator McEwen

   Trade and Investment Growth—Joint Select Committee—
   Appointed [contingent upon the House of Representatives agreeing to the Senate resolution
   establishing the committee]—Senator Bullock.

   Question agreed to.

Joint Standing Committee on Foreign Affairs, Defence and Trade

Membership

The ACTING DEPUTY PRESIDENT (Senator Sterle) (16:29): The President has
received a message from the House of Representatives informing the Senate of the
appointment of Ms Parke to the Joint Standing Committee of Foreign Affairs, Defence and
Trade in place of Mr Griffin.

   Question agreed to.

BILLS

Minerals Resource Rent Tax Repeal and Other Measures Bill 2014

   Returned from the House of Representatives

   Message received from the House of Representatives agreeing to the amendments made by
   the Senate to the bill.
Motions

Bank Levies

Senator WHISH-WILSON (Tasmania) (16:30): At the request of Senator Milne, I move:

That the Senate is of the opinion that, rather than punishing the unemployed, sick, elderly, students and families, revenue should be raised through applying a ‘public insurance’ levy on the big four banks that are too big to fail.

We have had some great first speeches in this chamber in the last three or four weeks, and I have noticed that the term ‘free market’ has been used on occasion by different speakers. Today we are dealing with a proposition that we levy banks for a leg-up that we gave them during the global financial crisis. The global financial crisis was probably one of the most significant financial crises in the history of markets. It is a classic example of why markets are not actually free. Certainly in conceptual and theoretical terms there is no such thing as a free market.

It is an assumption that we often make in economics and in finance in order to build models, but the reality, as we saw with the global financial crisis, is that markets fail. Markets can have significant volatility, and that can pose systemic risks to our financial system, our economy and our way of life.

If markets perfectly priced risk and perfectly priced goods and production then, in theory, we would have a free market. I am not going to lecture you much longer on the theory of free markets, but markets fail—unless you would like me to, Senator Polley! I would be very happy to put my university lecturer’s cap on.

Senator Polley: That would be good.

Senator WHISH-WILSON: Markets fail, generally, for three reasons. Firstly, markets fail because they do not have perfect information. If they do not have perfect information they cannot properly price goods and services when they are produced. Secondly, they fail because sometimes we get externalities—that is, a negative or even a positive external benefit to production—that are not factored into the costs of the goods and services produced. An example that we often use in this chamber is climate change. If you believe that carbon dioxide, as a by-product of electricity generation, impacts global warming then you need to price that cost into the electricity market. Hence, we had a price on carbon to begin with.

The third reason markets fail goes back to discussions around property rights and what is called the ‘free rider problem’—that is, people and businesses tend to take a free ride on the back of common property et cetera.

The GFC showed us that we were not necessarily managing our system. The system in Australia was managed much better than—as we saw with some of the collapses—other financial markets around the world. I do not know whether you can remember, in 2008, the week Lehmann Bros collapsed. I remember it very vividly. I was teaching Principles of Finance and International Finance at university at the time. It became a fantastic case study for my students, in the years following, on what went wrong and why it occurred.

I describe it a bit like the Y-wing fighters from Star Wars dropping a torpedo into that sweet spot of the Death Star, which set off this enormous chain reaction all around that world. But that sweet spot was the mortgage securitisation market in the US—a highly risky set of
products that had been bundled. There were all sorts of failures around the pricing of risk and the derivatives that we use to manage those risks.

The problem was that we all lost confidence. We all lost faith in the system. Everybody panicked. There was a panic; people were rushing to take their money out of the banks. We had a shockwave that went around the world. Trillions of dollars were wiped off global stock markets, off the values of assets. Economies that had been chugging along nicely for hundreds of years—with hiccups along the way—actually looked as if they were going to go under. We saw four or five years of hardship in places like Greece and other countries, which were trying to pull themselves out of this mire. Some of them have not done that yet. So the repercussions of the GFC are being felt all around the world.

We have been through these crises before. We know how to react to them. There were a lot of good people around who suggested that we immediately moved to mitigate the risks. One of the things that we did in this country, as occurred in other countries, was to make a deposit guarantee in our financial system—not just on terms deposits and savings deposits, but also, at the time, on wholesale funding for banks. The government stepped in and said: 'Don't panic; it's not going to be the Pyramid Building Society all over again, where everyone is rushing to take money out of the banks and stick it under their pillows. We'll guarantee you. The taxpayer, if we have to, will foot the bill if you lose your money.' That helped calm the system, and there is absolutely no doubt at all—it is the reason that we are proposing this motion—that the banks benefited, as did depositors, creditors and the financial system itself. It restored confidence. Those who understand pricing risk, know that in finance it really is all about confidence. There is no magic wand when we look at pricing risk; if there is uncertainty we get higher risk, and when there is more certainty lower-risk premiums tend to change the prices of assets et cetera.

At the end of the day this worked well. It was brought in by the Rudd government. Acting Deputy President Sterle, you can correct me if I am wrong, but I am fairly sure that it was former Prime Minister Kevin Rudd who brought in the guarantee. Like some other things that Labor did, to their credit, they managed to stabilise the system during what was probably the worst financial crisis—certainly in living memory for us in this chamber and probably for all time.

If you went and asked people around the country, a lot of them would say: 'Why don't you take money off the banks? Why don't you tax the banks? They make billions of dollars in profits. In fact, the amount of money they make is ridiculous. They charge all these fees; we hate the banks making all this money.' Every time they release their profit figures, politicians from both the federal and state levels make comments about the banks. The average Australian is distrustful about the amount of money the banks make; nevertheless, there are also superannuation investments in those banks and they are important in terms of underpinning our own wealth. We do want a healthy banking system that functions effectively. However, we also want the banks to pay back the amount of taxpayer money that they benefited from when we stepped in to stabilise the financial system. The taxpayer in this country, the Australian voter, stepped in to foot the bill and cover their risk. That does not mean we had to physically put in the money, but we said we would. This has given the banks a margin benefit in terms of their wholesale and retail funding—they have
been able to get funding at a lower rate because they have been a lower risk proposition. That is all about that risk premium thing I mentioned earlier.

This is not a Greens idea, although we are proposing this issue today—this was put up by the Reserve Bank in a discussion paper and also in a submission to the Financial System Inquiry that David Murray is conducting. It has been discussed in estimates—I remember asking Treasury about this at the last estimates. The Reserve Bank is saying that a levy would help pay for a fund that will protect their own depositors in the event of a banking collapse, and they have estimated the margin benefit at around 0.2 per cent, or 20 basis points. They have basically said that this should be paid back to the taxpayer—this is the benefit that has been conferred on the big banks in their wholesale and retail funding.

The United Kingdom has implemented a bank levy on the deposit guarantee. That is a very similar thing. We know that in the UK alone they are expecting to raise about $3 billion Australian this year from the collection of their bank levy. So this is not a radical 'let's tax the banks because they make too much money' Greens idea—this is a very sensible, rational proposition that government had a role to play in stabilising the banking system and we need to now get that money back. Taxpayers covered that risk and that led to a benefit for the banks, and it is only fair that that money should be used to spend on schools and hospitals and on policing and on all the issues we debate in this chamber.

What would a bank levy be worth? There are different estimates, and the Greens have had their own estimate prepared. Recently a submission by the Customer Owned Banking Association to the government's Financial System Inquiry included an independent analysis and it put the annual value of the effective subsidy the banks have received through the deposit guarantee at between $2.9 billion and $4.5 billion. If we work out the number of years the banks have had this subsidy and find a value that we are comfortable with, we are talking about pretty serious money. The Greens sought advice from the Parliamentary Budget Office—and I give a plug to my predecessor, Bob Brown, who worked with Senator Milne here in the chamber to get a Parliamentary Budget Office for those in opposition to price their policies. The Greens have made significant use of that service. The numbers we got back indicated that a 20 basis point levy, or 0.2 per cent, on all assets valued at over $100 million held by the big four would raise $16.8 billion over the four years to 2018-19. That would not allow deductibility of levy payments against company tax by the banks. That is our view of what a straight payback would be. Let us be honest, $17 billion is a lot of spondulicks. We could all do with some of that to help run this country. We have been arguing over much smaller amounts in individual policies in this chamber in the last few weeks. This will be coming from banks that make, collectively, tens of billions of dollars each year in profit, which goes back to their shareholders. Remember, the Reserve Bank, obviously the UK government and their institutions over there, as well as submitters here have said the banks have benefited from taxpayers in this country and they should pay them back. It is that simple.

The question is, do we have the political courage to stand up to lobby groups like the Australian Bankers Association, who have had some recent additions, I have noted with interest in the last week, including an employee from Mr Hockey's office. They are unashamedly saying they lobby hard for the benefit of their members—that is what they do; they are out there to protect the banks and make sure the banks make as much money as possible. It is black and white. We need conviction in here to say to the banks, 'Listen, you
blokes do pretty well—give us our money back.' That is the proposition we are discussing here today. Although there is a lot of detail around it, it is not really a controversial or remarkable suggestion unless you understand how effective the banks are at lobbying this government. I notice Senator Dastyari is in the chamber, and he would well understand the lobbying power of the banks and the Australian Bankers Association following the Senate's FoFA inquiry and its ASIC inquiry. Once again, the Australian Bankers Association said that they had a deal, which is probably one way to describe it, but certainly numerous discussions, with this current government before it came to office about amending the FoFA regulations before 30 June, and of course if that was not done it would have impacted on the bottom line of the big banks and the big financial services companies and would have impacted on their vertically integrated business models. The government did deliver that for them, as did the Palmer United Party.

What we also are going to have to discuss in here is whether we are prepared to stand up to the banks and say, 'Give some money back to the taxpayer—money that benefitted you—so that at the end of the day you are cost neutral. You made this money and got that extra margin because of the guarantee. It lowered your risk and helped price your risk. It is time to give it back to the taxpayer.'

The levy drives competition and stability, without hitting customers, and would make a significant yet fair boost to national revenue. There has been a lot of work done around the changes to the competitiveness of the system, but we believe that it would be a win-win. We also believe it is fairly and squarely in line with economic theory, in this case because the market has failed. I want to make that very clear. The GFC was a market failure. The whole system lost confidence and the government had to step in to restore that confidence. If you believe there is a role for government in correcting for market failures, and the Greens do—that is why we wanted to price carbon and we are happy with regulations—the government needs to calculate what benefit they conferred onto the banks and the banking system and ask for it back.

I think the too-big-to-fail concept is something that everyone is familiar with. If the banks had failed, the consequences would have been dire, not just in this country, but all around the world. Luckily, we got through this crisis—or we are nearly through this crisis. I would say that it is still well and truly washing through even the US economy today. Certainly, consumption and investment has not seen the giddy heights it did pre the GFC, and unemployment is still very high. This is probably because people still feel gun-shy. There is still a confidence crisis around investments in some asset classes. I think the damage it did to the mortgage market and housing market in the US has severely impacted a lot of places in the US, particularly the low-income parts. And, of course, if it impacts your wealth it impacts the way you consume and the way you invest. The US economy was heavily reliant on consumption—it was nearly two-thirds of US GDP when the US went into the crisis.

At the end of the day I hope that we have learnt from the GFC. We now know that these types of bank levies can work to stabilise the system. If we do not ask the banks to return the benefit we gave them, I think that is unfair. The principle of this is well and truly in line with fairness. It can be supported by rational economic theory. It has been supported by a number of stakeholders in financial markets. It makes a lot of sense. I would hope that everyone in this chamber would see the benefits of it and understand that sometimes we do have to find
revenue. It is not just about cutting costs, like we have seen in this budget. What we have debated in this chamber is the fact that in the current budget we have taken money off those who can least afford it—we are talking money off pensioners and the sick. We have talked about this a lot. Let's take some money off the big banks. Let's take some money off them in line with sound, rational policy, which is exactly what this is. I recommend that everyone agree with this.

Senator CANAVAN (Queensland) (16:48): I would like to compliment Senator Whish-Wilson for a very considered speech. This is a very important topic. It goes to the security and safety of our financial system. However, I do take issue with the senator for the fact that he does not seem to have dealt with the full details of this motion.

When I spoke earlier in the Senate I referred to the Burke and Wills expedition, but I did not quite get to finish my remarks, because other senators wanted to have time. So, bear with me while I draw a bit of a long bow, because I want to get this on the record. I read a book by Sarah Murgatroyd on Burke and Wills. The book had a great description about how the expedition started out. I quote:

Luxuries were well catered for: a large bath tub, a cedar table with two oak stools, and 45 yards of gossamer for fly veils. Yet the party took just two sets of field glasses, two watches and only 12 water bottles. Were 12 sets of dandruff brushes and four enema kits really necessarily? There were six tonnes of firewood, 200 kilograms of medication for the camels and horses, and enough ammunition to win a small war.

Why do I bring that up here? It is that just as the Burke and Wills expedition was very overloaded—it was one of their big problems—this motion, too, is way too overloaded.

It is always a good idea to travel to Queensland, as Burke and Wills were doing, and it is always a good idea to debate financial regulation, Senator Whish-Wilson, but it is not a good idea to overload your motions with too many ideas. I note that until the very end of your comments you had barely mentioned the first part of this motion, so I think it is worth reading out to the chamber that the motion we are discussing in general business this afternoon is:

That the Senate is of the opinion that, rather than punishing the unemployed, sick, elderly, students and families, revenue should be raised through applying a 'public insurance' levy on the big four banks that are too big to fail.

My reading of that motion is that you are considering that we should be using a too-big-to-fail levy, if you like, to fund other types of expenditure, in this case largely social security type expenditure. But that is not what your previous comments went to. When you spoke about creating such a fund and charging such a levy on the banks, what you were talking about was in fact a 'rainy day' fund. It was that we should build up some kind of capital reserves for the government, such that if the worst were to happen—and let us all pray it will never happen—we would have some resources there to offset the damage and carnage that would ensue.

You cannot spend a rainy-day fund while the sun is shining and still have a rainy-day fund. If the whole purpose of what you want to do is to put aside some funds for when something might go wrong, you cannot spend that money before that event happens. That is what the Greens are suggesting we do here. I was listening to Senator Whish-Wilson quote the RBA. He said that the RBA had suggested this idea to the financial services inquiry chaired by David Murray. I agree with him. It is not a crazy idea in and of itself. The RBA and other eminent economists have suggested it. I wrote down their quote which said that this fund will
build up a fund that will help pay claims in the event of a default. I do not believe that the RBA went on to say—and I have not read their submission so I will stand to be corrected—that the fund will help build up a fund to help pay for benefits to the unemployed, the sick, the elderly, students and families. That is not what the fund is for. That is not what the RBA has suggested to the Murray inquiry. It is certainly not what other economists have suggested either.

What we are seeing here today is the sequel—the mining tax sequel, right here. I have listened for the last few years and the Greens have constantly referred to the mining tax as an endless pit of funds to fund all kinds of weird and wonderful ideas. Whenever they are on the ropes in a media interview about how they are going to fund high-speed rail and how they are going to fund universal dental care, they can always just say, 'We are going to tax the mining companies.' That is the common response from people. We have seen over the last few years that that was a completely misguided dream. I remember hearing the Leader of the Greens—who is here in the chamber now—at the Press Club in February last year make this comment: Labor refuses point blank to fix the loopholes in their dud of a mining tax… It is foregoing the revenue needed for key reforms including implementing Gonski and dramatically increasing funding to our public schools, fully implementing a National Disability Insurance Scheme, expanding Denticare or building high speed rail.

All of those five promises were going to be funded by the mining tax. Admittedly, the Greens preferred Rudd's original resource super profits tax—what a great name that was. I had forgot about that—who came up with that? That was a fantastic name—10 points. That tax, we know from Treasury estimates through FOI documents, was going to raise $100 billion in its first 10 years—as it was proposed. Obviously it never made it into law. It was planned to raise $100 billion in 10 years. Senator Milne had made all these promises from that mining tax. Gonski was about $5 billion a year at the time. It has since changed, but at the time it was about that. So that was $50 billion over 10 years. The NDIS was about $75 billion over 10 years—and that is quite conservative. Denticare, or universal dental care, would be about $55 billion, and of course—I think from an Ernst and Young study—the high-speed rail is $100 billion. All of those promises add up to $280 billion. They were all going to be funded by a mining tax of just $100 billion. In one paragraph we had a black hole of $180 billion.

We are now seeing the sequel to this process. Over the next few months we are probably going to have a debate from the Greens that, 'Well, the mining tax has gone, and that proved to be a bit of a false dawn, but we still want to spend all this money on all these programs. We still want to have a high-speed rail and we still want to have our ice-cream and our cake and all our dessert as well as everything else. We are going to have to find another rich daddy to come and pay for that,' and that is now going to be the banks according to the Greens. The financial sector can help pay for it.

About that time or just a year or two before Senator Milne made those comments, you might remember that Ken Henry, the former Treasury secretary, once said that there was not a computer big enough in Treasury to cost the Greens' policies. I think we are seeing the same example. No costings have been presented by Senator Whish-Wilson on this process. He mentioned some estimates of what the levy could raise but, as I said before, this is not a motion only about a deposit insurance levy. Apparently it is going to be used to fund all these
other things. But there are no costings about exactly how much he wanted to spend on all these other things. But we are used to that from the Greens.

I want to seriously engage with the issues that Senator Whish-Wilson has remarked on. As I said in my opening remarks, it is a very, very important issue. I do not believe it was fully dealt with or fully explained by the senator in his previous remarks. He is right in that a few years ago we made the decision to introduce a Financial Claims Scheme, a large-scale deposit insurance scheme, at the height of the global financial crisis. I agree with him that it was the right thing to do—an unfortunate thing to do but something that was necessary. For decades we were very lucky in this country to not have to rely on a deposit insurance scheme like other countries, but the scale and speed of the global financial crisis necessitated change. At the time I think the coalition was a little concerned about how large the deposit insurance was in its initial form—originally a million dollars cap, which was much, much higher than other countries. However that has since been reduced to $250,000 on every deposit account, which is in line with the United States, so it is not too far out of whack.

What Senator Whish-Wilson did not refer to in his remarks is that the former government did not just roll out this without a plan to fund the Financial Claims Scheme. The then Treasurer Wayne Swan decided we would not introduce a deposit insurance, as exists in the United States, and as the senator said, exists in the United Kingdom, but that we would fund it through an ex-post levy. Not an ex-ante levy, but an ex-post levy—and that was not mentioned in the senator's remarks. What that means is that we have decided with the Financial Claims Scheme that—God forbid—if the worst happens and there is a default in a financial institution, we would seek to recover the costs of the deposit insurance from two sources. Firstly, from the remaining assets of the financial institution that becomes insolvent but, by definition, if they are insolvent those assets will not be enough. To fund the remainder at the time we would put in place an ex-post levy, a levy on the financial sector on what is remaining. It will eventually be funded by the financial services sector if we were to get to that spot. If we were to get to that place—and let us hope that we never do—it will still be a charge to the financial sector. Of course the financial sector knows that. It is publicly available. They will factor that into their decision making because they know that, if there is a default or a failure, they will be up for a charge.

The other thing that I do not think was mentioned by Senator Whish-Wilson is that, while he is right to say there is a market failure here and, to use some jargon, a moral hazard, we do not just have the tool of levies, either ex post or ex ante, to deal with that market failure. The other way we seek to deal with that market failure through our system is prudential regulation. We require all of our banks, insurance companies, building societies and credit unions to put aside a certain amount of capital against the liabilities that they have on their balance sheets—that is largely their deposits. Depending on the riskiness of those liabilities and the assets they hold, they have to hold a certain amount of capital.

Those prudential requirements are changing at the moment. The much maligned Basel II process, which some say helped cause the global financial crisis, is coming to an end. There is a new set of prudential regulations coming in through Basel III which will change a lot of the risk weightings for banks, will require financial institutions to adjust their positions and which we hope will help other countries avoid what we saw in the global financial crisis.
We in Australia did not face the crisis that other countries did. Some might argue that it was because of our superior level of financial regulation. I am a bit sceptical of that. I think we do have a very good financial regulatory structure, but we should never be complacent and think that what happens somewhere else cannot happen here. So there is a case to make sure that we continually improve that in a methodical and careful way, because these are very serious issues.

That is why the coalition government has established the financial system inquiry, as Senator Whish-Wilson mentioned, chaired by David Murray. We are serious about making sure that we look at all of the issues that are involved to ensure that we make the right decisions, that we make no sudden changes and that we think through all of the ramifications, perverse or otherwise, of any change. The financial system inquiry released its draft report a month or two ago. It dealt with the issues that are before us in this motion. I want to quote a little bit from that because I think it helps explain the issues that are involved. The Murray inquiry said:

Currently, the FCS—the Financial Claims Scheme—is post-funded. This means that, if it were activated, the Government would initially pay out claims and then recover those funds from the assets of the failing institution. If that was not sufficient, the remainder would be recovered through a levy on the rest of the banking sector, which could be delayed until the crisis was over to avoid exacerbating the situation.

An option, as Senator Whish-Wilson has suggested, is to charge authorised deposit-taking institutions an ex ante fee, or prefunding, for the Financial Claims Scheme. The IMF recommended this in a recent report that the Murray inquiry quoted from. This is very important to understand so that we all know what could happen here if we introduce something like this.

The Murray inquiry went on to say:

However, an ex ante model—that is, a levy in the form that Senator Whish-Wilson is proposing—would impose a cost on the financial sector. In particular, industry would need to pay a fee that would likely be passed on, at least in part, to depositors in the form of lower deposit interest rates or higher fees. This would be the case even if there was no need to activate the FCS. By contrast, the current ex post funding only imposes a cost on industry if the guarantee is needed.

Let's be very clear here: if we were to introduce such a fee and do what Senator Whish-Wilson has proposed, it would impose a cost on our financial sector. It would lead to the higher fees that Senator Whish-Wilson was complaining about. It would possibly lead to lower deposit rates for consumers. There is no free lunch here. Somebody would have to pay for this. So we should be very careful before we even consider implementing something like this.

Because we are being careful, we have put in place the Murray inquiry. That is why we are taking this step by step. It is regrettable that the former Labor government did not follow such a careful process. They had years to think about this issue. I believe the Financial Claims Scheme was introduced in early 2009. They did do a review of it, admittedly, and reduced that threshold, as I have said, from $1 million to $250,000. But they did not take the
opportunity of that review to introduce an ex ante levy. What did happen, though, is that, just before last year's election—surprise, surprise!—the Labor Party announced that they would, in fact, introduce an ex ante levy. Convenience of convenience, they not only introduced a levy; they used the levy to help reduce their bottom line and reduce the deficits they accumulated and could no longer escape from because the pre-election forecast outlook was about to come out. The real figures were about to come out just before the election, so at the last minute they introduced this fee to help offset the massive spending and deficits they had presided over in a final and futile attempt to cover up their mistakes.

There were two mistakes with that decision. The first, as I said earlier, was that this decision should not have been made in such a rushed way. It was sprung on the financial sector. Nobody knew it was coming. It was very much the mining tax mark 2 because the affected parties had absolutely no knowledge that they were going to be up for such a charge. The second problem with the Labor Party's approach was that it should not have been used to fund the general revenue. It should not have been used to go into the underlying cash balance to go above the line, in the jargon of accountancy, because it was, as I said in my remarks at the start of this contribution, to offset any potential future problem. It was a rainy day fund. It was an insurance pool. It was not something to be used to fund general expenditure, which was what the Labor Party tried to use it for.

I am very confident that the coalition government will not follow the approach of the Labor Party; we will go through these things in a methodical way. We will not be supporting this motion, because we cannot use such a fee, as I said earlier, to fund all these other things that have not been costed or thought through. We will not make rushed judgements on this issue. We will wait for the Murray inquiry findings and consider them in due course. At this stage, my understanding is that the coalition government has no plans to introduce such a fee, because it would be a cost on the financial consumers of this country. Given our strong levels of prudential regulation, given that some of those regulations are currently being strengthened and given that we already have a mechanism to fund the financial claims scheme in an ex post way, it is probably something that we do not need.

I conclude by saying that I give credit to the senator for bringing this forward. I have some sympathy for him having to sit in the Greens party room. I think this motion would have been much better designed if it did not have the preamble, which smacks of green ideology and wanting to be all things to all people. This is a very serious issue and we must approach it in a mature way. I thank the Senate for hearing my contribution to this debate.

Senator DASTYARI (New South Wales) (17:08): I thank Senator Canavan for his contribution in this debate. Clearly, he has thought about and worked on these matters, and he brings a level of experience and thought to the debate. In some areas, I agree with him; in others, I disagree. It was fantastic to learn tonight that Senator Canavan has read a book recently and I think that sharing that fact was especially meaningful.

I am sympathetic to this motion, but I will not be supporting it and the Labor Party will not be supporting it. The premise of what Senator Whish-Wilson has proposed is very interesting. The motion raises the question: if we are going to have the level of social services and social welfare that we want to have as a society, who should be paying for it and where should the pain be shared? Our society has decided that our banking sector is too big to fail. If the banking system is in trouble, the government of the day will intervene and take whatever
steps are necessary to protect the banking sector, which begs the question: do banks have a greater responsibility to contribute to the finances of the nation?

I think that Senator Whish-Wilson was saying in his contribution there should be a separate debate on the concept 'too big to fail', on the role of government in the banking sector and whether government should or should not be involved in propping up these kinds of institutions. Largely, as a society, we have made an economic and social decision that we do not want a banking sector that can fail. As a result, when these difficult decisions need to be made, there is a tendency of government to make these decisions. If the big banks and the banking sector are going to get the benefit of being able to rely on the government in difficult periods to shore of their risk profile as institutions, then at what point should they have a responsibility to provide more during the good times?

I think that this is an interesting idea and there is certainly merit in discussing it. The reason I am not supporting this motion is that we have not given careful consideration to the issues of at what point do we move towards a system of greater taxation, levies or charges on the banking sector and of how that system would pay for other needs.

However, I do agree the Greens on the point that Senator Whish-Wilson made about the Abbott government's twisted priorities, which have been on full display in this budget. They are an unfair, unjust and often unbelievable demonstration of a corrosive ideological crusade to punish the poor, the unemployed, pensioners, students the sick and families. This week we saw an attack on superannuation. Those opposite decided to turn on hard working employed Australians. Even the children of war veterans will be hit.

Senator Canavan tried draw some inferences on how the Labor party, when in government, dealt with issues of banking, taxation and the placing of levies. He tried to present the government as following a calm, sensible, rational process. When it comes to banking sector reform, we sat in this chamber and watched over a period of one hour a deal done on regulation for the provision of financial advice. In a spectacularly embarrassing move, the member for Fairfax from the other place sat in the public gallery and watched the minister read a letter that had been signed minutes earlier as part of a deal done in a hallway outside. Yet we are being told that is how we should be making policy and that is how we should be making banking reform. Those opposite claim to have an incredible history and ability in this area, because they have palmed off a series of difficult decisions to one review being led by David Murray and now say on every issue 'We are going to wait for the report'. We all know what is going to happen: they will get the report, they will sit on it for another three or four months—maybe even a year— they will leak out little bits of it that they want to leak out, and, then at the end, they will adopt a very small part of it.

Frankly, I share the concerns that Senator Whish-Wilson has aired in this place and in others about the entire review process as it is currently being conducted. You really have to question whether David Murray is the appropriate person to head that kind of inquiry. The current CEO of the Commonwealth Bank, Ian Narev, says that in his opinion and in the opinion of the bank and in the opinion of the lawyers, the financial misconduct that occurred in Commonwealth Financial Planning goes back to when Mr Murray was CEO of the bank. And then we say that the person who is going to conduct the financial system inquiry is the person ran the bank when improper actions began, as the bank itself states. Senator Whish-
Wilson has made these comments previously, and I echo some of his sentiments. You really have to question whether this is the appropriate system and the appropriate pathway.

The banking sector in Australia should be congratulated on having a very successful year. No-one should begrudge them that. I have been heavily involved in public inquiries into the conduct of Australia's big banks. I am on the public record delivering some heavy criticisms of their behaviour. I expect that, in relation to the inquiry that has just begun, I will probably have more to say. But, at this point in time, I do not think a public insurance levy is the right way to handle these concerns. No-one should begrudge the banks their profitability. We are talking about a figure of around $29 billion for last year. My criticism of the banks is not that they have been incredibly profitable; they have a right to be profitable. We want them to be profitable and we want them to be strong. But the behaviour in some sections of the Australian banking sector is deplorable. There has been wilful ignorance and malpractice. As for admissions of wrongdoing, we sat through inquiry hearings where the Commonwealth Bank came along and lied. They lied about what had happened. They covered it up. They will claim they did not know. They will claim the evidence got changed. But, frankly, either they did not know what was going on within their own organisation or they were lying and got caught, and each alternative is horrible.

For too long, other banks—I do not want to go into the business of naming them all—have allowed some really horrible financial planning practices, done in a vertically integrated model. They have propped up, supported and bankrolled a handful of crooks, criminals and con men who have pushed products that in a lot of instances the banks knew were not good products; they knew they were damaging and they knew they were high risk. They knew this because they priced it themselves at 18 to 22 per cent in some areas. Then financial planners vanished and collapsed, and some of them went to jail. Some of them were able to bulletproof themselves. The banks started calling in some debts that should never have been provided in the first place. While the banks may not have committed any crime, and in many cases they acted well within the law—I am not making an accusation that they did not—their behaviour was not conscionable when they knowingly put people in a position of such high risk with financial planners that they knew should not be doing this.

Now we have the CBA open review process. We are looking at somewhere in the area of 400,000 customers. I share the concerns of others in this regard. We have a sector that has been massively protected by government. The government took really strong action when those in the sector were having a difficult time. Obviously they did it for the public good. If the banking sector are going to be the beneficiary of public good, what is the responsibility of the banking sector when it comes to contributing to Australian society?

Labor has a strong record of sensibly regulating the banking and financial sectors. We are highly proud of the broad public consultation that we conducted with financial experts, academics, lawyers and consumer groups, and of course the banks and financial service providers, to put together the Future of Financial Advice package of reforms. In coming weeks we will have a large debate in this place on legislation to repeal those reforms. Labor's financial advice reforms were essential consumer protections. By watering down the best interests duty, by removing the opt-in provision, by scrapping annual fee disclosure statements and by allowing for the return of previously banned forms of conflicted remuneration, what the government is doing is really worrying. Elements of the banking and
financial services sector have argued for minimal regulation. But one person's regulations are another person's protections. It is even more deplorable that sections of the banking and financial sector have consistently argued against regulation when you realise that this is the same sector that has massively benefited from the protections provided to them during the global financial crisis.

We will have a debate about the reforms to financial planning advice. But what Senator Whish-Wilson is proposing in the motion he moved today goes to a somewhat different space—that is, whether there is a greater role for the banking sector to put more money in, whether a levy should be placed in some kind of rainy day fund, as Senator Canavan was referring to, or whether that money can be spent and used by government. That is a fine debate to have and a healthy debate to have. We should be having that debate and more people should be participating in it. I do not believe we are in a position, right here, right now, to predetermine that debate and say, yes, that is the path we should be taking. I think we should be having contributions. I think we should be hearing what people have to say.

I was interested to hear some of the figures that were being quoted by Senator Whish-Wilson, and I think if the opportunity arises to place them on the public record then that would be an appropriate thing to do. I think using the Senate committee process over time to explore some of these ideas in more detail would be a very appropriate way of having some of these conversations, having some of these debates and being able to nut out some of these figures. And I do not think it is unhealthy for us to ask the question, at what level should there be a greater burden on the banking sector? How do you create that in a way that is not just going to be passed on to Australian consumers? We do not want a situation in which you are simply creating a levy or a form of taxation in one way or another that simply ends up being passed down the line to consumers.

So, I think it is very healthy for us to have that discussion and to hear the different views. And I am sure that the Australian Banking Association and others will have very strong views on this, which they are entitled to have, and the banks will have strong views on this. I think that will be a more appropriate path for us to have a detailed discussion about this, rather than simply saying that at this point the Australian Senate is of one particular opinion. The truth is that we are not of that opinion yet. But that does not mean we cannot debate it, that we cannot share some views.

I do want to say that I share the concerns that were raised. I think it is an interesting debate to have—to say that if we as a society want to have all these social programs then naturally there is going to be a question about who pays for it and how. And we should within that debate have a look at the Australian banking sector, a sector that has particularly benefited from the goodwill of government over the years. I think what Senator Canavan was saying earlier about the role of APRA, about prudential standards, is an important one. We have an incredible system. Our prudential regulators do a fantastic job. But that does not negate the fact that when bad international events happen, when we start moving towards very difficult environments, then there still will be a role for government to step in. There still will be a role for government, as has consistently been shown, to do what it can do to protect the Australian banking sector. And if that is something that is now being priced into the risk associated with the Australian banking sector, then, frankly, there may be a greater responsibility for the banking sector to financially contribute to pay for it. I have been making a slightly different
point: that it also gives them a greater responsibility as to how they behave as corporate citizens and the extent to which things like financial advice reforms—how they do their financial planning and the role banks play and have consistently played in propping up some questionable financial planners—are related.

In conclusion, I do not believe that now is the time, the place or the right environment to be making the kinds of declarative statements that this motion seeks to make. But that does not mean that there is not a greater role for the Australian banking sector. And it certainly does not mean that there is not a role for the Senate to be scrutinising these ideas, to be participating in this debate and to be presenting alternative views.

**Senator MILNE** (Tasmania—Leader of the Australian Greens) (17:25): I would like to know when the best time is to take on the excessive profits of the big four banks. We have just heard from Senator Dastyari that it is something we might consider in the future. So I put to the Labor Party: where are you going to raise the revenue if you are not going to take it from the poor and the sick, as in the unemployed? The Greens have no intention of taking any money from them. So, if we do not agree with taking money from those people, where are we going to raise the revenue?

It is time we actually had a serious debate about revenue. I have reached the conclusion that in Australia we are not living in a democracy anymore; we are living in a plutocracy. We are actually experiencing government by the wealthy and the wealthy corporations. The word ‘plutocracy’ comes from the Greeks, and it is about wealth and power. And the wealth and power in this country are being exerted by the corporate sector, by the big banks, by the big polluters, and they are exercising their power to maximise their wealth and profits and greed at the expense of the community and at the expense of the commons. That is, the wellbeing of people and the environment are going west to maximise the profits of the big end of town. And if there is an area where the big end of town is profiting in the most extreme manner, it is the banks. The big four banks' annual profits are to hit a record of $30 billion. This is the most excessive bank profit anywhere in the world, and it is the big four in Australia that are making this money—$30 billion. Yet the government is saying, with the Labor Party now supporting them, that we should not take the money from the big banks so that we do not take it from the poor and the sick with the Medicare copayment, leaving the unemployed with no support, taking it from pensions, taking it from people who cannot afford it. No, we should keep on allowing the big banks to maximise their profits!

I want to go back to the global financial crisis, because that was the time that the Rudd government was in power, and the coalition opposed the stimulus package—the coalition opposed it. Part of the supports at the time was to support the four big banks, to guarantee them. They were too big to fail, and we needed to guarantee them, and that is what happened. But that guarantee is now key to them having this collective $30 billion by the end of the financial year, and it involves taxpayers taking on significant amounts of risk by underwriting potential losses in the event that these banks fail. As a result of this, the guarantee has reduced the risk profile of the four big banks. They can now borrow and have their credit much more cheaply than their competitors do, which helps to inflate their profits to the current level.

Not only is this producing these massive profits but it is unfair to all the other institutions in the banking sector. All the other smaller banks do not get this benefit—Bendigo Bank, Adelaide Bank. All of the small banks and other financial institutions and credit unions do not
get this same benefit. A benefit provided by the Australian taxpayer has allowed the big four banks in Australia to maximise their profits. It is uncompetitive with the smaller banks in the banking community. The big four banks are amassing these mega profits and returns their shareholders and the government is saying, 'We need to raise revenue and therefore we are not going to go after the big banks to get it. Instead, we are going to go after the co-payment for the sick, we are going to go after the elderly, we are going to stop the unemployed being supported and we are going to after students and charge them more for their loans and we are going to go after families with family benefits. We are going to do all that so that we let the big end of town continue to maximise their profits.'

We heard from Senator Canavan that this was some sort of Greens costing. Well, no. Contrary to the coalition's view, the Greens actually worked to get the Parliamentary Budget Office established so that opposition parties of all persuasions and independents had a reliable source of costings. Senator Dastyari might like to know that it has been released publicly. The Parliamentary Budget Office has costed what this levy would produce for the Australian community. This money could be put into government funds so that you did not have to go after the sick and unemployed. In fact, you would get $16.8 billion over the forward estimates.

That is not me saying it. That is the Parliamentary Budget Office looking at the Greens' proposal to put a levy on the big four banks. Not only would it return $16.8 billion, but it would bring about a much more competitive banking environment, because it would bring the big banks more into line with the smaller financial institutions and other banks in Australia. There is the argument that, 'The big four will just pass on that cost to their customers.' Well, if they do, then the other banks will be more competitive with them. It creates a better, competitive banking environment. I want to put very firmly on the record that the Treasurer has been out there saying, 'But the Greens have not put any alternatives on the table.' Yes, we have. We have said the big banks. It is the Treasurer, Mr Hockey, and it is the Minister for Finance, Senator Cormann, who do not like the alternative. Just because they do not like it does not mean it is not a valid alternative.

Let's talk about what the big banks have given us back for the fact that we, the community, have guaranteed the four big banks in Australia. What have they done back? Let's start with the Commonwealth Bank. There was the shocking scandal where they ripped off the community with the commissions. What about ANZ? Well, a class action was taken against them because of their excessive late fees. This is why I say we have got a plutocracy in Australia: Senator Sinodinos worked for the National Australia Bank as the managing director for government; education; carbon solutions—which must be a five-minute job because he apparently does not believe in climate change— institutional banking and business banking Australia. He came from the National Australia Bank and into the Senate and what did we get? The FOFA so-called reforms. It was big banks trying to get commissions back on the agenda. That is what they wanted; they wanted their commissions back. They did not like the fact that the reforms that were put in place were not allowing them to maximise their profits. In the light of the disgraceful scandal from the Commonwealth Bank, it is appalling that the banks had that on the agenda. But it came back into this parliament and, what's more, the coalition have delivered that for them. How is that not just a revolving door between the
Liberal Party and the big banks getting it back into the parliament and getting their commissions back?

Except this time they are not called commissions, they are incentives! It is just like bribes. We do not have those in Australia; no, we do not have bribes! We call them 'facilitation fees'. A facilitation fee is legal, but a bribe is not. The commission would be a bad thing, but an incentive would be a different thing altogether! The community is not stupid and the community is not fooled by this. The community sits back, gets the bill on the table and looks at their son or daughter who is trying to get to university, who has to face greater fees if the deregulation of university fees goes ahead—which we will not be supporting. They are looking at their son or daughter who have gone through university and are facing bigger costs in servicing their debt. They talk to their kids because the banks have charged them excessive fees if they have been late with their credit card payments. Here we have all that happening and at the other end of town we have this massive celebration.

Let me talk about ANZ on another matter for a minute. They tell us all they have special guidelines about respecting people in communities. There is ANZ's approach to human rights guidelines—guidelines to which ANZ professes to adhere. What a joke! They are also signatory to a global ethical banking code. But we discovered that when they went to Cambodia—there is a massive expanding market for Australian banks in Cambodia—and helped to finance Phnom Penh Sugar. As a result of an investigation, it was discovered that this company employed child labour and was involved in military-backed land grabs, forced evictions and food shortages for local families. What's more, the company was owned by a minister in the corrupt Hun Sen government in Cambodia.

When a light was shone on this, ANZ got out of it, but ANZ is refusing to pay any compensation to the people whose land was grabbed and whose houses were bulldozed. I am afraid that when we come to ethical banking codes and when we come to respecting people and communities, it does not stretch to the activities of the companies which they get involved with in Cambodia. That is just one example.

I just want to continue in relation to where we need to take this. On the issue of a fund, Senator Whish-Wilson when he spoke about this said that the Reserve Bank actually backs the idea of a levy and it is the Reserve Bank's proposition that it would go into a fund. It is not the Greens' proposition that it would go into a separate fund; it is the Greens' proposition that it would be a revenue stream for the government so that we raise money from corporations that can afford to pay since they make super profits—and no-one doubts that the four big banks in Australia are making super profits. They themselves announce record profits relative to banks anywhere else in the world year after year. We know they are making super profits. Why would we not take some of them and put them into health, education, community services and the sorts of things that support people who are doing it tough because they happen to be unemployed or happen to be sick?

The parliament has a responsibility to propose where the money should come from, and the Greens are very happy to do that. Senator Canavan has to recognise that what we are proposing is fully costed by the Parliamentary Budget Office and is a proposition for revenue raising. I put to this Senate that the only reason that Labor and the coalition will not support this is that they prefer to see the big end of town happy than to take money from them and provide necessary services.
That comes back to my point that we in Australia are no longer a democracy. Increasingly, there is a revolving door between big corporations and politics—people leave politics, get a position in business, go back into the administration of their political party, mega donations are made and then the parliament delivers for those corporations. You only have to look at ICAC in New South Wales to see this has happened, with both Liberal and Labor politicians taking kickbacks for approvals. These are appalling scenarios. I turn my attention to Mark Vaile, a former leader of the National Party and chair of Whitehaven, which failed to make proper offsets for the environment, but was not taken to court for it. The Commonwealth decided not to proceed with a court action on that, and so Whitehaven is going ahead with its Maules Creek mine. Mr Vaile just sold $440,000 worth of shares, and it is estimated that the remaining shares in his portfolio in Whitehaven coal are worth $5 million. This is a former National Party head. What does that say about life in rural and regional Australia that the National Party is supposed to stand for? I say that it is time—

Senator Ronaldson: Mr Acting Deputy President, I rise on a point of order. Senator Milne has reflected on other senators in this chamber today and is making outrageous accusations of impropriety against other people and former members. I appreciate that Senator Milne has had a bad week, but it does not mean—

The ACTING DEPUTY PRESIDENT (Senator Back): Get to your point of order, Senator Ronaldson.

Senator Ronaldson: That she can use the licence in this place to attack others in the way she has.

The ACTING DEPUTY PRESIDENT: Thank you. I will ask you, Senator Milne, to be aware of the need to not reflect. Senator Sinodinos is a case where you have. Would you continue but would you also be mindful of that?

Senator MILNE: Thank you, Mr Acting Deputy President. As I was saying, even the Customer Owned Banking Association has supported the idea that our current support for the big banks is an effective subsidy that has an estimated annual value of between $2.9 billion and $4.5 billion. Supporting the big banks in the way that the community and the taxpayers do is an effective subsidy valued from $2.9 billion to $4.5 billion.

There is a very strong case that, if you are going to get revenue for the budget in a reasonable way, you should put a levy on the big four for general revenue. Consistent with the International Monetary Fund's advice, that levy should be set at a portion of the advantage received by the big four banks. That is why we are proposing a 20-basis-point levy on their assets. We note that the UK has a banking levy, which is forecast to raise about $3 billion by the end of this financial year and was increased several times previously. The conservative government in the UK is very happy to have a bank levy for raising revenue, which is returning $3 billion, and the conservatives in the UK are more than happy to see that increase. Why is it that people in this parliament are not prepared to see a bank levy returning that kind of support to the budget?

There is no budget emergency in Australia. How can you say there is a budget emergency when you refuse to take a revenue stream that is staring you in the face? How can you suggest that you cannot find ways to raise money except by imposing a co-payment to go to the doctor, except by telling the unemployed that they can live on nothing and except by telling
students they have to pay ridiculously high fees as a result of deregulation or increasing the rate of interest on their loans? This levy would bring competitive pressure to bear on the big four with regard to the other banks, and so I do not believe that they would be able to pass on the costs in the way that people critical of this levy are suggesting. It is squarely in line with Australian values and fundamentally about giving the banks and their customers a fair go across the board. The levy mirrors, as I said, similar levies in Europe. It raises substantial amounts of money. As far as I can see, there is no financial or moral argument that can be mounted against raising revenue from the big banks.

I am yet to hear from anyone in this Senate the reason that would not be so. This does not change any arrangements or oversight of the banks. It is not about undermining the regulatory environment. It is simply saying that a percentage of the support that we give to the big banks should be returned to the taxpayer by way of a levy and that would provide very welcome revenue to government to deliver health, education and the support services that the community needs. The government says, 'No, we do not want a revenue stream that is staring us in the face. We would prefer to take this money out of the pockets of the community, the sick, the young, the elderly and the pensioners.'

Yesterday, we let them have another revenue stream from the mining tax. We could have fixed that to make billions. But no, the parliament decided not to fix the mining tax to get the billions from the Gina Rinehart's of this world. No, they can maximise their profits and push for abandoning the minimum wage so that they can just sit there in absolute greed. That is what it is.

Senator Ronaldson, I know that you do not like the idea of Gina Rinehart being described in that way, but I will say it because that is the truth of it. You are letting those people get off the hook while at the same time freezing the superannuation contribution out for seven years. Women, particularly those in their fifties, will be stuck on 9.5 superannuation guarantee percentage out for the next seven years. That means, into retirement, they will never get the benefit of the 12 per cent that they should have had from the superannuation contribution. This was delivered by the leader of the Palmer United Party who, himself, is a coal magnate. He got rid of the mining tax and the carbon price—another multibillion-dollar revenue stream.

All that the coalition—the Abbott government—has done is to say: no to a revenue stream from the big polluters, no to a revenue stream from the big miners and no to a revenue stream from the big banks. Instead, they can all maximise the profit, the wealth and the power that the government has to extract the money from the community. (Time expired)

Senator DI NATALE (Victoria) (17:46): I rise today to speak about the proposal for a levy on the big four banks. This debate is not only about whether we are prepared as a nation to impose a levy on one of the most profitable industries anywhere in the world but also about the sort of country we want to be. It is a debate about our national priorities. It is a debate about whether we truly believe in the fair go. It is a debate about political courage and vested interests. It is a debate about whether we want to continue to attack the poor, the sick, the old, the young or whether we want to address the revenue side of the ledger in this country. We have a choice. We are faced with the choice now. The choice is: are we going to cut spending—and what goes along with that is cuts to some of the vital services and supports that make this the country it is today—or are we going to radically alter what it means to live in a modern, prosperous Australia? I understand that if you believe that we are indeed faced...
with a budget emergency, that there is very little role for government, that people are slackers and that they do not have a job because they lack initiative and drive, then you would choose the path of cutting spending. I, personally, do not take that view and neither do my colleagues in the Greens.

Before we look at whether we need to cut spending, let us look at a few facts. I was fortunate to chair the Commission of Audit inquiry. As a result of the evidence that we took from academics, economists, unionists, business leaders and so on about the state of the nation's finances, spending and revenue, a very clear picture emerged. The picture is that, for two decades now, Commonwealth spending has been very stable. Far from being bloated and inefficient, our Public Service is very lean and efficient. The number of public servants in this country has been decreasing steadily over the years.

Our spending as a proportion of GDP is lower than it has ever been. I will say that again: the amount of money we spend through the services and supports that we provide to people is lower than it has ever been. In fact, it is lower than most other comparable countries. The same is true of our tax take. We are a very low taxing country. As a proportion of GDP, we are one of the lowest taxing countries anywhere in the world. At the moment, our tax take is lower than what it was under the Howard government.

The issue here is: are we prepared to take a sober look at these facts and recognise that far from the requirement to slash spending—because of some confected budget emergency—we need to look at the revenue side of the ledger. There are a number of areas that we could do that on. Before I get to the issue of a levy on the big four banks, why not take on the issue of huge subsidies to the fossil fuel industry: the $8 billion subsidy in the form of the diesel fuel rebate—that is, $8 billion over the forward estimates, a huge handout to the big end of town; the depreciation benefit is worth billions. There are a number of other areas that people have mentioned, such as the super tax concessions and the huge subsidies to the private health insurance industry. We are now seeing the proposal to float Medibank Private. There are a number of areas where savings are to be made and they do not involve cutting the services and supports that define who we are as a modern nation.

So the facts say that the spending is under control and the problem is on the revenue side of the ledger. That is why we have adopted a policy to impose a small, a modest, levy on the big four banks. Let us be very clear about this. These are some of the most profitable banks anywhere in the world. We have got a forecast of a $30 billion profit by the end of this financial year. Let us not forget that that is underwritten by the taxpayer, because the big four banks know that, if they were to achieve serious losses, it is the taxpayer who would make up the shortfall.

It is effectively a huge subsidy and, as we heard earlier, it is a subsidy that is worth somewhere in the vicinity of $4 billion. The result of that guarantee, that subsidy underwritten by the taxpayer, is that the big four banks dominate our market. It means that the smaller banks do not have the capacity to borrow money as cheaply as the big four banks.

So why not impose a very small, 20-basis-point levy on the assets of the big four banks? If the choice is between a modest levy—recovering, in a sense, some of the cost of the effective subsidy being provided to the big four banks—and slashing spending on health, slashing spending on education, depriving young people who are unable to find a job of income support when they most need it, attacking superannuation and so on, why not choose to
impose the levy? That is what this is about. This is not just a debate about a levy on the big four banks; it is about the choices we face as a nation. It is about what the role of government should be.

The Greens believe that there is a role for fair and just taxation and we believe that the role of government is to invest in education, not to strip money away from health care. We think the role of government is to invest in our young people, in skills and training, and to ensure that they have the support they need when they are unable to find a job. That is the role of government. If it is not, what are we doing here?

A levy would be win-win. It would not just be of benefit in raising revenue; it would be good for the banking sector itself. It is in line with Australian values, it gives customers a fair go and it is in line with what has been done right around the world—a similar levy has been implemented in the UK and in other European countries. It would give us better competition in the banking sector. It would go some way—not all the way, but some way—towards equalising the wholesale funding advantage that government gives to this hugely profitable sector.

Like anybody, I want a strong financial sector, a strong banking sector, because I know that is important for our future prosperity. This proposal is no threat to that. It just says that, due to the current economic environment, and because we have such dominant players in the market—where their dominance is being underwritten by, effectively, a cheque from each and every one of us—it is about time they paid a little back. It is win-win: more competition in the banking sector and more revenue to pay for the services we want. If we are talking about an end to the age of entitlement, an end to corporate welfare, why not do this? Why not acknowledge that the subsidy exists? We should recognise it and take steps to ensure that our banks are no longer the beneficiary of this corporate largesse—the same way we should be eliminating the enormous subsidies to fossil fuel industries, to private health insurance companies and to other areas of the economy.

One of the problems with proposals like this—and this has become true of many other reforms—is that it will evoke a concerted campaign from the banking sector telling us why the sky is going to fall in, why this reform is going to send mum-and-dad shareholders to the wall, why it is not possible. That says everything about the role of vested interests in this place. Australian democracy faces a huge issue at the moment. We are seeing it play out with the state government in New South Wales—this nexus between vested interests, the big end of town and decision makers. Decision making has been clouded by those relationships and it means that, when faced with choices—between, say, introducing a barrier to someone going to see their doctor and a reasonable revenue measure—governments, and particularly this government, will always side with the big end of town ahead of the ordinary person. That is one of the great tragedies we saw with this budget.

We are being told that government cannot afford to do the things that people want. We are being told that health care needs to be cut. We are being told that young people need to pay more for a university education. We are being told that we cannot afford to contribute as much into our superannuation as we were promised. We are being told that somebody who cannot find a job should be cut off income support for six months. We are being told that, if you need to have a blood test, the only way you can get it is by making a co-payment. We are being told that, if you want to see a radiologist, you are now going to have to pay for it—even
if the doctor orders the test and insists that it is urgent. But none of that is written in stone. There is no law of nature that says that the only way you can balance the nation's books is by slashing spending and by continuing this sustained attack on the people who can least afford it. There is no law of nature that says that.

We are faced with choices. This government is making the choice to ignore the great opportunity it has at the moment to impose a very small revenue-raising measure on the big banks. In doing so, it is choosing not to side with the ordinary people. We will not stand for it; the Australian Greens will not stand for it. The reason we are having this debate at the moment is to demonstrate that there are choices, that there are constructive alternative proposals that could move this country in a fairer, more caring and more compassionate direction. Do you know what the good news is? The good news is that is exactly what people want.

The reason this government did not put its proposals to cut health care, education and so on in front of the Australian people before the last election is that it knew those things would be deeply unpopular. That is why it did not have the courage to forewarn the Australian people that it had this budget lined up—one of most brutal, vicious and cruel assaults imaginable on the most vulnerable people in our society: the poor, the young, the sick and the old. That is why we are having this debate at the moment: to show that we have a choice, to show that, in a caring Australia, we have a choice. Our choice should be to impose a levy on the big four banks.

The PRESIDENT: Order! The time for the consideration of general business has expired.

**BILLS**

**Higher Education and Research Reform Amendment Bill 2014**

**First Reading**

Bill received from the House of Representatives.

**Senator RONALDSON** (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (18:00): 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 RONALDSON** (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (18:00): 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—*

**Introduction**

Today I introduce the *Higher Education and Research Reform Amendment Bill 2014*.

The Reform Bill gives effect to some of the greatest higher education and research reforms of our time.
The Reform Bill will spread opportunity to more students, including disadvantaged and rural and regional students, equip Australian universities to face the challenges of the 21st century and ensure Australia is not left behind by intensifying global competition and new technologies.

The passage of the Reform Bill will enable Australia to achieve the best higher education system in the world and have some of the best universities in the world.

We live in a time of constant change. The international economy is evolving, the employment market is shifting and tomorrow's jobs demand different skills to the jobs of today.

Currently our universities are at risk of being left behind and overtaken by the growing university systems in our region and across the globe as these systems increase their capacity and new forms of online and blended delivery take hold.

We must aspire to not only keep up with our competitors, but keep ahead of them.

The Government's changes will give Australian universities the freedom and autonomy to work to their strengths, be internationally competitive and manage economic and social changes to the best of their abilities.

Students will benefit most. They will enjoy improved teaching and learning in innovative and creative courses that compete for their interests. They will be able to choose from a wider range of options and will have better information to help them make decisions about where, how and what to study.

In addition to increased international competition and a rapidly changing environment, the nation faces significant challenges in higher education and research that were not addressed by the previous government. These challenges include budget deficits and ballooning debt, and funding cliffs for essential research fellowships and research infrastructure.

The Reform Bill meets those challenges head-on in ways that are fair to both students and taxpayers.

Universities Australia, the body representing all university vice-chancellors, fully supports the need to deregulate and free-up higher education in Australia. Deregulation is the only way to respond to what students and employers want. It is the only way to set our universities free to ensure they can deliver what we need. It is the only way to ensure Australia is not left behind. It is a one-off opportunity.

If we don't act, and act now, we risk Australia's higher education system falling into a downward spiral towards mediocrity. Universities Australia made this abundantly clear prior to the Budget with its Keep It Clever campaign. We must not be left behind.

Fortunately, we won't be. With the passage of the Reform Bill, we will have the right conditions to transform the Australian higher education system and give it the freedom to be the best in the world.

Australian Technology Network Executive Director Vicki Thomson has said:

*to reject the [deregulation] legislation out of hand ... would be to sign the death warrant on a globally respected higher education system.*

The Vice-Chancellor of the Australian National University, Professor Ian Young, said at the National Press Club regarding the Government's higher education reforms:

*it would be a great tragedy for our nation, for our universities, for our future generations, if our Senators passed up this opportunity.*

**Spreading opportunities to students**

This is not only about quality, however; it is about opportunity. This Bill will see an additional 80,000 higher education students per year supported by Government subsidies by 2018. These students will include more people from disadvantaged backgrounds, more students from rural and regional communities, Australians who require extra support to succeed at university and workers whose skills need to be updated.
Regional students and regional higher education institutions will benefit significantly as we expand the demand driven system to enable study in more places in more ways.

Universities, TAFEs and private providers will have new incentives and opportunities to develop innovative partnerships, particularly in outer-metropolitan and regional areas, where they can work together to offer the skills and knowledge that local employers want in their employees.

Many regional institutions have warmly welcomed this opportunity. They are frustrated by the restrictions which prevent them from developing creative solutions that directly meet the needs of their communities and prevent them from marketing unique learning experiences to those who live in cities. They see the potential in these changes, including to market opportunities to study in the fields in which they teach especially well.

There have already been some moves in this direction - last year the University of Ballarat and what was previously Monash University's Gippsland campus joined to create the Federation University Australia, providing greater educational opportunities to the communities of regional Victoria.

This Bill reflects the change in the name of the University of Ballarat to Federation University Australia.

The Government's reforms will give institutions greater freedom to explore these kinds of opportunities while strengthening the service they offer to their communities.

Through these reforms students who choose to study higher education diplomas, advanced diplomas and associate degrees in their own right or as a pathway to university will be supported.

Students studying for higher education undergraduate qualifications at TAFEs, private universities and private higher education institutions will be supported.

Students who come from low socio-economic backgrounds—many who are first generation university students—will be big winners from this extended support. We anticipate the nation will see improved success rates and reduced drop-out rates for undergraduates.

This Bill provides a level playing field for students, no matter what their study choices are. It removes the punitive loan fee of 20 per cent for VET FEE-HELP—helping tens of thousands of Australians undertaking VET courses—and gets rid of the 25 per cent loan fee for FEE-HELP for those who study with private institutions. It removes the lifetime limits on all Higher Education Loan Programme (HELP) schemes and discontinues the ineffective HECS-HELP Benefit.

In addition, this Bill allows certain New Zealand Special Category Visa holders to access the HELP scheme. This will assist a small number of New Zealand citizens who moved to Australia as children and deserve to be treated in the same way as Australian students in support to undertake higher education.

**Equity and access**

To support equity and access for Australian students, the Reform Bill also introduces a new Commonwealth Scholarship scheme to support students from disadvantaged backgrounds, including from regional Australia. This is one of the most important and valuable elements of the reform package in the legislation. Higher education institutions with a Commonwealth supported equivalent full-time student load of 500 or more will be required to allocate one dollar in every five of additional revenue to this new scheme.

With this investment, institutions will be able to provide tailored, individualised support to help disadvantaged students, including help with costs of living while they study, something regional students and families will especially welcome. The scholarships will also be able to cover fee exemptions and mentoring, tutorial support and even relocation expenses.
The Commonwealth Scholarship scheme will be complemented by the Higher Education Participation Programme, which provides funding, irrespective of fee revenue, to allow universities to conduct outreach activities and undertake initiatives to support disadvantaged students.

**Student support**

There has been much debate about the measures in the Reform Bill to improve the sustainability of the higher education system and the HELP scheme in particular. It is worth remembering how much support the taxpayer provides to higher education students.

Most university students occupy a Commonwealth supported place. The taxpayer subsidises the fees that these students pay to the tune of 60 per cent—on average, students pay around 40 per cent.

And that's not the full extent of the taxpayer's contribution.

Most students take out a HELP loan so they don't have to pay for their share of the tuition fees up front. The Government—the taxpayer—pays the institution the student's contribution upfront, on their behalf.

The student doesn't have to pay a cent back for their education until they are earning more than $50 000. In years when they are not earning this amount, they don't need to make any payments.

The student might also receive income support—Youth Allowance or Austudy—while they are studying.

We want a system that embodies the idea of a fair go - where there are no financial barriers to participating in higher education. We want all Australians who have the ability and the ambition to participate in higher education—this will help create a strong, vibrant economy and assure our future standard of living.

But running such a high level of support comes at a cost. In 2014:

- The cost of subsidising degrees is more than $6 billion.
- The value of HELP loans is more than $5 billion.
- Student income support for higher education is more than $2 billion.
- The amount of funding the Government provides through HELP loans is going to double over the next few years. In 2017 we will be lending students $10 billion.

In a deficit environment the Government needs to borrow the money that it lends to students. Because the Government currently lends to students at less than it costs the Government to borrow the money, there is an additional subsidy from taxpayer to student. Given the scale of costs now present in the higher education system, it is time students picked up a fairer share of the tab for these interest charges. This is why we are changing the indexation rate for HELP debts from the Consumer Price Index to the Treasury bond rate (safety capped at six per cent).

Most people would agree that HELP is the best loan you would get in your life—for the best investment that most people will ever make in themselves.

It's a good deal. It's the best deal an Australian will ever get. Australian university graduates on average earn up to 75 per cent more than those who do not go on to higher education after secondary school. Over their lifetime graduates may earn around a million dollars more than if they had not studied at university. It is only fair that they pay a reasonable share of what it costs.

For students who were enrolled as Commonwealth supported students on the day of the Budget, existing arrangements for Commonwealth and student contributions will apply until they complete their study, or the end of 2020—whichever comes first. This includes those who had commenced a course, or deferred commencement, or accepted an offer of a Commonwealth supported place on or before 13 May 2014.
From January 2016, with new levels of funding for Commonwealth supported places and with the commencement of deregulation of the higher education system, new university students will go on to contribute, on average, around 50 per cent of the cost of their higher education, up from 40 per cent. But only when they earn enough to cover it.

**Equipping universities for change**

In a competitive global economy we need to make sure Australian higher education keeps pace with the best in the world. And currently, as warned by Universities Australia, Australia’s universities risk falling behind.

The Shanghai Jiao Tong index released a few weeks ago lists eight Australian universities in the world’s elite 200. Universities in China, Hong Kong, Taiwan, and Singapore are rising strongly through the ranks. Five years ago there were no Chinese universities in the top 200, now there are six. In five years.

We need a relentless focus on the quality and impact of our higher education system.

We need to ensure Australian higher education institutions do not stand still.

The Reform Bill gives higher education institutions the freedom and the confidence to face the future and be the best that they can be.

The Reform Bill will allow Australian higher education institutions to choose what courses they offer, what fees they should charge, which students they want to attract, what teaching methods they should use, what scholarships they provide and what other support services they give.

**International education**

The new freedom for universities outlined in this legislation will position our universities to attract the best and brightest students from across the world. We have done well so far, but this is not something we can take for granted. International students bring different views and cultures that enhance our nation’s knowledge and skills. They contribute to Australia’s education export industry, which is earning around $15 billion per year.

International students also impact on local economies. They shop in our corner stores, travel to our towns and cities, spread the word about Australia to their friends and families, and buy our goods while they are here. The former government took all that for granted, and so wiped $4 billion off our export income, which hit our economy and our universities hard. We cannot let that happen again.

**Competition and better information**

Quality is everything—for our students, for our institutions and for our international competitiveness. Students must know their qualifications will lead to a job. To assist students to make informed choices about where and what they study, new information will be provided through the Quality Indicators for Learning and Teaching—known as QILT—detailing the performance of each private and public higher education institution.

Students and their families will be able to access this real and vital information about the quality of courses and institutions they are considering. There will be better information about previous graduates’ success at finding jobs and what other students and employers think of the course they are planning to do.

This information will also help Australian institutions compare their performance with other nations, and continually improve.

**Research**

The Government's broader changes to higher education and research will safeguard a strong, competitive research system.
World-class research requires high-quality facilities and talented researchers. Yet the previous government left us in a state where there was not a single dollar set aside for the National Collaborative Research Infrastructure Strategy beyond 30 June next year. Nothing.

There was no provision for any new awards for the Future Fellowships programme that supports mid-career researchers to undertake world-class research in Australia. Not a cent.

As part of the higher education reform package, the Government will invest $11 billion over four years in research in Australian universities, including $139 million for the Future Fellowships scheme and $150 million in 2015-16 to continue the National Collaborative Research Infrastructure Strategy. Labor abandoned both.

The Reform Bill amends the *Australian Research Council Act 2001* to index annual appropriations to increase funding for the Australian Research Council, and to apply a one-off efficiency dividend. We are providing for 100 four-year Future Fellowships each year, and making this an on-going programme.

The Government's commitment to ARC funding for Future Fellowships, where the previous Government left a funding cliff, means that ARC funding is increased by this legislation well above what was proposed by the previous Government in forward estimates. Funding for Future Fellowships and for the National Collaborative Research Infrastructure Strategy are integral parts of the Government's higher education reform package, and depend on the passage of this legislation.

The Reform Bill will also allow universities, if they wish, to require Research Training Scheme (RTS) students to make a small contribution to the cost of undertaking a Higher Degree by Research course. The Government will expand HELP to allow eligible RTS students to defer paying their contribution until they are earning a decent wage.

**Indexation**

The Reform Bill will support the Government-wide decision to streamline and simplify indexation for programmes. The Consumer Price Index will be applied to payments administered under the *Higher Education Support Act 2003*.

**Consultation**

The Reform Bill is the result of extensive national discussion and consultation before and after the Government announced its higher education and research reform package.

There has been widespread debate in Australia over many years about the kinds of reforms that are necessary both to expand opportunity for students and to ensure that we are not left behind internationally.

The Government's reforms as presented in this Bill respond to the findings of the *Review of the Demand Driven Funding System* by the Hon Dr David Kemp and Mr Andrew Norton, which received over 80 submissions. The legislation also addresses issues raised in submissions from universities, their peak bodies and non-university higher education providers to the National Commission of Audit.

Since the Budget, we have undertaken extensive further consultation with stakeholders, including through the Legislation and Financing Working Group chaired by the Vice-Chancellor of La Trobe University, Professor John Dewar, and the Quality, Deregulation and Information Working Group, chaired by the Chancellor of the University of Western Sydney, Professor Peter Shergold AC.

Consultations have taken place with all vice-chancellors, all universities groupings and all non-aligned universities. There have also been meetings with non-university higher education institutions.

The Government has listened to views from across the community and is confident that this is a fair, balanced and necessary package of reforms.

**Conclusion**

The passage of the Reform Bill will spread access and opportunity to higher education to more Australians, including disadvantaged and rural and regional students.
The passage of the Reform Bill will equip Australian universities to play to their strengths and face the challenges of the 21st century.

The passage of the Reform Bill will ensure Australia is not left behind by intensifying global competition and new technologies.

The passage of the Reform Bill can enable Australia to have the best higher education system in the world with some of the best universities in the world that are magnets for students everywhere.

The Reform Bill is essential for the future prosperity of our nation.

Debate adjourned.

DOCUMENTS

National Broadband Network - Select Committee

Consideration

Debate resumed.

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (18:02): I rise to speak tonight on the Australian government response to the Senate Select Committee on the National Broadband Network. The committee in its report pointed out that the government's strategic review of the NBN relies on the flawed and disordered assumptions in NBN Co's revised outlook. These include inflated assumptions of the cost of fibre deployment and delays to the rollout schedule, pessimistic revenue assumptions for Labor's NBN and failure to account for the higher operating expenditure and reduced revenue that would arise from the government's second-rate network. The committee quite sensibly recommended that NBN Co submit a revised strategic review that provides transparent assumptions and corrects distortions and deficiencies. The committee also recommended that the NBN Co take account of the costs of upgrading the multitechnology mix network in the future and that the review should be independently scrutinised.

The committee made three other recommendations: that NBN Co accelerate the fibre-to-the-premises rollout while further analysis is undertaken, that governance processes between NBN Co and the minister be investigated to determine how a document with the deficiencies of the strategic review was produced and signed off by the NBN Co board and the minister and that the Senate amend the committee's terms of reference to enable ongoing and robust parliamentary oversight of the NBN.

The government rejected all four recommendations of the committee with barely an explanation, and this response is completely unacceptable. It shows that this government will do whatever they can to avoid any independent scrutiny of their plan to hobble the Australian economy by delivering second-rate broadband. The strategic review is part of the expensive political exercise this government have engaged in around the NBN. So far the Minister for Communications has spent about $12 million appointing hand-picked mates to write various reports giving him the answers he wants. He seems to have adopted Sir Humphrey Appleby's advice that one should never hold an inquiry unless they know what the answer will be.

The latest of these reports is the cost-benefit analysis—the one the government promised before the election would be independently conducted by Infrastructure Australia. Instead the minister picked well-known critics of the NBN Henry Ergas and Kevin Morgan, his former adviser Alex Robson and former Liberal Party staffer David Kennedy to write the so-called 'independent report'. This report ludicrously concludes that 15 megabits per second will be
sufficient for most businesses and households in 2023, dismissing the fact that already more than half of NBN Co's fibre customers are choosing speeds greater than this and 28 per cent are choosing plans of 50 megabits per second or greater.

Even the CEO of NBN Co, Mr Bill Morrow, does not agree with this finding. On Radio National recently he said:

I suspect...when they talk about 15 megabits per second being sufficient for people today, I think that that likely is taking a snapshot in today's environment. What will tomorrow be, what will next year and the next decade require, I think is really the question.

Let's not forget that when Mr Abbott appointed Mr Turnbull to the communications portfolio he ordered him to demolish the NBN. So far he has done a good job following that order. The NBN rollout is slower today under Minister Turnbull's watch than it was this time last year.

It is now almost a year since Mr Turnbull was handed responsibility for the NBN. All we have had from him are political paybacks, broken promises, delays and jobs for the boys. And, speaking of jobs for the boys, I would like to bring to the attention of the Senate—for those who might have missed it—the bonuses and contracts for the boys involved in NBN. In the 10 weeks prior to the election the NBN rollout was passing an average of 4,290 brownfield premises per week. The 10-week average has now plummeted to 2,707 premises per week. I want people to keep that in mind when I point out that it has been alleged—I think quite seriously—that the NBN Co has doubled its spending on advisory fees in the last year. This is once again as a result of Mr Turnbull putting his mates in charge of a number of reviews focused on political payback. The advisory fees have almost doubled in the last 12 months, and they are up $34.7 million. If there really is a budget emergency or a budget crisis, or whatever those on the other side are calling it today, I fail to see how that can be the case.

NBN Co executives in charge of the rollout of NBN have also been paid large bonuses despite the fact that the NBN is now rolling out so much slower than it was this time last year. The key executive in charge of the negotiations with Telstra, funnily enough, was also awarded a bonus of $104,600 despite the fact that this agreement is now more than two months late. They have awarded a contract to one of its own board members. They have been playing great political games, and I think it is high time that Mr Turnbull stopped playing those political games and started to deliver the NBN that Australians want, need and deserve.

Senator RUSTON (South Australia—Deputy Government Whip in the Senate) (18:08): I was not going to speak on this document tonight, but having sat here and listened to the contribution of Senator Bilyk on the other side, I feel absolutely compelled to do so.

The many accusations that have been made about the minister and the NBN Co and that this was a political exercise I find really quite extraordinary. The chamber has heard this before. This NBN committee was set up in the most extraordinary way so that the committee could be quorate with only Labor Party members in the room. So we had the committee set up without the usual checks and balances that we have come to respect in the Senate. Then they decided they would hold hearings before the coalition had even had the opportunity to appoint senators to this committee, so the first few hearings were held with only Labor Party senators present. Political—and you are accusing the minister and the NBN Co of doing this politically. Then we had a situation where the interim report was handed down to us on the Friday afternoon to be tabled the following week. We spent the weekend looking through this report to get information and to make sure that we could have a sensible response to it, only to
find that on Monday morning—after spending our entire weekend doing this—a completely different report was given to us on that Monday morning.

Firstly, I would just like to draw the attention of the house to the fact that to accuse us of being politically motivated is a little bit rich. Secondly, I do not know what parallel universe that some other people in this chamber must be living in, but to be suggesting that what is happening now in terms of the rollout of the NBN is either worse than it was or somehow now our fault when all we are trying to do is to clean up the mess of those that have gone before us, I think, is really, really rich.

What we are trying to do is make sure that the NBN that we deliver to Australians is cheaper, faster, more affordable and that we deliver it sooner. Unfortunately, with the constraints of the budgetary situation that we inherited from those opposite, it makes it extraordinarily difficult because we do not have the credit card mentality. We believe we have to be responsible with the way we spend taxpayers' money. I would suggest that Senator Bilyk should probably take a little bit more notice of what is actually going on out there on the ground and maybe listen a little bit more to what the people are actually saying and take a more balanced approach to how to address the NBN.

Unfortunately, I did not realise that Senator Bilyk was going to get up tonight and make the kinds of accusations that she has about the members and the various aspects of the NBN organisation, because I would have liked the opportunity to respond to those. But I really do think that it is extraordinarily rich that we have that kind of contribution when, to my mind, the only thing that this NBN committee is doing is allowing an opportunity for Senator Conroy to prosecute something that he failed terribly in delivering. I will leave it there, but I will seek leave to continue my remarks.

Leave granted; debate adjourned.

DOCUMENTS
Consideration
The following orders of the day relating to committee reports and government responses were considered:

Community Affairs References Committee—Prevalence of different types of speech, language and communication disorders and speech pathology services in Australia—Report. Motion of the chair of the committee (Senator Siewert) to take note of report called on. On the motion of Senator McEwen the debate was adjourned till the next day of sitting.

Environment and Communications References Committee—Management of the Great Barrier Reef—Report. Motion of the chair of the committee (Senator Urquhart) to take note of report called on. On the motion of Senator McLucas the debate was adjourned till the next day of sitting.

Education and Employment Legislation Committee—Family Assistance Legislation Amendment (Child Care Measures) Bill (No. 2) 2014 [Provisions]—Report. Motion of Senator Lines to take note of report called on. On the motion of Senator McEwen the debate was adjourned till the next day of sitting.

Economics References Committee—Future of Australia’s naval shipbuilding industry: Tender process for the navy’s new supply ships (part 1)—Report. Motion of the chair of the committee (Senator Dastyari) to take note of report called on. On the motion of Senator McEwen the debate was adjourned till the next day of sitting.

Community Affairs References Committee—Out-of-pocket costs in Australian healthcare—Interim and final reports. Motion of Senator Di Natale to take note of report called on. On the motion of Senator McLucas the debate was adjourned till the next day of sitting.

Finance and Public Administration References Committee—Commonwealth procurement procedures—Report. Motion of the chair of the committee (Senator Lundy) to take note of report called on. On the motion of Senator McEwen the debate was adjourned till the next day of sitting.

School Funding—Select Committee—Equity and excellence in Australian schools—Report. Motion of the chair of the committee (Senator Collins) to take note of report called on. On the motion of Senator McEwen the debate was adjourned till the next day of sitting.

Economics References Committee—Performance of the Australian Securities and Investments Commission—Report. Motion of the chair of the committee to take note of report agreed to.


Education and Employment References Committee—Technical and further education system in Australia—Report. Motion of Senator Bilyk to take note of report called on. Debate adjourned till the next day of sitting, Senator McEwen in continuation.

Foreign Affairs, Defence and Trade References Committee—Australia’s overseas aid and development assistance program—Report. Motion of the chair of the committee to take note of report agreed to.

Education and Employment References Committee—Government’s approach to re-establishing the Australian Building and Construction Commission—Report. Motion of the chair of the committee (Senator Lines) to take note of report called on. Debate adjourned till the next day of sitting, Senator McEwen in continuation.

COMMITTEES

Education and Employment Legislation Committee

Membership

The PRESIDENT (18:12): I have received a letter from a party leader requesting changes in the membership of committees.

Senator RONALDSON (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (18:12): by leave—I move:

That Senator O'Sullivan be discharged from the Education and Employment Legislation Committee from 8 September until 19 September 2014, and Senator Reynolds be appointed in accordance with the document circulated in the chamber.

Question agreed to.

ADJOURNMENT

The PRESIDENT (18:13): Order! I propose the question:

That the Senate do now adjourn.
Agriculture

Senator EDWARDS (South Australia) (18:13): I rise tonight to speak about an issue that is going on in my home state of South Australia. South Australia is presently suffering from one of the worst outbreaks of beet western yellow virus that our farmers have ever seen. Across 10,000 hectares in the lower north, mid-north and the lower Mallee the green paddocks are now brown because there are no longer plants in those areas. It looks like somebody has randomly plucked those plants out all over. What used to be one of the most marvellous spectacles at this time of year in South Australia is no longer in the mid-north. When I drive to my home town of Clare there is usually a carpet of green and yellow. Despairingly, across 10,000 hectares in the lower north, mid-north and the lower Mallee the green paddocks are now, as I said, brown. Jenny Davidson from the South Australian Research and Development Institute said she has never before seen this level of damage from any virus in crops. She said:

It's the magnitude of what we're dealing with that is totally un-expected. This has blindsided South Australian cereal croppers.

The transference of this virus is made possible by the flight of the aphid bug. Aphids have piercing and sucking mouthparts which feed from the cells that transport plant nutrients. Under the right conditions their numbers build rapidly until the plant can no longer support their number and then the aphids produce winged morphs that disperse with the wind onto other crops. Most of these individuals find a suitable host crop and so aphid numbers build unhindered. Asexual reproduction and the fact females give birth to live young in which embryos of the next generation are already developing mean aphid populations expand rapidly. And so does the beet western yellow virus.

Some growers have lost between 10 and 15 per cent of their canola crops to the virus. Primary Industries and Regions SA believes farmers will plan for a significant reduction in canola crops next year if the virus continues. What makes this situation even worse is that the aphids spreading on South Australian crops are found to be resistant to the three major groups of chemicals used to control them. The chemical Transform, which is a registered mark, is the only remaining insecticide to control the bug; however, we are seeing the aphids grow resistance to this pesticide too. This is an incredibly concerning prospect, as canola accounts for 40 to 50 per cent of the cropping rotation in the Lower Eyre Peninsula. Should the aphids develop further resistance to Transform the outcome would be devastating as yields would reduce, affecting South Australia's nearly 415,000 tonnes of canola for export.

The question then becomes: how do we solve this problem? I suggest the solution lies with the further development of plant science in Australia, particularly in the area of genetically modified organisms. According to the Office of the Gene Technology Regulator, 12 of 36 active trial sites are seeking to develop GM canola with desirable traits. These include herbicide tolerance, altered oil content, drought resistance and other characteristics that will help yield numbers into the future. Other trial crops include wheat, maize, sugarcane, cotton and even fruits. It is there that we may find a solution to this debilitating problem caused by aphids that carry this disease that is causing so much crop loss.

Genetically modified organisms was once a dirty word, but I can happily inform you, Mr President, that we no longer have anything to be afraid of when trialling new GM products on
our shores. In its infancy, an environmentalist by the name of Mark Lynas spent a considerable amount of time and energy developing the powerful anti-GM movement. What he did not spend time on though was the actual science, and he acknowledged this some 20 years later. At a conference of academics at Oxford last year, he accepted that he:

... assisted in demonising an important technological option which can be used to benefit the environment.

Dr Cathleen Enright, Executive Director of the Council for Biotechnology Information in Washington, DC, said:

We hope that the tremendous reaction to the speech by Mark Lynas serves as evidence that honest consideration of the science will change minds about agricultural biotechnology.

One person who has not heeded Lynas' words is the South Australian Minister for Tourism and now also the minister responsible for primary industries—a recent appointment I must say—Mr Leon Bignell. When reimposing the moratorium on GM products in South Australia he said:

Non-GM crops attract greater market prices ...

... ...

Our GM-free status gives primary producers and food and wine manufacturers a competitive edge in the global marketplace ...

You would think that such assertions would proudly display the supporting evidence that they are based on. However, when you speak with the department responsible for publishing these words, no-one is able to tell you how these claims are substantiated.

I am a big supporter of South Australia's premium food and wine industry. Having produced wine for as many years as I have, I know firsthand the quality produce being exported from the state of South Australia. However, South Australia will fall behind if it continues with this moratorium. Western Australia grows about 40 per cent of Australia's canola and lifted its moratorium on GM production in 2010. Since then production has grown 46 per cent, with an enormous increase in GM canola and little decrease in non-GM. Minister Bignell's policies disregard science for scare campaigns. I worry that this cavalier attitude will lead to the destruction of more crops.

I will supply this contribution to the minister in an effort to evoke a response to my continual question of him: why do you claim that there is a competitive advantage for South Australian farmers to maintain GM-free status?

Why it is that he thinks that the markets which South Australians are selling to actually are able to identify South Australia outside of Australia for GM products and GM-free production. I am also very keen to understand how it is that he can talk about the economic benefit of being GM free when he is unable to table any kind of evidence that would show that South Australian farmers benefit economically, when I have contrary evidence to that.

I know that South Australia, with its crippling debt, is somewhat challenged. But the one thing that we do and we do well is food and food technology. South Australia is the base for the Australian genomic centre based at the Adelaide University. We do wonderful work all around the world and it all happens in Adelaide in South Australia. We are respected and in some cases revered for our work in genomics around this country. And yet Minister Bignell
isolates us from taking on those advantages. It is my hope one day that South Australia can embrace the genetic modification phenomena.

**Rwanda**

Senator FAULKNER (New South Wales) (18:23): In one of the darkest periods in recent history, for 100 days from April to July in 1994, almost one million people, or one in 10 Rwandans, were murdered in a brutal act of genocide. This year marks the 20th anniversary of the Rwandan genocide. Even for a continent devastated by centuries of conflict and famine, the scale and speed of this slaughter was astonishing.

In April 1994, decades of ethnic tensions between Hutus and Tutsis came to a head when the Rwandan President's plane was shot down on approach to Kigali airport, killing everyone on board, including the President. Both sides blamed each other for downing the President's plane. Whoever was responsible, within hours a campaign of violence was mobilised by the Hutu government against minority Tutsis, quickly spreading from the capital to the countryside. Government officials, soldiers and police officers encouraged ordinary citizens to take part in the slaughter. Tragically, in some cases Hutus were forced to murder their long time Tutsi neighbours or be killed themselves.

In the aftermath many households were left headed by orphaned children or widows. Many women, victims of war rape, were infected with HIV, as well as their babies, and now deal with the added burden of social exclusion and isolation. The destruction of infrastructure and a severe depopulation of the country crippled the economy. Many fled, languishing in squalid refugee camps for years. In the months and years that followed, after having grown up in exile in refugee camps in the region, thousands of Rwandans returned home to rebuild their lives and their country.

Now, some good news. It follows, in fact, from comments I recently made about the positive effect cricket is having in Afghanistan after decades of violence and upheaval. I celebrated the remarkable success of the Afghanistan national cricket team on the world stage, including their qualification for next year's Cricket World Cup in Australia and New Zealand. I am happy to report a similar story is now being written in Rwanda.

Cricket was brought to Rwanda after the 1994 genocide by the thousands of returning Rwandans who grew up playing cricket in refugee camps and towns in nearby cricket-playing nations Kenya, Uganda and Tanzania. In 1999 a small number of these cricket enthusiasts founded the Rwanda Cricket Association, the RCA, with Rwanda achieving affiliate status of the International Cricket Council in 2003. The RCA’s activities have been largely centred on a small uneven field leased from the Kicukiro College of Technology in Kigali. Despite the RCA’s excellent development program and burgeoning interest, this uneven field, dotted I am told with ant nests and hidden holes, remains the country's only recognised cricket field. I am also advised that, despite these challenging conditions, local players play and practice with an intensity and enthusiasm that belies the shortcomings of these facilities.

To assist Rwandan cricket, the Rwanda Cricket Stadium Foundation was formed in August 2011. The charity is run by cricket enthusiasts from the UK and Rwanda, in partnership with the Marylebone Cricket Club Foundation. Their mission is to:

… construct and manage a not-for-profit international standard cricket and sports centre in Kigali, that will operate a 'sport for all' policy, allowing Rwandans from all backgrounds access to cricket.
Patrons include British Prime Minister David Cameron, former English test cricketer and BBC commentator Jonathan Agnew, and West Indian test cricket great Brian Lara. A site on the outskirts of Kigali has been acquired with development to begin in October 2014. From there, the Rwanda Cricket Association will have a permanent home, where it can continue to foster the game in schools and universities as well as amongst Rwanda's most disadvantaged young people.

According to the Rwandan Cricket website, thousands of young Rwandans, both male and female, now play cricket in orphanages, primary and secondary schools and universities. In 2010 the under-19 Rwandan girls team beat regional heavyweights Kenya. In 2011 the men's team won the ICC Africa Division 3 Championships; and in the same year two of Rwanda's best female cricketers were selected by the ICC to attend a training clinic in South Africa.

We should remember that, more broadly, Rwanda is proving to be a great African success story. In 2008, in an effort to align itself with the East African community and, if you like, the anglophone world, Rwanda changed its official language from French to English and joined the Commonwealth. Last year, the World Bank ranked Rwanda the 32nd easiest place for doing business in the world, second in Africa to Mauritius. Also in 2013, Rwanda ranked 49th in the Corruption Perceptions Index, published by Transparency International, second in Africa to Botswana. Sixty four per cent of Rwandan parliamentarians are women—that is 51 from 80 seats, the highest proportion of any parliament in the world.

I want to conclude my remarks this evening by saying that it is great to see a game in Rwanda, the game of cricket, bringing so much positivity to the lives of its people, as has happened, as I have said before in the Senate, in other historically troubled corners of the globe. Like in Afghanistan, I hope that cricket, in its own small way, can help bring the people of Rwanda together and change their lives for the better.

Qantas

Senator XENOPHON (South Australia) (18:32): This evening, I would like to use this opportunity to discuss the issue of Qantas. Last week, we had the shocking result of a record $2.8 billion loss for Qantas, including some $2.2 billion in asset write-downs, much worse than the market expected—but, inexplicably, the share price has gone up. I want to look at a whole range of issues as to what has gone wrong with our great national carrier, Qantas, one of the world's great airlines—'Brand Australia' in many respects. And I want to make it clear that my complaint is not of the 30,000 men and women who work for Qantas. Indeed, I find them outstanding to deal with as a customer and passenger of Qantas. It is the management and board, led by CEO Alan Joyce and Chairman Leigh Clifford, that I find should be subject to appropriate scrutiny.

To set the scene, there was a terrific opinion piece just a few days ago in the Fairfax media, by Nicholas Stuart, headed, 'Qantas woes down to a complete failure of leadership'. He says that Alan Joyce really has no idea:

He doesn't … have a clue what's true and what's not. He may indeed be spinning a different story every day—but he does so with the sort of earnestness that just can't be faked. Joyce believes his own yarns and this is Qantas's biggest problem.

He goes on to make reference to Leigh Clifford, Mr Joyce's 'supine chairman', who:
doesn't have a clue either. Management theory suggests organisational processes are the key to success. Theoretically, Clifford's time as CEO of Rio Tinto should, therefore, have equipped him with the skills to run an airline. Unfortunately, it's rubbish. Each business is different. It's like suggesting a retailer can run a media group. Clifford and Joyce both took up their positions in 2008.

Parenthetically, in fact it was 2007 for Mr Clifford and 2008 for Mr Joyce. Mr Stuart goes on to say:

Nearly six years on it's obvious they're stumbling blindly in the dark. It's like watching two drunks attempting to open a door. One stands spellbound as the other continues finding new, shiny baubles and continues thrusting them into the lock. It's never going to open, but they're too intent on the task to listen to advice.

On 8 July, I wrote to Mr Greg Medcraft, the chairman of ASIC, in respect of Qantas Airways Ltd and related entities, and I raised a number of concerns that have been put to me, in particular whether Qantas has complied with the continuous disclosure requirements of section 674 of the Corporations Act and the good-faith provisions in respect of section 184 of the Corporations Act. I raised these concerns as a result of a close look at Qantas's books, decisions made by Qantas management and statements that have been made. Of course, these are matters for ASIC to investigate, and I hope that there will be a thorough investigation of these matters in the context of these concerns. I give two specific examples. In February 2011, Mr Joyce made a number of statements in respect of Qantas's future and they were very positive statements. On 17 February, Mr Joyce said:

Qantas achieved an Underlying EBIT of $165 million for the half-year. The result is 175 per cent above the prior corresponding period, driven by a $411 million, or 8 per cent, increase in total revenue. Qantas improved yield by 9 per cent, and increased capacity by 3.3 per cent demonstrating a strong revenue recovery across both international and domestic business.

Yet, just four months later, on 22 June 2011, Mr Joyce said:

In FY11, Qantas International is forecast to generate a loss before interest and tax of approximately $200 million, on invested capital of over $5 billion, with a weaker result expected next year. Qantas International is the Group’s weakest business—it has achieved required returns only three times in the past 15 years. Clearly the situation is not sustainable.

These are two completely contrasting statements.

The issue I have with that is that in the intervening period between February and June Qantas shares dropped by some 25-27 per cent. If you are a mum-and-dad investor—and I use that term broadly and advisedly—or a small investor, and Qantas has something like over 100,000 who have 10,000 shares or less, you could have made an investment with your retirement savings or you could have made an investment for your financial future based on those statements in February 2011. Yet, there was nothing said between then and the statement of June 2011 that would have indicated something otherwise. We now know that Qantas, in answers to the Senate committee process into the Qantas Sale Act, has actually had confidential briefings—commercial-in-confidence briefings—with institutional investors. I think that is wrong.

If we believe in an efficient marketplace and if we believe in a stock market that is robust and well-functioning, then every investor—whether they are a multibillion dollar hedge fund, a multibillion dollar investment house or a mum-and-dad investor with $10,000-$20,000 to
invest—should get the same information at the same time. You cannot go to your mates and provide them more information—if that is what is happening—than mum-and-dad investors.

Qantas says that it has complied with the act. I think we need to look at reform of the legislation because the information should be given equally. I think it is interesting that Mr Medcraft, as the chairman of ASIC, has made some very interesting comments in relation to the issue of disclosure generally about the need to have open information and how the internet can provide a vehicle for providing information to people very quickly and efficiently. This is a big issue, because from October to December last year—from the AGM to just seven weeks later—the Qantas share price also fell 25 per cent between statements that were very positive about Qantas's future to other statements that said that things were looking very bad, that there would have to be significant layoffs, and that a huge loss was being expected. These are issues that need to be dealt with.

I will be writing to ASIC again with further information that I have obtained in relation to these recent developments. I think it is very important that a great airline such as Qantas, that has 30,000 employees and provides a valuable national and international service, that is brand 'Australia' and a great airline that I am very happy to fly on has the management that it deserves. If the market is not operating effectively and if there are confidential briefings, then that is an issue that it is significantly of concern. I do not want the flying kangaroo to become a limping joey. I do not want a great airline to be crippled by bad management decisions. I find it curious that institutional investors have not turned on Mr Joyce, the board and Mr Clifford in particular over the last few years. Is it because of the confidential in-confidence briefings that they have had? I think that is a legitimate question to ask. It is a legitimate question to put out there in the public arena. It is a legitimate issue for ASIC to determine.

These are matters that, I hope, will be investigated. I do not think we have heard the end of this saga yet. I hope that the employees of Qantas get the management they deserve so that we can have a strong and successful national carrier.

Royal Adelaide Show

Senator RUSTON (South Australia—Deputy Government Whip in the Senate) (18:41): I rise tonight to speak on something that, I think, is tremendously important—that is, our field days, our show societies and our shows. I would just like to put on the record that tomorrow morning the Royal Agricultural and Horticultural Society of South Australia will be opening its gates for the 175th year of the Royal Adelaide Show, which makes it the second-oldest institution in South Australia after the South Australian police force. I should also put on the record that I have a very good reason and vested interest in why I think this is such a fantastic institution: for the next 10 days I will be the Royal Agricultural and Horticultural Society president's wife. We will enjoy very much partaking in what, I think, is a great institution in South Australia and which, I think—and I know that Senator Xenophon and Senator McEwen will be supportive of this as well—is one that all South Australians can be extraordinarily proud of.

I rise to speak about the importance of the show not for that reason and my connection with it but because I think it is such an important vehicle through which we sell the message of the country. It has become quite obvious in recent times that people who live in the city are losing a connection with where their food and their fibre come from. We did some surveying of our city cousins and found that many of the children had not actually spent any time on a farm
and did not have any connection with somebody who lived in the country. When we were growing up we used to say that those people who lived in the city always had some connection with the country. Slowly but surely, that connection is diminishing.

Our show societies, our shows and our field days play such an extraordinarily important role because shows are not just about scary rides, sideshows, dippy dogs and fairy floss. Our show system is about education and promotion, as well as being about fun and entertainment. It is amazing to watch the city kids when they turn up at the show because many of them have never seen a cow being milked or a sheep being shorn. They have probably never patted an alpaca; they probably do not even know what one looks like. It is, therefore, extraordinarily important that we keep maintaining that connection between the country and the city.

But it is not just about the big city shows that happen around the country—and there are some great shows that go on. It is also about the feeder activities that feed into the show. The country shows and the country field days are really important. In 15 days time the Riverland Field Days will open their gates, as a showcase of what happens in the Riverland. In 1958 we had our first Riverland field day and in that year they had 26 exhibitors. Fifty years later, they had 500 exhibitors, and nearly 600 exhibitors will be exhibiting at the Riverland Field Days in two weeks time.

I would just like to put on the record my congratulations for the extraordinary work that all the volunteers do to put these sorts of shows on. I would like to acknowledge the organisers of the Riverland Field Days—the chairman Ashley Chabrel and his committee of Anthony Fulwood, John Spronk, Ian Webber, Stirling Sykes, Dwayne Leske, John Plush, Wes Kalisch, Stiven Ludas and James Butler, along with the ever hardworking manager Tim Grieger and Anne Stepien. Apart from Tim and Anne, all of these people put in massive hours of their time for nothing, which is extraordinarily important for the community that I live in, in the Riverland. And I would imagine that every other member that lives in a regional community would equally be able to stand up and say how important their field day or their agricultural show is to their community.

The importance of agriculture in our communities across Australia cannot be understated. As I have said a million times in this place: if you cannot dig it out of the ground and you do not grow it, you are not creating new wealth. So, the opportunity for our agricultural communities to network and to undertake extension work and to go along and share information about research and things that are happening on the farm is amazingly important. It also gives our secondary industries—machinery dealers, financial institutions or research institutions—the opportunity to network with a group of people in one place.

It goes even more broadly than that, because every small community shuts down for the field days or their shows, because everybody wants to go along and see what the rest of the community has been doing for the last year. Schools will take the day off and take the kids down to the field day or the show so that they can participate in it. It becomes an education experience about what is really going on in their communities—not just about maths, reading and writing.

The importance of our field days and our shows cannot be underestimated. I would just like to put on the record tonight my personal appreciation and the appreciation of just about every community across rural and regional South Australia for the extraordinarily hard work and
efforts of the volunteers that go towards putting together these amazing events that are so integral to the success and the unity of our local communities.

**Senate adjourned at 18:47**

**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.*


- **Civil Aviation Act 1988**—Civil Aviation Safety Regulations 1998—Exemption — DAMP organisations collecting and screening specimens—CASA EX84/14 [F2014L01183].

- Commissioner of Taxation—Public Rulings—
  - Class Rulings—
    - Notice of Withdrawal—CR 2013/2.
  - Product Rulings—
  - Taxation Ruling (old series)—Notice of Withdrawal—IT 2527.

- **Currency Act 1965**—Currency (Royal Australian Mint) Determination 2014 (No. 5) [F2014L01187].


- **Income Tax Assessment Act 1997**—
  - Film Certification Advisory Board Rules Amendment 2014 (No. 1) [F2014L01190].
  - Location Offset Rules Amendment 2014 (No. 1) [F2014L01188].
  - PDV Offset Rules Amendment 2014 (No. 1) [F2014L01189].

- **Migration Act 1958**—
  - Eligible Passports—IMMI 14/079 [F2014L01165].
  - Migration Regulations 1994—Specified Place—IMMI 14/089 [F2014L01186].

**Tabling**

The following government documents were tabled:
Law and justice—Data retention—Letter to the President of the Senate from the Attorney-General (Senator Brandis) responding to the order of the Senate of 27 August 2014, dated 3 September 2014 and attachment.

**Indexed Lists of Files**

**Tabling**

The following documents were tabled pursuant to the order of the Senate of 30 May 1996, as amended:

Indexed lists of departmental and agency files for the period 1 January to 30 June 2014—Statements of compliance—
- Agriculture portfolio.
- Australian Public Service Commission.
- Infrastructure and Regional Development portfolio.
- Department of Veterans’ Affairs.

**Departmental and Agency Contracts**

**Tabling**

The following document was tabled pursuant to the order of the Senate of 20 June 2001, as amended:

Departmental and agency contracts for 2013-14—Letter of advice—Communications portfolio.