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**SITTING DAYS—2015**

<table>
<thead>
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<td>November</td>
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<td>December</td>
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FORTY-FOURTH PARLIAMENT
FIRST SESSION—SIXTH 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 OAM, Dean Anthony Smith, Zdenko Matthew Seselja, Glenn Sterle, Peter Stuart Whish-Wilson and John Reginald Williams
Leader of the Government in the Senate—Senator Hon. Eric Abetz
Deputy Leader of the Government in the Senate—Senator Hon. George Henry Brandis QC
Leader of the Opposition in the Senate—Senator Hon. Penny Wong
Deputy Leader of the Opposition in the Senate—Senator Hon. Stephen Conroy
Manager of Government Business in the Senate—Senator Hon. Mitchell Peter Fifield
Manager of Opposition Business in the Senate—Senator Claire Moore

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

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

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

**PARTY ABBREVIATIONS**

AG—Australian Greens; ALP—Australian Labor Party;
AMEP—Australian Motoring Enthusiast Party; CLP—Country Liberal Party;
FFP—Family First Party; IND—Independent, LDP—Liberal Democratic Party;
LNP—Liberal National Party; LP—Liberal Party of Australia;
NATS—The Nationals; PUP—Palmer United Party
Heads of Parliamentary Departments
Clerk of the Senate—R Laing
Clerk of the House of Representatives—D Elder
Acting Secretary, Department of Parliamentary Services—D Heriot
Parliamentary Budget Officer—P Bowen
# ABBOTT MINISTRY

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<thead>
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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><strong>Minister Assisting the Prime Minister for the Public Service</strong></td>
<td>Senator the Hon. Eric Abetz</td>
</tr>
<tr>
<td><strong>Minister Assisting the Prime Minister on Counter-Terrorism</strong></td>
<td>The Hon Michael Keenan MP</td>
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<tr>
<td><strong>Minister Assisting the Prime Minister for Women</strong></td>
<td>Senator the Hon. Michaelia Cash</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Prime Minister</strong></td>
<td>The Hon. Charles Porter MP</td>
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<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>
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<tr>
<td>(Deputy Prime Minister)</td>
<td>The Hon. Jamie Briggs MP</td>
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<tr>
<td><strong>Assistant Minister for Infrastructure and Regional Development</strong></td>
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<tr>
<td><strong>Minister for Foreign Affairs</strong></td>
<td>The Hon. Julie Bishop MP</td>
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<tr>
<td><strong>Minister for Trade and Investment</strong></td>
<td>The Hon. Andrew Robb AO MP</td>
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<tr>
<td><strong>Parliamentary Secretary to the Minister for Foreign Affairs</strong></td>
<td>The Hon. Steven Ciobo MP</td>
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<tr>
<td><strong>Parliamentary Secretary to the Minister for Trade and Investment</strong></td>
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<tr>
<td><strong>Minister for Employment</strong></td>
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<tr>
<td><strong>Assistant Minister for Employment</strong></td>
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<tr>
<td>(Deputy Leader of the House)</td>
<td>The Hon. Luke Hartsuyker MP</td>
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<tr>
<td><strong>Attorney-General</strong></td>
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<tr>
<td><strong>Minister for the Arts</strong></td>
<td>Senator the Hon. George Brandis QC</td>
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<tr>
<td>(Vice-President of the Executive Council)</td>
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<tr>
<td>(Deputy Leader of the Government in the Senate)</td>
<td>The Hon. Michael Keenan MP</td>
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<td><strong>Parliamentary Secretary to the Attorney-General</strong></td>
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<td>The Hon. Bruce Billson MP</td>
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<td>The Hon. Joshua Frydenberg MP</td>
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<td>Minister Assisting the Prime Minister for the Centenary of ANZAC</td>
<td>Senator the Hon. Michael Ronaldson</td>
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<tr>
<td>Assistant Minister for Defence</td>
<td>The Hon. Stuart Robert MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Defence</td>
<td>The Hon. Darren Chester MP</td>
</tr>
<tr>
<td>Minister for Communications</td>
<td>The Hon. Malcolm Turnbull MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Communications</td>
<td>The Hon. Paul Fletcher MP</td>
</tr>
<tr>
<td>Minister for Immigration and Border Protection</td>
<td>The Hon. Peter Dutton MP</td>
</tr>
<tr>
<td>Assistant Minister for Immigration and Border Protection</td>
<td>Senator the Hon. Michaelia Cash</td>
</tr>
<tr>
<td>Minister for the Environment</td>
<td>The Hon. Greg Hunt MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for the Environment</td>
<td>The Hon. Robert Baldwin MP</td>
</tr>
<tr>
<td>Minister for Finance</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>
<tr>
<td>Minister for Health</td>
<td>The Hon. Sussan Ley MP</td>
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<td>Minister for Sport</td>
<td>The Hon. Sussan Ley MP</td>
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<tr>
<td>Assistant Minister for Health</td>
<td>Senator the Hon. Fiona Nash</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</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 Assisting the Leader for Small Business</td>
<td>Hon. Bernie Ripoll MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Small Business</td>
<td>Julie Owens MP</td>
</tr>
<tr>
<td>Shadow Cabinet Secretary</td>
<td>Senator the Hon. Jacinta Collins</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary to the Leader of the Opposition</td>
<td>Hon. Michael Danby MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary to the Leader of the Opposition</td>
<td>Dr Jim Chalmers MP</td>
</tr>
<tr>
<td>Deputy Leader of the Opposition</td>
<td>Hon. Tanya Plibersek MP</td>
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<tr>
<td>Shadow Minister for Foreign Affairs and International Development</td>
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<td>Shadow Minister for Women</td>
<td>Senator Claire Moore</td>
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<tr>
<td>Manager of Opposition Business (Senate)</td>
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<tr>
<td>Shadow Minister for the Centenary of ANZAC</td>
<td>Hon. David Feeney MP</td>
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<tr>
<td>Shadow Parliamentary Secretary for Foreign Affairs</td>
<td>Hon. Matt Thistlethwaite MP</td>
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<tr>
<td>Leader of the Opposition in the Senate</td>
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<tr>
<td>Shadow Minister for Trade and Investment</td>
<td>Dr Jim Chalmers MP</td>
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<td>Deputy Leader of the Opposition in the Senate</td>
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<tr>
<td>Shadow Minister for Defence</td>
<td>Hon. David Feeney MP</td>
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<tr>
<td>Shadow Minister for Veterans' Affairs</td>
<td>Hon. David Feeney MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Defence</td>
<td>Gai Brodman MP</td>
</tr>
<tr>
<td>Shadow Minister for Infrastructure and Transport</td>
<td>Hon. Anthony Albanese MP</td>
</tr>
<tr>
<td>Shadow Minister for Cities</td>
<td></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>
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<tr>
<td>Shadow Parliamentary Secretary for Regional Development and Infrastructure</td>
<td>Hon. Alannah MacTiernan MP</td>
</tr>
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<td>Shadow Parliamentary Secretary for Western Australia</td>
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<tr>
<td>Shadow Parliamentary Secretary for External Territories</td>
<td>Hon. Warren Snowdon MP</td>
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<td>Shadow Treasurer</td>
<td>Hon. Chris Bowen MP</td>
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<td>Shadow Assistant Treasurer</td>
<td>Hon. Dr Andrew Leigh MP</td>
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<td>Shadow Minister for Competition</td>
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<tr>
<td>Shadow Minister for Financial Services and Superannuation</td>
<td>Hon. Bernie Ripoll MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary to 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>
<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>
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<td>Shadow Assistant Minister for Higher Education</td>
<td>Hon. Amanda Rishworth MP</td>
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<td>Shadow Assistant Minister for Communications</td>
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<td>Shadow Attorney General</td>
<td>Hon. Mark Dreyfus QC MP</td>
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<td>Shadow Minister for the Arts</td>
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<td>Deputy Manager of Opposition Business (House)</td>
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<td>Shadow Minister for Justice</td>
<td>Hon. David Feeney MP</td>
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<td>Shadow Parliamentary Secretary to the Shadow Attorney General</td>
<td>Graham Perrett MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for the Arts</td>
<td>Hon. Michael Dunby MP</td>
</tr>
<tr>
<td>Shadow Minister for Education</td>
<td>Hon. Kate Ellis MP</td>
</tr>
<tr>
<td>Shadow Minister for Early Childhood</td>
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<tr>
<td>Shadow Assistant Minister for Education</td>
<td>Hon. Amanda Rishworth MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Education</td>
<td>Julie Owens MP</td>
</tr>
<tr>
<td>Shadow Minister for Agriculture</td>
<td>Hon. Joel Fitzgibbon MP</td>
</tr>
<tr>
<td>Shadow Minister for Resources</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Northern Australia</td>
<td>Hon. Gary Gray AO MP</td>
</tr>
<tr>
<td>Shadow Special Minister of State</td>
<td></td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Northern Australia</td>
<td>Hon. Warren Snowdon MP</td>
</tr>
<tr>
<td>Shadow Minister for Health</td>
<td>Hon. Catherine King MP</td>
</tr>
<tr>
<td>Shadow Assistant Minister for Health</td>
<td>Stephen Jones MP</td>
</tr>
<tr>
<td>Shadow Minister for Mental Health</td>
<td>Senator Hon. Jan McLucas</td>
</tr>
<tr>
<td>Shadow Minister for Sport</td>
<td>Hon. Bernie Ripoll MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Health</td>
<td>Nick Champion MP</td>
</tr>
<tr>
<td>Shadow Minister for Families and Payments</td>
<td>Hon. Jenny Macklin MP</td>
</tr>
<tr>
<td>Shadow Minister for Disability Reform</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Human Services</td>
<td>Senator the Hon. Doug Cameron</td>
</tr>
<tr>
<td>Shadow Minister for Housing and Homelessness</td>
<td>Senator the Hon. Jan McLucas</td>
</tr>
<tr>
<td>Shadow Minister for Carers</td>
<td>Senator Claire Moore</td>
</tr>
<tr>
<td>Shadow Minister for Communities</td>
<td></td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Families and Payments</td>
<td>Senator Carol Brown</td>
</tr>
<tr>
<td>Shadow Minister for Immigration and Border Protection</td>
<td>Hon. Richard Marles MP</td>
</tr>
<tr>
<td>Shadow Minister for Citizenship and Multiculturalism</td>
<td>Michelle Rowland MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Immigration</td>
<td>Hon. Matt Thistlethwaite MP</td>
</tr>
<tr>
<td>Shadow Minister for Indigenous Affairs</td>
<td>Hon. Shayne Neumann MP</td>
</tr>
<tr>
<td>Shadow Minister for Ageing</td>
<td></td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Indigenous Affairs</td>
<td>Hon. Warren Snowdon MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Aged Care</td>
<td>Senator Helen Polley</td>
</tr>
<tr>
<td>Shadow Minister for Employment and Workplace Relations</td>
<td>Hon. Brendan O'Connor MP</td>
</tr>
<tr>
<td>Shadow Minister for Employment Services</td>
<td>Hon. Julie Collins MP</td>
</tr>
</tbody>
</table>
## CONTENTS

### Chamber

#### DOCUMENTS—
- Tabling........................................................................................................... 4157

#### COMMITTEES—
- Meeting ........................................................................................................... 4157
- Economics Legislation Committee—
- Report............................................................................................................. 4157

#### BILLS—
- National Health Amendment (Pharmaceutical Benefits) Bill 2015—
  - Second Reading............................................................................................... 4157
  - In Committee.................................................................................................. 4172
  - Third Reading................................................................................................ 4176
- Appropriation (Parliamentary Departments) Bill (No. 1) 2015-2016—
- Appropriation Bill (No. 1) 2015-2016—
- Appropriation Bill (No. 2) 2015-2016—
- Appropriation Bill (No. 5) 2014-2015—
- Appropriation Bill (No. 6) 2014-2015—
  - First Reading................................................................................................ 4176
  - Second Reading............................................................................................... 4176

#### QUESTIONS WITHOUT NOTICE—
- Hospitals......................................................................................................... 4186
- National Security: Citizenship....................................................................... 4188
- Education Funding........................................................................................... 4189
- Climate Change............................................................................................... 4190
- Australian Customs Service........................................................................... 4192
- Budget ............................................................................................................. 4193
- Budget ............................................................................................................. 4195
- Family Law....................................................................................................... 4196
- Industrial Relations......................................................................................... 4198
- Indigenous Business......................................................................................... 4199
- Economy ......................................................................................................... 4200
- Illicit Drugs...................................................................................................... 4202

#### QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS—
- Answers to Questions..................................................................................... 4203
- Climate Change............................................................................................... 4209

#### NOTICES—
- Presentation..................................................................................................... 4211

#### BUSINESS—
- Leave of Absence........................................................................................... 4217

#### COMMITTEES—
- Education and Employment Legislation Committee—
- Report............................................................................................................. 4217
- Economics References Committee—
- Reference....................................................................................................... 4217

#### BUSINESS—
- Rearrangement............................................................................................... 4218
## BILLS—
Voice for Animals (Independent Office of Animal Welfare) Bill 2015—
- First Reading ................................................................. 4218
- Second Reading ............................................................ 4218

## COMMITTEES—
- Joint Select Committee on Northern Australia—
  - Meeting ........................................................................ 4221
- Joint Select Committee on Trade and Investment Growth—
  - Meeting ........................................................................ 4222

## MOTIONS—
- Women in Sport: Matildas ............................................. 4222
- Queensland Firebirds ..................................................... 4223
- Horticultural Exports ..................................................... 4223
- Asylum Seekers ............................................................ 4223

## MATTERS OF PUBLIC IMPORTANCE—
- Health Funding ............................................................ 4224

## DOCUMENTS—
- Consideration ................................................................ 4238

## COMMITTEES—
- Environment and Communications Legislation Committee—
  - Report ......................................................................... 4238
- Environment and Communications References Committee—
  - Report ......................................................................... 4239
- Procedure Committee—
  - Report ......................................................................... 4245
- Joint Standing Committee on Foreign Affairs, Defence and Trade—
  - Report ......................................................................... 4247

## BUDGET—
- Consideration by Estimates Committees ......................... 4249
- Finance and Public Administration Legislation Committee—
  - Report ......................................................................... 4250

## COMMITTEES—
- Human Rights Committee—
  - Report ......................................................................... 4250
- Public Works Committee—
  - Report ......................................................................... 4251
- Intelligence and Security Committee—
  - Report ......................................................................... 4251
- Joint Committee of Public Accounts and Audit—
  - Government Response to Report ..................................... 4252

## PETITIONS—
- Western Australia: Health .............................................. 4259

## COMMITTEES—
- Joint Committee of Public Accounts and Audit—
  - Report ......................................................................... 4259
- Abbott Government's Budget Cuts Select Committee—
- Constitutional Recognition of ATSIP—
CONTENTS—continued

Membership .................................................................................................................. 4259

BILLS—
Social Services Legislation Amendment (Defined Benefit Income Streams) Bill
2015—
First Reading .............................................................................................................. 4260
Second Reading .......................................................................................................... 4260
Excise Tariff Amendment (Ethanol and Biodiesel) Bill 2015—
Returned from the House of Representatives ............................................................. 4261
Tax Laws Amendment (Small Business Measures No. 1) Bill 2015—
Tax Laws Amendment (Small Business Measures No. 2) Bill 2015—
Assent .......................................................................................................................... 4261
NOTICES—
Postponement .............................................................................................................. 4261

BILLS—
Appropriation (Parliamentary Departments) Bill (No. 1) 2015-2016—
Appropriation Bill (No. 1) 2015-2016—
Appropriation Bill (No. 2) 2015-2016—
Appropriation Bill (No. 5) 2014-2015—
Appropriation Bill (No. 6) 2014-2015—
Second Reading ........................................................................................................ 4262
In Committee ............................................................................................................. 4274
APPROPRIATION BILL (No.2) 2015-2016 ................................................................. 4274
Third Reading ............................................................................................................ 4276
Renewable Energy (Electricity) Amendment Bill 2015—
In Committee ............................................................................................................ 4276

BUSINESS—
Rearrangement .......................................................................................................... 4316

BILLS—
Renewable Energy (Electricity) Amendment Bill 2015—
In Committee ............................................................................................................ 4316
Third Reading ............................................................................................................ 4324

ADJOURNMENT—
Western Australia: Broadband .................................................................................. 4325
Budget ........................................................................................................................ 4327
Marriage Equality ...................................................................................................... 4328
Family Court of Australia ......................................................................................... 4329
Victoria: Cattle Grazing in National Parks ................................................................. 4330
Middle East ................................................................................................................. 4332
Australian Greens ...................................................................................................... 4334
Brideoake, Mr Allan ................................................................................................. 4337
Greece: Economy ...................................................................................................... 4339
Government Spending ............................................................................................... 4339
Workplace Relations ................................................................................................. 4341
New South Wales State Election: Tamil Community ............................................... 4344
Local Government ................................................................................................... 4344

______________________________________________________________

CHAMBER
CONTENTS—continued

Indigenous Communities................................................................................................. 4344

DOCUMENTS—

Tabling............................................................................................................................... 4349
Tabling............................................................................................................................... 4350
Tuesday, 23 June 2015

The PRESIDENT (Senator the Hon. Stephen Parry) took the chair at 12:30, read prayers and made an acknowledgement of country.

DOCUMENTS
Tabling
The Clerk: Documents are tabled pursuant to statute. Details will be recorded in the Journals of the Senate and on the Dynamic Red.
Details of the documents also appear at the end of today's Hansard.

COMMITTEES
Meeting
The Clerk: The following notifications have been received:
Foreign Affairs, Defence and Trade References Committee—private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate today, from 3.15 pm, for the committee's inquiry into Defence use of unmanned platforms.
Legal and Constitutional Affairs References Committee—public meeting during the sitting of the Senate today, from 7.20 pm, to take evidence for the committee's inquiry into the circumstances surrounding a letter sent to the Attorney-General.
Select Committee on the Recent Allegations relating to Conditions and Circumstances at the Regional Processing Centre in Nauru—private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on Thursday, 25 June 2015, from noon.

The PRESIDENT (12:31): I remind senators that the question may be put on any proposal at the request of any senator.

Economics Legislation Committee
Report
Ordered that the report be printed.

BILLS
National Health Amendment (Pharmaceutical Benefits) Bill 2015
Second Reading
Debate resumed on the motion:
That this bill be now read a second time.
Senator McLUCAS (Queensland) (12:32): I rise to speak on the National Health Amendment (Pharmaceutical Benefits) Bill 2015. This bill seeks to amend the National Health Act 1953 to implement measures in the PBS Access and Sustainability Package. My colleagues in the other place have talked about the failure of this government to consult Labor over substantial amendments to this legislation. In the time the legislation has moved from that place to this one, the level of consultation has not improved at all. So I am glad that the
The economics committee did have the opportunity, albeit a very short one, to have a look at the bill in more detail. This is an important piece of legislation because it includes changes to the Pharmaceutical Benefits Scheme and it includes measures that give effect to agreements with the generic medicines industry of Australia and Medicines Australia and, of course, the Sixth Community Pharmacy Agreement, the new five-year agreement with the Pharmacy Guild of Australia.

Labor is rightly concerned about potential unintended consequences because of the lack of consultation and the lack of scrutiny. This is becoming typical of this government; it is their way of operating. They make changes to legislation that have the potential to harm some of our most vulnerable Australians, but they shut down conversation until the very last minute and then try and ram it through an hour before midnight. In the case of this bill, Labor was only made aware of the detail the night before it was tabled in a briefing from the department. The government knew that the existing pharmacy agreement was to expire on 30 June but have yet again shown their inability to have good-faith negotiations with those they need to. This incompetent and chaotic government has had 12 months to negotiate a new pharmacy agreement. The Fifth Community Pharmacy Agreement clearly sets this out. It says: 'Negotiations for a new community pharmacy agreement will commence 12 months prior to the expiry of the agreement and will conclude by 31 March 2015.' But we know that negotiations did not start until just four months ago and only concluded earlier this month, just one day before the bill was rushed into parliament. And now we have just seven days to give this important legislation, a commitment to spend $18.9 billion, the attention it deserves in the Senate before it is passed. As you would expect from an opposition which is reasonable and responsible, Labor believes it is worth taking the time to have a good look at the detail of this bill in the Senate as we did in the other place.

I now go to the elements of the bill—the PBS package initially. Unlike previous pharmacy agreements this bill seeks to bundle up a series of other measures not directly linked to the remuneration of pharmacists. This is called the PBS Access and Sustainability Package. The government says that this package of measures is designed to deliver 'a more sustainable pharmaceutical benefits scheme with better value for taxpayers, cheaper medicines for consumers and approved access to innovative medicines'. Labor is always concerned when the government talks about sustainability because, as night follows day, it almost always results in massive cuts such as their cuts of almost $800 million to the flexible funds or new taxes such as the current GP tax, which is in fact worse than the original proposal for a GP tax. We know that the government is cutting $800 million from the flexible funds that support vital programs such as drug and alcohol rehabilitation services, mental health services and peak organisations like Mental Health Australia and the Consumer Health Forum. It is also cutting more than $2 billion in Medicare rebates over the forward estimates, something we know from health professionals will see bulk-billing rates decline and many more vulnerable patients facing not insignificant out-of-pocket costs.

According to the government, this access and sustainability package contains more than 20 measures and is designed to achieve $3.7 billion in net savings over five years. It includes $6.6 billion in savings 'across the entire pharmaceutical supply chain', partially offset by $2.8 billion of these savings going back into pharmacies as part of the Sixth Community Pharmacy Agreement. Of the remaining $3.7 billion, the government is promising, though not budgeting
for at this stage, that some of this money will be invested in new drug listings. In other words, cuts to the prices paid to drug companies are being used to both prop up the budget and fund the additional money going into the Sixth Community Pharmacy Agreement. The industry newsletter Pharma in Focus declared that ‘research pharma companies are by far the hardest hit in contributing to the $6.6 billion in total savings’.

The key components of this package are new PBS pricing policies to reduce the price paid by the Commonwealth for innovative medicines—that is, F1 or formulary 1 medicines—and generic F2 medicines; a supposed increase in pharmacy competition by allowing pharmacies to discount the co-payment; the removal of some over-the-counter medicines from the PBS, which I note may see some patients paying more in out-of-pocket costs; a change in the structure of pharmacy remuneration to remove the link to PBS prices, something that also may increase out-of-pocket costs for some patients; and a provision for pharmacy to expand its role into the community. The government expects the majority of savings achieved by these measures to come from PBS pricing changes.

Firstly, I go to the F1 five per cent reduction issue. Around $1 billion of the cuts from this package come from the inclusion, for the first time, of a statutory price reduction for patented or F1 medicines. The price paid for all patented medicines that have been listed on the PBS for at least five years will be cut by five per cent on 1 April 2016. This is expected to affect 400 medicines. Newer medicines that reach their five-year anniversary on the PBS following that date will take a five per cent price cut on the following April.

The government argues that delaying the price reduction for five years after listing is intended to give manufacturers time to recoup their investment cost. Prior to this agreement, Medicines Australia argued that drug companies had been forced to take significant cuts in recent years, most notably as a result of expanded and accelerated price disclosure, and reductions could put at risk Australia's access to innovative new medicines. The industry argues that it is in the F1 phase that it recoups its research investment. It says it would affect the listing price of new drugs, because part of the price struck was directly related to the price of comparable drugs. It also warned that the proposals made it more likely that some medicines would be delisted and could impact on research and development worth over $1 billion.

However, the 2013 report by the Grattan Institute found the opposite—that Australia is paying more than many Western countries for pharmaceuticals in general and more than New Zealand for patented as well as generic drugs. I also note that there is some uncertainty about the status of the agreement with Medicines Australia, largely due to the incompetence of this government and its obvious inability to work with industry collaboratively or negotiate in good faith.

Secondly, I go to the question of F2 price disclosure. Generic and off-patent medicines, also referred to as F2 drugs, are, as a result of Labor's reforms, subject to accelerated price disclosure, which requires the suppliers of these medicines to advise the Department of Health of the prices at which they are selling their brands. The government then uses this information to move the price paid by the government closer to the price at which the drugs are supplied in the market.

Under these changes, expected to save $2 billion, from 1 October next year the market price of medicines listed on F2 for three years or more will no longer take into account the
originator brand of the drug. This should see lower prices for both government and consumers, as originator or premium brand names tend to maintain higher prices than generic competitors, which draws the average price up. As well as an expected 50 per cent reduction in the price of generic medicines, prices should also fall for general patients, though not for concessional patients, who make up around 80 per cent of PBS prescriptions, as all PBS prescriptions are priced above the concessional co-payment of $6.10.

The third issue is price disclosure. Another change, expected to save $610 million over five years, is the closing of a loophole relating to combination drugs that allows them to avoid price cuts from price disclosure in certain circumstances. The bill has provisions to close this loophole so that price disclosure reductions for component drugs of combination drugs on F2 will flow on to the combination drugs, starting on 1 April 2016.

Perhaps the most significant and the least understood change in the package is what is referred to as a technical amendment relating to 'PBS listing for bioequivalent and biosimilar medicines', which is expected to save the Commonwealth another $880 million. This continues to be an area of significant contention. It involves the insertion of a new subsection into the act allowing bioequivalent or biosimilar medicines to be taken as having the same drug effect as a listed brand.

Another technical amendment allows the minister to determine that a brand is equivalent to another brand for the purposes of substitution by a pharmacist and requires the minister to have regard to any advice on equivalence given by the PBAC. Exactly how this will operate is still unclear, with even the industry at this stage unsure as to the full details of the move. However, on the surface it does appear to be designed to promote across-the-board substitution. This appears to contradict the TGA's biosimilar guideline. While this is currently under review, the existing July 2013 guideline specifically says that a biosimilar's product information should include a statement ruling out substitution. Labor will always support moves to make the PBS sustainable and medicines cheaper for patients, but this issue has not been explained well by the government. In fact, the government has handled this issue very, very poorly indeed.

All of the measures that I have detailed to this point are, in effect, the lead-in to the real reason for the legislation: the Sixth Community Pharmacy Agreement. This legislation encapsulates how the government has, in the words of one commentator, basically raided the drug companies to pay for the additional funding promised as part of the sixth agreement. However, it is deeply disappointing and of great concern to Labor that, while the government boasts of how it has ripped $6.6 billion out of health as a result of these cuts across the pharmaceutical chain, just $2.8 billion is going back into the health system by way of increased payments to pharmacists. The government has made vague promises about some of that money being made available for new drugs, but there is no mention of that in the legislation.

I now move to the pharmacy location rules. A key component of the National Health Amendment (Pharmaceutical Benefits) Bill is the extension of the pharmacy location rules for another five years. These rules generally restrict a new pharmacy from opening within a certain distance of an existing pharmacy—usually 1.5 kilometres in metro areas or 10 kilometres in more remote locations. These rules prevent pharmacists from being placed either within or in a position directly accessible from a supermarket. I do understand the arguments
about competition and prices, but Labor believe that community pharmacy plays an important role in our society that goes beyond dollars and cents and, therefore, the location rules deserve our support. As such, Labor do support amending the existing legislation, which sets a 30 June 2015 expiry date for the location rules, to 30 June 2020, but we do so in the context that these rules will be reviewed independently over the course of the next two years. This, of course, is the main reason this bill is now being forced on the parliament with such haste. Were this bill not to pass this month, the location rules notionally would expire on 30 June and, in theory, anyone could apply for the right to open a new pharmacy in any location.

Easily the most contentious part of this legislation is the proposal to allow pharmacists to be allowed to discount the PBS co-payment by up to one dollar for every dispensed medicine from 1 January next year. From the moment this proposal first became public, it prompted a furious backlash from pharmacists, who have argued that it will harm chronically ill patients as it will take them longer to reach the PBS safety net and they will thus be paying for medications for a longer period. This is because the safety net is not, as many have assumed, set at a certain number of prescriptions but set at a dollar amount. In the case of a concession card holder, for example, that is $366. Therefore, with cheaper drugs it means it will take longer to reach the safety net. It is this delay which explains how the government expects to save more than $360 million over five years through this measure.

A couple of points can be made here. First of all, the discount is entirely voluntary. Unlike the cuts applied to drug companies, chemists can choose whether or not to offer this discount to their customers. As the safety net is unchanged, ultimately no-one can be worse off. No patients can pay a cent more for their prescriptions under this proposal, and many, indeed, may pay a bit less. The average concession card holder fills 40 scripts a year, and 80 per cent do not reach the safety net. If their prescriptions were all filled by a chemist offering the discount, that is a saving of $40 a year, which, for many pensioners, is quite a significant amount. I note that the Pharmacy Guild has indicated that it supports the package, ‘with the exception of the discounted co-payment, which is a matter for government’. But the fact is that this co-payment is embedded in the package and cannot be dealt with in isolation.

One thing that concerns me about these changes is that people living in rural and regional areas may end up paying more because pharmacists are less likely to discount co-payments where the costs of doing business are higher and competition is lower. No-one will doubt that the costs of living for everyone are higher in rural, remote and regional Australia, but the government are happy to drive costs up even further because, despite the rhetoric, they, frankly, just do not care. I also am concerned about the impacts for Aboriginal and Torres Strait Islander people living in remote areas.

Finally, I wish to go to the question of pharmacy payments. The previous five-year agreement was costed at $15.4 billion; this one, we are told, will cost $18.9 billion over the next five years. That is an increase of $3.5 billion, or 22 per cent, at a time when every other part of the health sector is being cut to the bone and forced to accept a freeze in indexation. This is an increase, but it is an increase in real terms, running at close to double what would have been the case had the amount been linked to inflation; and this does not include an estimated $4.8 billion paid direct to chemists for scripts at below the PBS charge. In total, the government therefore estimates the potential revenue for this sector from the PBS to be $23.7 billion over the next five years. As the Australian Medical Association has pointed out, at the
same time as pharmacists are receiving a significant increase in funding and a dispensing fee
that for the first time will be indexed to inflation, GPs are being asked to accept no indexation
and no increase to their funding for four years, while other sectors such as specialists and
radiographers could see their income frozen for five years or more.

This is a proposal that just does not make sense. The government recognises that chemists
cannot be viable without a significant increase in funding, while other parts of the medical
profession can get by with no change in income for four or five years. The answer, of course,
is that they cannot, and it is patients who will pay the cost, either through even higher gap
payments or by being denied bulk-billing. This is, of course, just the GP tax by another name.
Instead of an up-front charge of $7, it is now a back-door charge of over $8—according to the
Medical Journal of Australia—by freezing doctors' incomes and forcing them to pass on the
cost to their patients.

Labor welcomes the decision to recognise the work done by chemists and reward them
with a living wage, but it is the height of hypocrisy for the government to recognise this in
one sector of the health profession while denying such recognition for everyone else. (Time
expired)

Senator DI NATALE (Victoria—Leader of the Australian Greens) (12:52): I rise to speak
today to the National Health Amendment (Pharmaceutical Benefits) Bill 2015. It is a very
problematic piece of legislation for the Senate to deal with. It is problematic because we have
a whole range of measures that are packaged as part of this omnibus bill. Many of these
measures have huge implications for the health budget and patients. You have to wonder
about whether this is a strategic or deliberate tactical decision to force the Senate to pass this
package of legislation as a whole rather than allow us to unpack it and deal with each piece of
legislation on its merit.

The Sixth Community Pharmacy Agreement is one of the most important measures in this
agreement. It is a major component of the legislation. It is worth almost $20 billion and, I
suspect, that is part of the reason we are here today, on the eve of the Senate breaking for the
winter period, in a rush to pass all this legislation. We did not get the Sixth Community
Pharmacy Agreement signed off in time. The result is that we are in a panic to pass the bill by
30 June. The reason for that is, if the Sixth Community Pharmacy Agreement does not get
passed the location rules that exist in the fifth agreement lapse and, as a result, we end up with
a huge disruption to community pharmacy. The Senate should be concerned that we have had
very little time for scrutiny of the bill or any scrutiny of the community pharmacy agreement.
We are being asked to rush through a major piece of legislation because we did not conclude
the negotiations around the community pharmacy agreement in a timely way.

Importantly for me, as somebody who has expressed concern over the criticisms levelled at
the previous agreement, the Senate has been asked to take the government's word that the
failings in the last community pharmacy agreement have been rectified. The audit into the
Fifth Community Pharmacy Agreement was one of the most damning indictments ever
handed down by the audit office and it was a shock to me to read of it. The auditor found that
there was very limited basis for assessing the extent to which the fifth CPA met its key
objectives. It failed at that very basic level. There was no straightforward means for the
parliament or other stakeholders to know the expected or actual cost of the key components. It
did not document that some of the $2.2 billion—of $13.8 billion that the Commonwealth was
supposed to deliver for pharmacy remuneration—was sourced from co-payments, which were not a cost to government. There were a whole range of things.

The initiatives in the fifth agreement promised $1 billion in savings. They only delivered $400 million. There were a lot of questions about how money was transferred. There were $277 million from professional programs put into a grant to the guild. The audit office could not explain why these programs were transferred or why they became grants. There were all sorts of problems. A number of key government negotiating objectives were only partially realised. There were major shortcomings in record keeping by the department. We had a situation where the meetings between the department and the Pharmacy Guild occurred without minutes being taken. When they prepared the initial agreement the department did not develop a risk-management or probity plan and did not consult with a probity adviser. The list goes on.

Those criticisms were made by the National Audit Office and, to my knowledge, they have not been dealt with in an open and transparent way. The last discussion we had in this chamber around the Fifth Community Pharmacy Agreement was about the findings of the audit office. The next time I stand in the chamber is to sign off on a new agreement, without any clear understanding about whether those shortcomings have been addressed. I have grave concerns about that. I have grave concerns about the way the agreement was negotiated and whether we have a framework now to ensure the Sixth Community Pharmacy Agreement, which is an essential piece of this legislation, meets its key objectives.

We are now being asked to approve the Sixth Community Pharmacy Agreement with $19 billion—because of this rush to do so before the 1 July deadline. A much more sensible thing would have been for the government to remove the pharmacy location rules from the bill, for us to have passed that measure so that we get some certainty in community pharmacy and then to start unpacking the various pieces of this legislation and have a genuine hearing into the merits of each. Instead, we have been told to pass all of this—effectively, with a gun to our heads.

If we do pass this bill, the effect will be that a $19 million agreement goes through with almost no scrutiny. It is fair to say there was a committee process. It went for two hours while the parliament was sitting, while the division bells were ringing. It is remarkable to think that we could have a bill of such importance and with such a truncated committee process. It denies us in this chamber the opportunity to interrogate the legislation in any meaningful way. My concern is that we will end up passing some good reforms—I think there are some sensible reforms in the bill—but deny the parliament the opportunity to ensure we have it right when it comes to the Sixth Community Pharmacy Agreement. I do not make any direct criticism of the guild, in this, because I do not know whether what was negotiated was in the interests of patients or not—and we are being denied the opportunity to do that.

If we look at some of the other measures in the bill, there was the $6.6 billion in savings across the entire pharmaceutical supply chain. That will be partially offset because a chunk of that, $2.8 billion, is returned to pharmacies through the Sixth Community Pharmaceutical Agreement and the remainder, $3.7 billion, is going to be invested in new PBS drugs. That is a good thing, provided it happens. That is not part of this legislation. We are very keen to ensure that that is what that $3.7 billion is allocated to do. We understand that the bill amends the Pharmaceutical Benefits Scheme by implementing agreements with the Generic
Medicines Industry Association and Medicines Australia—that the government at least wants to do that—and the bill, as a result, sees a new PBS pricing policy that reduces the price paid by the Commonwealth for drugs on the F1 formula by five per cent after five years, and that measure alone is expected to affect about 400 listed drugs.

Another complex part of the legislation is the change to F2 drugs. From October 2016, the market price of medicines listed on the F2 formulary for three years or more will no longer take the originator brand of the drug into account, and that will deliver significant savings: $2 billion. Another $610 million is saved by closing loopholes relating to combination drugs that allow companies to avoid price cuts as a result of price disclosure. They are measures, by and large, that have our support. They are sensible measures. We think they are changes that will ensure that consumers will pay less for their medications and we think that is a good step forward.

On the other side of that equation there are a number of reports that suggest that five million people using the most commonly prescribed medications will see prices rise—in one report by up to 39 per cent. That is of huge concern to us. When we tested that, one of the arguments that was made was that competition will ensure that we do not see price rises when it comes to medicines, but of course, as we discussed through Senate estimates, there is very little competition, particularly in rural and regional areas where there may only be one pharmacy. It is hard to see what incentive there is for pharmacies to pass price savings on to consumers.

The rise in the cost of medications is a consequence of the introduction of the new handling fee to chemists as part of the agreement. The Greens in general will support one of the positive measures that we think is in that agreement, and that is that the pharmacies will now discount the co-payment by $1 for the provision of generic medicines. We think that is important. However, we do know that the health department wanted to implement a $3 discount policy and we know that the guild fought against it. Again, because of the secretive nature of these negotiations, we do not know how the price of $1 was reached. The total lack of transparency through these negotiations means: could we have got a better deal for consumers? And, if we could have, why didn't we do that? What was the reason that we settled on the $1 discount? It is opposed by the Pharmacy Guild and I think that says a lot about the way this negotiation was reached. I have to say that it is disappointing that the guild would oppose a very small $1 discount on concession card holders. We think that is good policy, particularly when you contrast that with the fact that there is a significant increase relative to the Fifth Community Pharmacy Agreement and we now have an agreement with the guild that is worth around $19 billion.

One of the most contentious parts of the bill is the amendment to the PBS listing for equivalent and biosimilar medicines. It is a change that is expected to save the government about $880 million. It is worth exploring what biosimilars are before we get into the economic argument. With regard to biosimilars, you have a number of new medications—really effective medications for some cancers, some autoimmune conditions and so on—that are made from biological products, living cells. They are very big and complex molecules. They are very different to other existing medications which have small molecules—drugs like aspirin, paracetamol and so on. They are not drugs that are particularly complex—only a few changes in atoms—and they are easily replicated. You can replicate the manufacturing
process in a way that ensures that you get exactly the same product every time, regardless of where it is made, providing that the manufacturing facility conforms to a uniform set of standards. But, when it comes to biosimilars, because they are such big and complex molecules and they are very highly sensitive to the environment in which they are manufactured, it is almost impossible to create a molecule that is identical to the molecule that you are trying to copy. So biosimilars are the generic version, if you like, of the original biological medication, but, unlike generics, it is very difficult to guarantee that what you are getting is exactly the same molecular structure, and what flows from that is whether you are going to get exactly the same physiological effects. Every biosimilar medication does have to undergo a range of clinical trials. They need to demonstrate safety and they have to go through the same process that the originator biological product had to go through to show that there are not any clinically meaningful differences.

That brings us onto the issue of substitution. If the chemicals are not identical, should we be able to substitute the original drug with the biosimilar drug? This is where the contention lies. Under this bill, the substitution provision allows pharmacists to substitute a prescribed medication—that is, the original biological medication—with a biosimilar or bioequivalent medication. There is some debate about this in the scientific community. It is true that we do permit substitution for generic medication, but the technical amendment in this bill ensures that it is allowed to happen at a pharmacy level for biosimilar medications. There is a lot of contention about this. One of the things that concern me is that Australia will be one of only a few countries that allows this substitution to happen at a pharmacy level. I do recognise that a number of concerns have been raised about this aspect of the policy. Our understanding is that the TGA's existing guidelines, which I think are currently under review, state that a biosimilar's product information should include a statement ruling out substitution. There are some experts on biosimilars who claim that pharmacy level substitution:

… is not only moving away from best practice but seemingly is about to set itself on a path that will see patients at unnecessary risk.

On the other side of the argument, agencies like the Therapeutic Goods Administration and the PBAC—the Pharmaceutical Benefits Advisory Committee—will not allow biosimilar substitution unless there is evidence that that can occur.

What this suggests, though, is the debate that exists within this area of biological medications and substitution is not settled. That is always a cause of concern for me. I would have appreciated the opportunity to vote on this legislation after having had some time with the various academics and experts in this field to get some assurances that what we were doing is not putting patients at risk. We were denied that opportunity. We were denied it because this bill is packaged as a whole and you have to support the whole thing. Otherwise, we will have an issue with pharmacists getting remunerated and with location rules.

On balance, though, there are, as I said, a number of measures that we support. Cheaper medication for patients at a time when out-of-pocket costs are rising is a positive step forward. We do worry about some of the measures in the bill that will increase the cost of medicines. It is almost certain for a number of common prescription medications. You have to wonder why the government allowed that to occur in its negotiations with the Pharmacy Guild. We think that was a mistake. But, again, it is very difficult to make any firm judgements on that when the only people involved in the negotiations are the guild and the
There is very little opportunity for any transparency, scrutiny or accountability of that extremely significant and very expensive agreement.

In concluding, we will support this bill, but we do so with the reservations that I have just expressed. We are being asked to pass legislation governing some pretty cutting-edge scientific debates around whether we can substitute one drug for another and what that does in terms of risk to patients. I want to put on record that we hope that some of the concerns expressed by people in this area do not materialise and that we would have liked the opportunity to interrogate those potential risks a little further. We do not think it is good practice for senators who have limited understanding in this area—and I am fortunate that I have more than most—and who want to interrogate this further to be denied the opportunity for a decent committee process where this sort of evidence can be presented and discussed.

Also, we do not think that passing the bill simply because we did not reach an agreement with the Pharmacy Guild in time is good practice. We think that needs to be taken into consideration. We should not be rushing these bills through the parliament. I am concerned about the way the Community Pharmacy Agreement was reached and I am concerned about the issue of substitution when it comes to biosimilars. On balance, though, those other measures are important. We think they are worthwhile and we welcome them. We will support this bill because of the benefit that those measures will deliver for consumers.

Senator LEYONHJELM (New South Wales) (13:12): I rise to speak against passage of the National Health Amendment (Pharmaceutical Benefits) Bill 2015. I do so in full awareness that the bill is a proper curate's egg—good in parts—and contains measures designed to increase price competition and deliver PBS savings to the government. In some cases, they may even result in cheaper medicines for consumers. However, the bill also continues the operation of the pharmacy location rules for another five years—a powerful anti-competitive measure. I put on record my opposition to this piece of opportunistic rent-seeking because it benefits the Pharmacy Guild at everyone else's expense.

Both Labor and the coalition support the continuation of the rules which require a pharmacist to obtain federal government approval to open a new pharmacy or to move or expand an existing pharmacy. I hesitate to suggest a direct link, but I note that the guild is a very significant donor to both parties. Generally, a new pharmacy cannot be opened within a certain distance of an existing pharmacy—usually either 1.5 kilometres or 10 kilometres, depending on the area. These rules also ban pharmacies being placed either within or in a position directly accessible from a supermarket.

Several reviews have recommended the rules be abolished. In March, the review of competition policy led by Professor Ian Harper found the rules were anti-competitive and unnecessary, restricting consumer choice and suppliers' capacity to respond to consumer demand. Last year, the National Commission of Audit recommended the pharmacy sector be opened to competition through the deregulation of location and ownership rules. Such reform would produce more efficient service delivery and allow the development of alternative retail models such as pharmacists dispensing medicines at supermarkets.

A decade ago a Productivity Commission review found that pharmacy regulation increased costs for consumers, taxpayers and the wider community. Poor Tony Shepherd: every single good idea he had at the National Commission of Audit has been ignored by the government that commissioned his services. I suspect, however, that repeating the findings of various
reviews cuts no ice with many people, because they fail to see the human cost of the pharmacy location rules. To that end, I am going to do what economic reformers and analysts rarely do: I am going to tell a story—or several stories.

In my first story, it is night. A fever takes hold and a mother starts to worry. A bathroom cupboard is raided, but it is full of medicine past its use-by date. A child is bundled into a car. A waiting room is endured. Then a GP provides a prescription. With child in arms, the mother returns to the car then scratches her head: where is a chemist that would be open at this time of night? Should she drive around in the hope of finding a chemist that is open? Driving past the lit-up supermarket, the mother wonders, 'Why is it so hard to find a chemist?'

In my second story, the enthusiasm of a young pharmacist slowly seeps away. She is at home, twiddling on her iPhone, passing the time. She had a short shift today. They are always short shifts. She is just a temp. She used to dream of running her own pharmacy. The dream took hold during her years of business and pharmacy studies. It lingered on after graduation as she did stints in pharmacies far and wide, working for the man. But now the dream of working behind her own counter, building her own reputation in her own neighbourhood and community, is gone. It was a silly dream.

In my third story, over at the Pharmacy Guild headquarters on National Circuit, David Quilty, the guild's executive director, reclines in his office chair. His late-night meeting with the health minister went well. The guild's members, the owners of pharmacies across Australia, will be pleased. The next Community Pharmacy Agreement—a five-year deal between the guild and the government—is much like the last one, and the one before that. The deal will see pharmacy owners continue to enjoy regulations to protect them and subsidies to enrich them. Mr Quilty recalls how he had to explain the regulations to the health minister: 'They ban new pharmacies within 10 kilometres of an existing pharmacy. Of course, this exclusion zone is reduced to 1½ kilometres if the new pharmacy is to be near a GP or supermarket, 500 metres if the new pharmacy is to be in a large medical centre or small shopping centre and 200 metres if the new pharmacy is to be near four GPs and a supermarket. And two pharmacies are allowed in large shopping centres with more than 100 shops; three are allowed if there are more than 200 shops. Naturally, pharmacies that are directly accessible from a supermarket are banned. And the regulations require any new pharmacy to be approved by an authority that includes incumbent pharmacy owners nominated by the guild.'

Mr Quilty chuckles as he recalls the health minister's bemused look. As the Commonwealth car drives off into the night, the health minister shakes her head in the back seat. She ponders the numbers thrown around in the meeting just gone. More than $18 billion from taxpayers to around 5,000 owners of pharmacies over five years: nice work if you can get it, and well above the hundreds of thousands of dollars that the Pharmacy Guild provides in political donations. A wry smile passes over her face as she heads back to the comfort of Parliament House, a place where deals usually involve the government getting something in return for giving something away. She is philosophical. No previous health minister has been able to cut the taxpayer funds flowing to pharmacy owners or remove the anticompetitive regulations that grant them protection—and perhaps no health minister ever will.

This is corporate welfare in its purest form, corporate welfare in response to a sustained campaign of rent seeking. That is, it involves the Pharmacy Guild spending money on
political lobbying for government benefits or subsidies, thereby gaining a chunk of wealth that has already been created while imposing regulations on competitors. This, more than anything else, brings free market capitalism into disrepute, not because there is anything wrong with free market capitalism but, rather, because certain industry players are happy to kick everyone else in the teeth while engaging in the economic equivalent of pillage. The rent seeking, opportunism and overregulation in this bill ought to be condemned.

Senator XENOPHON (South Australia) (13:20): I support the National Health Amendment (Pharmaceutical Benefits) Bill 2015. And, just as Senator Leyonhjelm has his position in relation to the Pharmacy Guild, I support community pharmacies, and I do so unashamedly. In relation to the location rule that Senator Leyonhjelm will be putting up an amendment about, of course he is entitled to do so. I think debate is healthy in relation to this. I was involved in a case for a constituent who had a pharmacy. I do not think he will mind me mentioning it. It was the Midnight Pharmacy in Adelaide, on Frome Street.

Senator Hanson-Young: I have been to that place many times.

Senator XENOPHON: Senator Hanson-Young has been to that pharmacy many times, and I think many others have as well. It is the only late-night pharmacy, and if you happen to be there between 10 pm and midnight, when all the other pharmacies in the metropolitan area seem to shut down, and hardly any others are open, you will see the Midnight Pharmacy full of parents with their young kids, or maybe the kids are in the car with the other parent. They are getting some urgent medications. This is the sort of situation Senator Leyonhjelm mentioned.

In my constituent's case, the Midnight Pharmacy was in breach of the location rules and had all sorts of technical difficulties in relation to that. But fortunately ministerial intervention prevailed, because there is a safety valve in the legislation. I am grateful to the former minister, Minister Dutton, for appropriately using ministerial intervention in relation to that, because there was a compelling case for that pharmacy to be open. It provides a community service late at night. It is open from 7am to midnight—the longest hours of any pharmacy in South Australia, as I understand it. So there is a discretion. There must always be a discretion in terms of hard and fast rules, but I think, on balance, the location rules do provide a basis for pharmacies to invest and to make a contribution to the local community by providing a service. I do not support, under any circumstances, Coles and Woolworths having pharmacies in their stores or controlling pharmacies. I think that would lead to a race to the bottom. That is my fear. I would rather it be run by as many small community businesses as possible. There are some chains or franchises, such as Terry White, but my understanding is that the Terry White pharmacies are owned by individual franchise owners. So I do not think this image that Mr White owns 150 pharmacies is accurate at all.

This piece of legislation is important, as the Pharmacy Guild points out. This gives effect to the PBS Access and Sustainability Package, which was formally announced by the Minister for Health on 27 May 2015. The government has made it clear, according to the Pharmacy Guild, that the bill's passage is a prerequisite to commencing the Sixth Community Pharmacy Agreement on 1 July 2015. I agree with the guild when it says that this agreement is critically important to securing the future of Australia's 5,450 community pharmacies, the jobs of their hardworking staff and the health care of the millions of patients who rely on them for their medicines. Without the investment contained in the Sixth Community Pharmacy Agreement,
community pharmacies face an unsustainable future due to the flow-on impact on the remuneration from PBS reforms.

I think it is fair to say that, on any reasonable analysis, the heavy lifting, in terms of cutbacks in health, has been borne disproportionately by the community pharmacy sector. I disclose that I happen to have two cousins who are pharmacists, and they tell me first hand of the pressures they face in their businesses. They are not gilding the lily. They tell me about the pressures that they face as community pharmacists—about the hours they have had to cut back for staff, as a result of accelerated price disclosure. I disagree fundamentally with the government for going back on its word in terms of accelerated price disclosure. The shocks were too sharp and too severe for community pharmacies in this country. Price transparency is of course unambiguously good thing, but the way it was implemented caused a lot of harm to the community pharmacy sector. We know that there have been a number of layoffs from the 60,000 employees. I have spoken to a number of pharmacists who are really, genuinely doing it tough. The goodwill of their businesses has been destroyed at the stroke of a government pen. All I ask is that there be some equity in this. If there are going to be savings and cutbacks in the health system it needs to be done in a way that is proportionate and fair and does not adversely impact on consumers and patients. That is my concern in relation to this. I unambiguously think that we need to have that debate.

I welcome Senator Leyonhjelm's amendment about the location rules. I think it is healthy to debate and discuss these issues. I have had one experience with location rules. Peter Angelos operates Midnight Pharmacy on Frome Street in the city near the corner of Wakefield Street. I am not sure if I am allowed to give a plug to a business as this is being broadcast through the national broadcaster, but I will say that he, like many other community pharmacists, provides a valuable service. This service is a good service because it is there for consumers who, after being in hospital or having taken their kids to the Women's and Children's Hospital, invariably get referred, late at night, to the Midnight Pharmacy on Frome Street.

I think we need to be very careful about changing the location rules, because, with 425 country towns only having one pharmacy operating, the consequences of losing a pharmacy in such a community could be devastating. It could also be very concerning in a particular suburb, where people have to travel even further to see a local pharmacist to get the quality advice in terms of that frontline of medical services that pharmacies give.

I think that the Sixth Community Pharmacy Agreement, whilst by no means ideal, does give some breathing space for community pharmacies. I think there needs to be transparency. Let us see how they are doing. I think they are very happy to open their books in terms of how pharmacies are doing, as other members of the medical profession should be. But if you look at the savings in the health sector, it seems that community pharmacies have borne a disproportionate burden in relation to that.

I want to raise one issue with the minister, which has been raised by the Generic Medicines Industry Association in a circular letter to senators. They have asked us to consider and remember that the proposed legislation makes a technical amendment to the National Health Act that will enable substitution to occur if appropriate. It does not mandate that that substitution will happen, and therefore the questions that I put to the minister—and I hope she
is in a position to answer them—are, and I am quoting directly from the GMiA letter of June 21:

Do you trust the TGA to assess medicines for quality, safety and efficacy?

And the letter states:

Just like all medicines in Australia, biosimilars have to be approved by the TGA and meet stringent quality, safety and efficacy standards. Therefore Australians can be assured that biosimilars used in Australia have passed the test for safety. There are no special leave passes on safety for biosimilars.

The next question is:

Do you trust the PBAC for all products that are currently available and publically funded?

The commentary in the GMiA letter is:

The PBAC is an independent committee of experts who make decisions on a $10 billion annual budget. Over five years, this is a bigger budget than the Community Pharmacy Agreement. If you trust this committee to make decisions to list new medicines on the PBS, why wouldn’t you trust them to follow the same principles of evidence-based decision making for biosimilars?

The GMiA says that if the answer to these questions is yes they urge us to support the passage of the legislation. So I just wanted to get some clarification in relation to that. In terms of biosimilars, I think it is reasonable to ask what the safeguards are—that you are actually getting precise substitutions so it is the same medication and it will have the same effect on the patient. I think these are important issues that need to be considered. Having said that, I look forward to the passage of this particular bill, and the debate in the committee stage.

**Senator NASH** (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (13:29): I thank senators for their contributions to the debate on this bill, the National Health Amendment (Pharmaceutical Benefits) Bill 2015. I can assure the Senate that this government understands the importance of the bill not only to senators and to the people in the states and territories they represent who use PBS medicines but also to the pharmacies, manufacturers and distributors who supply them.

Australians rely on the PBS for affordable access to medicines wherever they may live, whether occasionally or often or for acute illness or chronic disease. It is becoming clear that it is no longer a case of whether you are rich or poor when it comes to many new medicines. The new treatments people are seeking are so complex and expensive that they are out of the reach of almost everyone without subsidy under the PBS.

The amendments in this bill support eight elements of the broader access and sustainability package of measures that will help the PBS to meet the challenge of listing of new medicines. The package is the result of extensive consultations and negotiations which, for the first time, included stakeholders from across the PBS supply chain. It reflects the input and ideas of all sectors and contains savings from all sectors. Those negotiations have resulted in the government making the sixth community pharmacy agreement with the Pharmacy Guild of Australia and signing a five-year strategic agreement with the Generic Medicines Industry Association. The agreements recognise that everyone must contribute in order to share the benefits.

In relation to biosimilar medicines—and I note the issues raised by Senator Xenophon—when it comes to deciding whether and on what basis medicines should be listed on the PBS, the government relies on the expertise and independence of the Pharmaceutical Benefits
Advisory Committee. The PBAC has been very forthcoming and transparent regarding its proposed approach to biosimilars. It released information from its April 2015 meeting and a statement on the safety of biosimilar medicines last week. The PBAC has indicated that it will consider a biosimilar for listing only if it has been approved by the TGA as having comparable safety and effectiveness to the original biological medicine. The PBAC will take its information into account, along with other relevant information, when assessing whether a biosimilar should be listed to allow substitution by a pharmacist.

We should note that the changes in the bill relating to substitution are technical only and are designed to provide clarity for all stakeholders. In fact, the proposed changes relate to any medicines, not just biosimilars. The changes align with the department's current practice and will ensure a transparent and legally robust framework in which decisions regarding the substitutability of PBS medicines can be made. With or without these amendments, the PBAC will continue to advise on the PBS medicines that can be designated as schedule equivalent—that is, substitutable by a pharmacist.

This has been a difficult topic to navigate during the debate both inside and out of the chamber. There has been a lot of information and perhaps some misinformation circulating on the merits or otherwise of the use of biosimilar medicines. As my department has advised the Senate previously, the PBAC always intended to hold a stakeholder forum to discuss and consult on implementation. Invitations to the forum were sent last week to stakeholders, including consumers, clinicians, the pharmaceutical sector, state hospital advisory bodies and the TGA. The forum will be held on 7 July 2015. The PBAC is keen to hear views regarding the application of its recent recommendation about biosimilar medicines and receive feedback on how it will work in practice.

Senators can be assured that the government is confident that reliance on the expert advice of the PBAC is an appropriate way forward. The PBAC will recommend listing or substitution of biosimilar medicines on a case-by-case basis only after their own assessment and where the data is supportive of this. Importantly for consumers, the PBAC will continue to carefully consider the balance of issues, including timely access to new biosimilars, lower costs and the appropriate safeguards for prescribing and patient use. In concert with the work of the PBAC, the Therapeutic Goods Administration is also undertaking consultation on its guidance with respect to biosimilars.

This government, the department and the PBAC recognise the importance of this issue to stakeholders and the importance of this issue globally. To complement the PBAC’s stakeholder engagement, the government has committed up to $20 million that will enable an education campaign for consumers and specialist clinicians on the efficacy and safe use of biosimilar medicines. I hope that this assists in providing information to senators, in particular in response to Senator Xenophon’s queries.

In relation to other measures, we have heard arguments both for and against pharmacy location rules—how they impact on competition and how they are important for maintaining access to medicines across our cities, country towns and rural centres. This government supports their continuation over the life of the next agreement. This government also supports transparency and evidence based decision making. The review of pharmacy remuneration and regulation, including location rules and wholesaler arrangements, will provide the information
needed to ensure that the components of the PBS supply chain are remunerated and regulated appropriately and can operate effectively.

There are also a range of views regarding the merits of community pharmacy expanding its role in health care. An important aspect of introducing new programs is that they will be piloted and evaluated to make sure that these expanded health services are cost-effective and clinically appropriate in the pharmacy setting. In the meantime, the sixth community pharmacy agreement will provide revised remuneration arrangements that will enable pharmacies to innovate and transition from a focus on medicine supply to a focus on medicine management and pharmacy services.

I appreciate the points made in support of our pharmaceutical manufacturers, wholesalers and distributors. Providing access to new medicines and breakthrough treatments will continue to be a major driver for the PBS. We certainly cannot do it without the innovation and quality provided by our innovation and generic medicine sectors or the efficiency provided by the PBS distribution network.

The PBS is designed to pay a fair price for effective medicines, but that is only part of the equation. As you have heard before, the PBS comes at a price. We have an ageing population and increasing rates of chronic disease. New medicines are increasingly complex and expensive. The savings from price reductions in F1 and F2 will continue to support subsidies for new and innovative products. This government has improved listing times for medicines on the PBS and will continue to do so.

The changes in this bill are the result of extensive consultation with a wide range of stakeholders, and they are reasonable. The package contains savings contributions from all sectors of the pharmaceutical supply chain, with benefits to consumers through cheaper medicines, enhanced pharmacy services and funding for access to new and innovative medicines. The measures in the package move the focus of PBS funding towards treatments that would otherwise be out of reach for individuals and important advances in therapy and expensive, complex medicines for serious conditions.

I thank senators again for their comments and I thank all the stakeholders who have worked with the government to develop the proposals and agreements, and who will continue to work with us during the implementation phase. This is a balanced package of measures which provides fair outcomes for pharmacy, the medicines industry, patients and the Australian community. These changes deserve to be supported. They will help strengthen the PBS into the future. They are reasonable, they are necessary and they are needed now.

Question agreed to.

Bill read a second time.

In Committee

Senator LEYONHJELM (New South Wales) (13:38): by leave—I move amendments (1) to (3) on sheet 7734:

(1) Schedule 1, page 4 (after line 31), after item 4, insert:

4A Subsection 90(3B)

Repeal the subsection.
4B Subsection 90(3C)
Omit ", (3AF) and (3B)", substitute "and (3AF)".

(2) Schedule 1, page 5 (after line 2), after item 5, insert:

5A Subsection 90A(1)
Repeal the subsection, substitute:

(1) This section applies in relation to a decision of the Secretary under section 90 rejecting an application by a pharmacist for approval to supply pharmaceutical benefits at particular premises, if the application was made on or after 1 July 2006.

(3) Schedule 1, page 13 (after line 4), after item 31, insert:

31A Subsection 99K(2)
Repeal the subsection.

31B Section 99L
Repeal the section.

These amendments, of necessity, work as a whole and are intended to achieve the following. They remove the location rules under which the Australian Community Pharmacy Authority makes its recommendations regarding applications for new pharmacies. They remove the requirement for the secretary to comply with recommendations of the Australian Community Pharmacy Authority regarding applications for new pharmacies. They allow the minister to override a rejection by the secretary of an application for a new pharmacy. The intention here is to remove the possibility that the Australian Community Pharmacy Authority, making recommendations on a whim rather than on the basis of location rules, would continue to prevent new pharmacy approvals.

The net effect of my amendments to this bill would be twofold: first, it would allow people to open a pharmacy wherever they like, including in a supermarket; second, it would turn a mixed bill into a good bill. As I mentioned in my speech on the second reading, there are many good things in this bill: price disclosure, reducing the cost of single brand drugs and the closing of the price disclosure loophole with respect to combination medicines—a notorious rort ably identified by Philip Clarke, Melbourne University Professor of Health Economics. These are all good and to be commended. But, as the bill currently stands, it leaves untouched the worst rort of all—the Community Pharmacy Authority's location rules.

In March this year, Senator Di Natale, in response to a string of damning reports about the Fifth Community Pharmacy Agreement, made clear his astonishment that 'an agreement worth more than $15 billion could be negotiated with seemingly no transparency, accountability or appropriate process'. I concur with Senator Di Natale's view. There are many things wrong with the community pharmacy agreement. All I can hope to put right is the anti-competitive nonsense of the location rules.

To recap, the rules mean that a new pharmacy cannot be opened within a certain distance of an existing pharmacy, usually either 1.5 kilometres or 10 kilometres, depending on the area. They also ban pharmacies being placed either within, or in a position directly accessible to, a supermarket. They mandate a complex application process to allow would-be pharmacists to go into business. It is this last point to which I want to draw your attention now. In what universe is it legitimate to tell people that they may not go into business? That kind of injustice is worthy of the old Soviet bloc: 'Dear Mr General Secretary of the
Communist Party, please may I open a shop? And not just any shop—a perfectly legal, well-regarded sort of shop—a pharmacy, for crying out loud.

Repealing the pharmacy location rules will lead to more competition, cheaper medicines, better services. All of that is true and, as I and many others have said repeatedly, it is to be encouraged. However, beyond all that, repealing these rules will allow qualified pharmacists to do one of the most basic things available to free people in a free society—to go into business, to open a shop. If this government is to have any pretensions to being a government for small business then the least it can do is let people go into business. I commend my amendments.

Senator McLUCAS (Queensland) (13:42): For the record, I should indicate that the Labor Party will not be supporting Senator Leyonhjelm’s amendments, which would in fact remove all of the longstanding arrangements we have had about pharmacy location rules in this country. I acknowledge Senator Leyonhjelm’s motivation is based on the liberal approach to the market. But can I suggest that there is another consideration that we need to take into account. This is not a simple shopfront; this is a service that is provided by a service provider, a very well trained person who has an understanding of how medicines work.

As I said in my speech on the second reading, most pharmaceuticals are dispensed to elderly people, to chronically ill people. When pharmaceuticals are dispensed to that cohort of patients, we understand—and I have seen it with my own eyes—that pharmacists speak with the patient to ensure that any contraindications, any mismatch of drugs, is well understood by the patient. Pharmacists do take that responsibility seriously. Sure, if you are healthy man like Senator Leyonhjelm and you turn up and get a drug over the counter you probably do not need to have that conversation but we should think of those people who are prescribed a number of pharmaceuticals. Certainly a doctor is having a good look at that, but having that second set of eyes look over that list of medicines is a good thing. I suggest that we should not be making decisions about the location of pharmacies based simply on market economics. We have to include in that consideration another value, and that is the value of medical advice—and that is what pharmacists bring to this equation. For those reasons we cannot support Senator Leyonhjelm’s amendments.

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (13:45): It is important that we remember that location rules are used to determine where a pharmacist can provide access to PBS-subsidised medicines. The ownership of a pharmacy is still a matter for state and territory government legislation. I certainly thank Senator Leyonhjelm for his proposed amendments and clearly for the amount of thought and consideration he has given to this matter.

The Pharmacy Location Rules have been important in the supply of medicines to all Australians, in particular in rural and remote regions. Under the current rules we have had growth in pharmacy numbers from 5,100 to 5,450. As someone who lives in a rural area, I am particularly pleased to note that this includes an increase of 119 in rural locations alone. The location rules represent a balance between access for consumers, competition for the sector and viability for individual businesses. The proposed amendments would not only cease the location rules as of 30 June 2015; they would preclude any government from determining any rules that the Australian Community Pharmacy Authority could take into account when determining whether or not a pharmacist should be approved to dispense PBS medicines.
government has continued to make known its public support for location rules, and it is joined in this regard by Labor.

However, this government does recognise that the concerns raised in relation to location rules by the National Commission of Audit, the ANAO, the Productivity Commission and other stakeholders need to be addressed. That is why, as part of the Sixth Community Pharmacy Agreement, an independent, public and comprehensive review of remuneration and location rules will be undertaken within the first two years of the agreement. The review will commence in September 2015 and will invite input and submissions from across the sector and across the community. I am sure Senator Leyonhjelm would welcome that. Its findings will be made public by March 2017. The government is committed to evidence-based decision making and transparency, and this approach will ensure this occurs while also ensuring continued access to PBS medicines for all Australians. Again, I thank Senator Leyonhjelm for his proposed amendments but indicate that the government will not be supporting them.

The CHAIRMAN: The question is that amendments (1) to (3) on sheet 7734, moved by Senator Leyonhjelm, be agreed to.

The committee divided [13:52]

The Chairman—Senator Marshall)

Ayes ......................2
Noes ......................51
Majority.................49

AYES

Leyonhjelm, DE (teller)

NOES

Bilyk, CL (teller)
Bullock, J.W.
Cameron, DN
Cash, MC
Cormann, M
Di Natale, R
Fawcett, DJ
Gallacher, AM
Hanson-Young, SC
Ketter, CR
Lindgren, JM
Ludlam, S
Marshall, GM
McKenzie, B
Milne, C
Muir, R
O'Neil, DM
Parry, S
Polley, H
Rice, J
Seselja, Z
Singh, LM
Question negatived.
Bill agreed to.
Bill reported without amendment; report adopted.

Third Reading

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (13:56): I move:
That the bill be now read a third time.
Question agreed to.
Bill read a third time.

Appropriation (Parliamentary Departments) Bill (No. 1) 2015-2016
Appropriation Bill (No. 1) 2015-2016
Appropriation Bill (No. 2) 2015-2016
Appropriation Bill (No. 5) 2014-2015
Appropriation Bill (No. 6) 2014-2015

First Reading

Bills received from the House of Representatives.
Senator CORMANN (Western Australia—Minister for Finance) (13:57): I move:
That these bills may proceed without formality, may be taken together and be now read a first time.
Question agreed to.
Bills read a first time.

Second Reading

Senator CORMANN (Western Australia—Minister for Finance) (13:57): I move:
That these bills now be read a second time.
I seek leave to have the second reading speeches incorporated in Hansard.
Leave granted.
The speeches read as follows—

APPROPRIATION (PARLIAMENTARY DEPARTMENTS) BILL (NO. 1) 2015-2016
Mr President, The purpose of Appropriation (Parliamentary Departments) Bill (No. 1) 2015-2016 is to provide funding for the operations of:
• the Department of the Senate;
• the Department of the House of Representatives;
• the Department of Parliamentary Services; and
the Parliamentary Budget Office.

This bill seeks approval for appropriations from the Consolidated Revenue Fund of just over $233 million. Just over $28 million would be provided for the enhancement of cyber security.

Details of the proposed expenditure are set out in the schedule to the bill and the Portfolio Budget Statements for the Parliamentary Departments.

I commend the bill to the Senate.

APPROPRIATION BILL (NO. 1) 2015-2016

Tonight I am speaking directly to you the people of Australia. I want to inform you of the next steps in the government’s plan to strengthen our nation’s economy.

As we all know, over the past 12 months Australia has had to deal with its fair share of challenges. We have stared down terrorist events in Sydney and in Melbourne.

We have had to deal with a terrible drought in Queensland and New South Wales.

On the economic front, iron ore prices have fallen dramatically and the recovery in the global economy has been weaker than expected.

But I say to you, the economic plan laid down by this government more than a year ago is in place and it is helping us to deal with these challenges.

Through careful planning, we are successfully navigating the difficult transition from a mining investment boom to one of broader based growth across our economy.

In the past 12 months, we have coped well with weaker than expected global demand, lower commodity prices and falling revenue.

Even in the face of the largest fall in our terms of trade in half a century, which has contributed to a significant fall in tax receipts, our economic plan has helped Australia to have one of the fastest growing economies in the developed world.

I can report tonight that despite the headwinds, our timetable back to a budget surplus is unchanged from last year.

We inherited $123 billion of deficits when we came to office. We have now brought that down to $82 billion over the next four years.

This is despite the fact that we have lost $90 billion in expected tax revenue over that same period.

A $40 billion improvement in the bottom line is good, but we need to do more.

On a daily basis, the government borrows $96 million just to pay the bills, which is down from the $133 million a day that we inherited from the previous government.

So, today, we have taken steps to continue repairing the budget with sensible savings and with a prudent approach to spending. We are redirecting funding to areas such as small business, child care and infrastructure which will boost growth and create jobs.

At the same time that we have been repairing the budget, we have overseen a strengthening of growth in employment, housing construction, retail trade and in exports.

This is not an accident.

Since we came to government, we have abolished the job-destroying carbon tax and we have abolished the job-destroying mining tax.

We have helped create a quarter of a million new jobs and there is more to come—a lot more to come.
We have abolished 50,000 pages of regulation and red tape, which was costing our economy nearly $2½ billion a year.

We are rolling out the biggest infrastructure program in Australia's history, with new road and freight corridors being built right across the country.

We have helped to bring down the cost of living. Australians today are paying less for their electricity and less on their mortgages.

I say again, our economic plan is working and things are getting better.

A lower Australian dollar is now providing a boost to sectors like manufacturing in South Australia and Victoria, and tourism and education in Queensland.

On election night, the Prime Minister declared that Australia was back open for business. His words have been proven true. Since then, we have seen a significant increase in approved foreign investment applications in Australia, up 23 per cent in the last year alone.

The world has expressed its growing confidence in Australia's economic future, and I too share that optimism about our future.

This budget is the next step in our economic plan.

This budget empowers small business to invest, grow and create jobs.

This budget gives Australians the opportunity and the freedom to participate in the workforce, no matter what their circumstances.

This budget continues to implement our plan to build new roads, new rail and new infrastructure that will generate new growth opportunities across all parts of Australia, from our cities to our regional areas, from Tasmania to our northern frontier.

**A great economic opportunity**

Madam Speaker, the global economy is turning for the better.

The United States is back to near full employment, Europe is looking a little stronger, and Japan is finally starting to grow.

And our biggest trading partner, China, continues to grow at nearly seven per cent, despite a recent slowdown.

With more than 1.3 billion consumers living in China, the demand for our exports will continue to grow.

For every dollar we spend buying Chinese goods and services, the Chinese spend two dollars buying our goods and services.

We are the big winners out of that relationship.

Each year, we send enough iron ore to China to build the Sydney Harbour Bridge from Sydney to Perth and back to Sydney.

And in the next five years, we will become the world's largest exporter of liquefied natural gas. Together with our annual exports of coal, this is enough energy to power Tokyo, Singapore and Mumbai for an entire year.

And while the prices are lower, and we wish those commodity prices were higher, the opportunities from Asia for our resources are enormous.

People ask me where the future jobs are going to come from. Well, consider this: if we could lift our service exports like higher education, tourism, health care and financial services to just half the level of our commodity exports, it would add $50 billion to our economy every year.
That is why, in order to open that door, we are investing $6 billion in new trade agreements with China, Korea and Japan. And we are expanding that to India, which is the fastest growing economy in the world, but still a very small trading partner of Australia.

Australian based businesses, exporting our own home-grown skills, in everything from advanced manufacturing to services, will be the big drivers of wealth creation and job creation over the next decade.

This is the growth opportunity that Australia has been patiently waiting for, and it is here now and it is available now.

So as part of our economic plan we want to do more to help business, particularly small business, take advantage of these opportunities.

**Energising small business**

I, like so many of my colleagues, grew up in a small business family.

That small business put a roof over our heads. It paid the bills. It gave all of the family a chance at a better life.

Small business is often a family business; a business of brothers and sisters, uncles and aunts, cousins, parents and children. And for those who work in a small business, who are not related, well, they often become family.

Our future growth will come from growing small business into big business.

Every big company in the world started small.

Every big idea in the world came from just one person or a handful of people working together.

That is why tonight, I am announcing a package of measures that will make a genuine and permanent difference to small business in Australia.

To start, every small business will get a tax cut. We are giving you back more of your own money.

From 1 July this year, small companies with annual turnover of less than $2 million will have their tax rate lowered, from 30 per cent to 28½ per cent.

This is the lowest small business company tax rate in almost 50 years.

Most small businesses are not run as companies. So we will also give an annual five per cent tax discount of up to $1,000 a year for unincorporated businesses.

We are the only government that will deliver tax cuts for small business, because we want small business to grow and employ more Australians.

But we recognise that small business, in order to succeed, needs better cashflow and better tools for innovation as well.

So I announce that, from 7:30pm tonight, small business can claim an immediate tax deduction for each and every item they purchase up to $20,000.

From tonight, it can be instantly written off to reduce your tax liability.

And this will benefit the 96 per cent of Australian businesses—more than two million of them—that have a turnover of less than $2 million a year.

This will be of enormous benefit to their bottom line and help businesses with their cashflow.

It means innovation.

It means jobs.

It means more money to invest and grow your business.

If you run a cafe, it might be new kitchen equipment, or new tables and chairs.

If you are a tradie, it might be new tools or a computer for the home office.
Cars and vans, kitchens or machinery, anything under $20,000, is immediately 100 per cent tax deductible from tonight.

We also want Australians to start a new business, and we want them to grow.

Why?

Because new businesses create new jobs.

That is why we will ease the financial strain by allowing business owners to immediately deduct the costs incurred when starting up a new business, or receive tax relief when restructuring their existing business.

In addition, we are expanding the tax concessions for employee share schemes, to make it easier for small start-up companies to attract the skills and talent they need to grow.

Unlike the old system, under the old government, employees will not have to pay tax on their shares until they actually receive a financial benefit from those shares.

This is great for workers and it is great for innovative start-ups.

And to help small business grow, we are facilitating new opportunities for crowdsource funding, making it easier for small investors to marry up with growing small businesses.

And, in a further new policy initiative, which is just common sense in the digital age, we are abolishing fringe benefits tax on all portable electronic devices used for work, like mobile phones, laptops and tablets.

We need to keep up with developments in the new digital economy. Accordingly, the government is investing $255 million to make your dealings with the Tax Office, Centrelink, Medicare and other government agencies easier, simpler and faster.

Farmers and regional communities

In many ways farmers are the most resilient of all Australians and they are also our best environmentalists.

They have to deal with the varied conditions of a big land, fierce global trade and ever-increasing competition.

At the moment, we have parts of our country that remain in drought. As such, we are committing over $300 million to help them get through these tough times.

Equally important, as part of our economic plan, we need to start preparing for the droughts beyond today.

So all farmers will get an immediate tax deduction for new investment in water facilities, and a three-year depreciation allowance for all capital expenditure on fodder storage assets.

In addition, all farmers will be able to fully deduct the cost of new fencing from their tax bill. This initiative will help to improve productivity and environmental management of the land.

Over the next few weeks, after further discussion with farmers, we will be releasing more details about our plans to strengthen agricultural production across Australia.

Investing in the future

This is a budget that unleashes our nation's potential.

An extraordinary area of untapped promise is Australia's north. This is an exciting frontier for economic development that is filled with abundant resources and talented people.

Its tropical climate is shared with two-thirds of the world's population, and of course it is closer to our key trading markets than any other part of our country.

But the north needs new infrastructure to get things moving. We need to build in order to grow.
I announce tonight a new $5 billion Northern Australia Infrastructure Facility, which is the first major step in our plan for our great north.

We will partner with the private sector and governments of Western Australia, the Northern Territory and Queensland to provide large concessional loans for the construction of ports, pipelines, electricity and water infrastructure that will open our northern frontier for business.

This commitment to building a bigger nation adds to the record $50 billion in transport infrastructure we announced in last year's budget—infrastructure that is now, as I speak, under construction.

Through this new investment, we are laying down strong foundations to get Australia ready for its economic future.

Families and child care
Madam Speaker, a nation that lives as a family must help to strengthen and support all of its families.

Next year, we will spend $38 billion to support families, which includes more than $7 billion on child care.

Australian parents work hard to juggle the demands of modern life.

It is a difficult balancing act, I know.

Just weeks after coming to government in 2013, I initiated a Productivity Commission inquiry into child care. Since that time, we have consulted widely and as a result we are allocating an additional $3.5 billion to reform the childcare system.

We want to give parents a choice about work, and by investing this money we are responding to the demands of 165,000 parents who want to work more but are prevented from doing so by the current costly and complex scheme.

Our reforms will make the system simpler, and ensure child care is more affordable, accessible and flexible.

Assisting job seekers
Madam Speaker, this government knows there are many Australians who want a job and just cannot get one. As part of our economic plan, we are doing more to help.

The level of youth unemployment in Australia is too high.

So, tonight, I announce this government will invest more than $330 million to help young and disadvantaged Australians get their start.

This will include a new $212 million Youth Transition to Work program that will fund community workers, who are on the ground in high youth unemployment areas.

Furthermore, there will be an additional $106 million of intensive support trials for job seekers of all ages, who are facing the most significant barriers to employment.

We are also improving the national work experience program, so that 6,000 people can get genuine work experience in a real workplace.

Whether you are young or old and no matter where you live, we want all Australians to have the opportunity to get a job and to stay in a job.

This budget will have a $1.2 billion national wage subsidy pool to target long-term unemployment. Following consultations across the community, we are reshaping the pool, including the Restart program for older workers, to ensure that the subsidies are available when and where they are most needed.

A better retirement
Madam Speaker, I want to reassure all Australian workers that they can have confidence in their retirement plans under this government.
There will be no new taxes on superannuation under this government.
And the age pension will continue to increase, twice a year, this year and every year at the highest available indexation rate.

The age pension is our budget's biggest item of expenditure, $44 billion a year. That is more than 10 per cent of all government spending.

The age pension is a critically important safety net for many Australians.

That is why as our population ages, we need to ensure the pension is sustainable and affordable.

So from 1 January 2017, we will make changes that benefit pensioners with fewer assets beyond the family home. But we will also tighten eligibility for those pensioners with higher levels of assets.

Importantly, anyone who currently has a pensioner concession card will continue to receive a concession card that provides the same benefits, such as subsidised utilities and transport, bulk-billing and cheaper PBS prescription medicines.

These measures are all intended to provide security and certainty for older Australians in the years ahead.

**A stronger health system**

Madam Speaker, we are building a stronger and more sustainable health system.

The Pharmaceutical Benefits Scheme has, for over 60 years, given Australians affordable and reliable access to a wide range of drugs.

In this budget, the government continues its commitment to new listings on the Pharmaceutical Benefits Scheme at a total cost of $1.6 billion.

To give you one example, around 1,000 people will now benefit each year from subsidised access to better treatments for certain types of melanoma. Some of these treatments have until now cost up to $131,000 per course of therapy. Now they are accessible to all Australians.

It is however not enough to subsidise existing drugs.

We need to find the next generation of treatments and cures.

Last year, I announced the creation of the Medical Research Future Fund, which will become the biggest medical research endowment fund in the world. Starting this year, and over the next four years, the government will distribute $400 million from this fund to help our best and brightest medical researchers develop the drugs and cures for the future.

**Keeping Australians safe**

Madam Speaker, the highest responsibility of any government, any government, is the safety and security of its citizens.

When it comes to national security there can be no shortcuts.

This year, we will commit a further $1.2 billion to make Australia safe and secure. This builds on the $1 billion of extra funding we committed last year.

This is an essential investment for our nation and it is working.

As we know from events as recent as last weekend, the more work we do, the more likely we can prevent tragic incidents from happening in our community.

The threat of terrorism is rising and ever evolving and our response must be swift and uncompromising.

We must have the best counterterrorism capabilities available.

Tonight the government is committing an extra $450 million for our intelligence capabilities to ensure that we have the very best equipment and skills necessary to keep our communities safe.
Overseas, our military personnel are leading the fight against terrorism. The government is providing $750 million for military operations this year, including our efforts to disrupt, degrade and ultimately destroy D’aesh in Iraq.

To help pay for this, our tough stand on border protection is delivering a dividend. Our border protection policies have stopped the boats and they have saved lives. As a result, we are saving more than $500 million from closing unnecessary detention centres and we are saving on the costs of processing new boat arrivals.

**Levelling the playing field**

Fairness is essential to the integrity of our taxation system.

So I say to all Australians, rather than introducing new taxes on you, we simply want people or companies who are avoiding paying their tax to pay their fair share.

As a result of tax office investigations we have identified 30 large multinational companies that may have diverted profits away from Australia to avoid paying their fair share of tax in Australia.

Everyday Australians rightly believe that, if a dollar of profit is earned here, you should pay tax here.

Unfortunately, this is not always the case for some multinationals. Many have the capacity to aggressively minimise their tax.

What that means is that families and small businesses are forced to carry more than their fair share of the tax burden.

Tonight I am releasing the details of a new tax integrity multinational anti-avoidance law. This will stop multinationals using complex schemes to escape paying their tax.

Under this new law, when we catch companies cheating, they will have to pay back double what they owe plus interest.

In addition, it is unfair that overseas based businesses selling services into Australia may not charge GST when local businesses have to charge GST.

A local business that employs Australians, pays rent in Australia, pays tax in Australia and helps build our economy is disadvantaged by the current system.

We will level the playing field for Australian businesses by mandating that foreign businesses supplying digital products and services into Australia are subject to the GST.

Tonight I am also tabling the draft legislation in that regard.

Everything we spend in this budget is being paid for by prudent savings in other areas.

We do not want to increase taxes on Australians, but we do want everyone to pay their fair share of tax along the way.

In this budget, we are amending the zone tax offset so that it is only available to those who have genuinely moved to specified remote areas—specifically excluding fly in, fly out—and that saves $325 million.

We are limiting fringe benefits tax entitlements on overly generous meal and entertainment expenses, capping them at $5,000 a year per person, saving $295 million.

And anyone on a working holiday in Australia will have to pay tax from their first dollar earned, rather than enjoying a tax-free threshold of nearly $20,000. This will save the budget $540 million.

And the need for fairness and a level playing field applies in other areas.

We are making changes to strengthen Australia’s foreign investment framework by introducing a new fee regime on those foreigners who want to invest and that will deliver better enforcement and stricter penalties if the break the law. This will deliver $735 million of revenue to the budget.
These integrity measures protect those people who are doing the right thing. They promote trust. And they are all part of responsible budgeting.

**Fiscal**

As I said last year, the debt and deficit mess that we inherited was not of our making, but we have taken positive action that is delivering results to fix it.

Australia's budget position is getting stronger each and every year—from a $48 billion deficit we inherited to $35 billion next year, down to a $7 billion deficit in another three years' time.

And over the same period, we are reducing the size of government as a share of the economy.

Of course, there is more work to be done on budget repair. Every nation must live within its means, and Australia is no different.

But we cannot tax our way to prosperity. And we must continue to look for sensible savings.

When we invest taxpayer money, we must do so with great care. It is your money that we are spending, and we have to be careful with every single dollar that you contribute.

Despite the iron ore price having halved, we are still on a clear and credible path back to surplus and gross debt in a decade will be over $110 billion lower than that which we inherited.

**Conclusion**

This budget is responsible, measured and fair.

We are creating opportunities for job seekers, young and old.

We are caring for our most vulnerable.

And we are keeping the country safe and secure.

This is a budget for small business people who want to innovate and grow.

This is a budget for young people wanting to get a foot in the door.

This is a budget for parents juggling the complexities of modern life.

This is a budget as much for the miners of the Pilbara as it is for the farmers in the Mallee. It is as much for a family in Brisbane as it is for a start-up business in Adelaide.

This is a budget that helps build a stronger, safer and more prosperous Australia.

I truly believe in my heart that our nation's best days are ahead of us. So now is the time for all Australians to get out there and have a go.

I commend the budget bill to the Senate.

**APPROPRIATION BILL (NO. 2) 2015-2016**

Appropriation Bill (No. 2) 2015-2016, along with Appropriation Bill (No. 1) 2015-2016 which was introduced earlier, and Appropriation (Parliamentary Departments) Bill (No. 1) 2015 2016, are the Budget Appropriation Bills for the 2015-16 financial year.

This bill seeks approval for appropriations from the Consolidated Revenue Fund of just over $15 billion for 2015-2016.

I now outline the significant items provided for in this bill.

First, the Department of Communications would receive just under $7.4 billion to continue its investment in the National Broadband Network in 2015-2016.

Second, the Department of Infrastructure and Regional Development would receive just under $3 billion. This includes a provision for a Commonwealth concessional loan of up to
$2 billion to accelerate the delivery of Stage 2 of the WestConnex project in Sydney. $250 million would also be provided for concessional loans to the Australian Capital Territory Government in respect to loose-fill asbestos remediation programme.

Third, the Department of Defence would receive just under $2.9 billion in capital funding to support capabilities. Funding would be used for the Approved Major Capital Investment Programme, and for existing investment commitments.

The bill also provides the Debit Limit, formerly known as the General Drawing Rights Limit, for the Nation-building Funds; the Building Australia Fund, the Education Investment Fund, the Health and Hospitals Fund, the general purpose financial assistance payments and the national partnership payments. As legislation is to be introduced to close the funds, the estimated expenditure in 2015-16 represents the wind up of projects already committed. No new projects will commence.

Details of the proposed expenditure are set out in the Schedules to the bill and the Portfolio Budget Statements tabled in the Parliament.

I commend the bill to the Senate.

APPROPRIATION BILL (NO. 5) 2014-2015

Mr President,

Today, the Government introduces the Supplementary Additional Estimates Appropriations Bills. These Bills are:

- Appropriation Bill (No. 5) 2014-2015; and
- Appropriation Bill (No. 6) 2014-2015.

These Bills underpin the Government's expenditure decisions.


I now outline the significant items provided for in this bill.

First, the Department of Immigration and Border Protection would receive just under $248 million in 2014-15 to fund resettlement activities and costs associated with delays in processing Illegal Maritime Arrivals.

Second, The Department of Social Services would receive just under $48 million. This includes funding to allow the Government to make payments under the Zero Real Interest Loans programme for loan offers accepted late in 2013-14 and loan offers expected to be accepted in 2014-15.

Details of the proposed expenditure are set out in the Schedule to the bill and the Portfolio Supplementary Additional Estimates Statements tabled in the Parliament.

I commend the bill to the Senate.

APPROPRIATION BILL (NO. 6) 2014-2015

Mr President, Appropriation Bill (No. 6) 2014-2015, along with Appropriation Bill (No. 5) 2014-2015 which I introduced earlier, are the Supplementary Additional Estimates Appropriation Bills for this financial year.

This bill seeks further approval for appropriations from the Consolidated Revenue Fund of just under $423 million for 2014-2015.

The majority of proposed funding in the bill relates to the Department of Defence. This bill would provide the Department of Defence with just under $412 million, reflecting funding for supplementation for foreign exchange movements and the net effect of the reallocation of funds between running costs and capital.
The bill would also provide the Department of Social Services with $10 million to continue the development of My Aged Care Gateway which provides a single entry point to access information on ageing and aged care including to locate and access aged care services.

Details of the proposed expenditure are set out in the Schedules to the bill and the Portfolio Supplementary Additional Estimates Statements tabled in the Parliament.

I commend the bill to the Senate.

**Senator WONG** (South Australia—Leader of the Opposition in the Senate) (13:57): I rise to contribute for what I am sure is a very lengthy period to the debate on the Appropriation Bills, which appropriate funds for government expenditure in 2015-16. As we consider these bills, it is appropriate to consider the Abbott government’s management of the budget and its management of the Australian economy. Since this government handed down its first budget in May 2014, economic growth has slowed—declined from three per cent in the year to March 2014 to less than 2.3 per cent in the year to March 2015—and they have delivered below-trend economic growth. Australians’ incomes are down—Australians’ average disposable income is down 1½ per cent in real terms over the year to March 2015. We have seen that business confidence has taken a hit—now down some 70-odd per cent. Business confidence is now down 70-odd per cent since you came to office.

**Senator Seselja interjecting—**

**Senator WONG:** Senator Seselja, you enjoy telling us that you have pro-business policies, what have you done to business confidence? Consumer confidence is down—the Melbourne Institute Index shows that consumer confidence index is down some 13.8 per cent since Tony Abbott came to government. We have seen the lowest wage growth in two decades in the year to March 2015.

**Senator Bernardi:** Mr President, on a point of order: I am loath to interrupt Senator Wong just before question time, but I would like to make a point of order about her reference to the Prime Minister. I think that Senator Wong should know by now that she should refer to the Prime Minister by his correct title—

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

**Senator Bernardi:** and, with only 15 seconds till question time, I think it would probably be better for her to conclude on that so that we can move on to the real business of the Senate.

**Honourable senators interjecting—**

**The PRESIDENT:** Order, on both sides! Thank you, Senator Bernardi, for your point of order. I remind all senators to refer to members of the other House by their correct titles.

Debate interrupted.

**QUESTIONS WITHOUT NOTICE**

**Hospitals**

**Senator O’NEILL** (New South Wales) (14:00): My question is to Senator Brandis, the Minister representing the Prime Minister. Is the New South Wales government correct when it says that the Abbott government’s changes to health funding will mean reduced capacity at public hospitals and increased waiting times, disproportionately affecting patients from low-SES backgrounds?
Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:00): Senator O'Neill, I am not familiar with that remark that you attribute to the New South Wales government, but I can assure you that that will not be the effect of any decisions made by the Abbott government. The government is not cutting hospital funding. We have kept the commitment we made at the last election, and, in this year's budget, schools as well as hospital funding continues to increase each and every year. Total annual hospital funding increases by 25 per cent, or $3.8 billion, over the next four years. Senator O'Neill, I think you are meaning to suggest that the Commonwealth's support for hospital funding will fall; it will rise by 25 per cent over the next four years.

Now, in the 2015-16 budget, funding is less than estimated at the time of the 2014-15 budget, but the reason for that, Senator O'Neill, is reductions in forecast price growth by the Independent Hospital Pricing Authority, and updates to hospital activity estimates by the states. The government will continue to fund hospitals on an activity basis under the National Health Reform Agreement until the end of 2016-17, and from 2017-18 the Commonwealth will index its contribution to public hospitals funding by the consumer price index and population growth. That is the way, Senator O'Neill, that the model works. That is the way the model works. So we have a situation in which the model provides for an increase in funding over the forward estimates, and overall, across the land, there will be a 25 per cent increase across the forward estimates. (Time expired)

Senator O'NEILL (New South Wales) (14:02): Mr President, I ask a supplementary question. Will the Abbott government's green paper on Federation contain a proposal to cease all Commonwealth funding for public hospitals?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:03): Senator O'Neill, again you are wrong. There is no green paper—there is a draft green paper—about reforming the Federation. You ask me this question as if there is a final document, and there is not. There is not. However, Senator O'Neill, when the green paper on the reform of the Federation is published, it will contain a range of options. Of course it will contain a range of options. What sort of an exercise would it be, Senator O'Neill, if it did not contain a range of options? Some of those options will provide for a reduction in Commonwealth involvement, and another of the options to be considered in the green paper is an increase in the Commonwealth involvement. It is an options paper, so of course it is going to consider the range of different approaches to reforming the Federation. That is what we have done so that we can make an informed policy choice.

Senator O'NEILL (New South Wales) (14:03): Mr President, I ask a further supplementary question. How is cutting more than $50 billion from hospitals over the next decade and contemplating a plan to cease all federal hospital funding consistent with the Prime Minister's pre-election promise that there would be 'no cuts to health'?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:04): Senator O'Neill, I do not know how many times I have to tell you that we are increasing hospital funding by 25 per cent over the next four years. That is what the figures in the budget reveal. I take it your reference to 'contemplating' is a reference to the draft green paper. Senator
O’Neill, when you have one of these green-paper processes, the point of the process is to put all the options on the table. Now, you should know that, Senator O’Neill, because your own National Platform says this about reforming the federation—let me quote your National Platform to you:

Labor believes our Constitution and Federation need to be modernised to resolve the funding and administrative problems that have prevented government effectively dealing with the challenges of today.

What your National Platform foreshadows is exactly the same process that the Abbott government is in fact undertaking—that is, putting the various options on the table so that policymakers can make informed choices.

National Security: Citizenship

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (14:05):
My question is also to the Acting Leader of the Government in the Senate and the Attorney-General, Senator Brandis. Will the Attorney-General update the Senate on further measures the Australian government is proposing to keep Australians safe?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:05): Thank you very much indeed for that question, Senator Fawcett. Yes, I can advise the Senate about that. A little while ago, the Prime Minister, the Minister for Immigration and Border Protection and I announced some proposed amendments to the Citizenship Act which will be introduced by the minister in the House of Representatives tomorrow; and those amendments will then be referred to the Parliamentary Joint Committee on Intelligence and Security for review over the winter recess and for report in the spring sittings of the parliament.

The new laws will strip citizenship from dual-national Australian citizens who serve or fight for terrorist groups or who engage in specified terrorism related conduct or who are convicted of specified terrorism related offences. The laws will only apply to dual citizens, so they cannot result in any solely Australian citizen being rendered stateless. The laws do not depend on the exercise of ministerial discretion; they operate according to the principles of renunciation by conduct whereby a person, by their own act of engaging in a specified terrorist activity, surrenders their citizenship of Australia, or upon the conviction of a person by a court for a specified terrorism related offence under the Criminal Code.

This is a matter of the greatest seriousness. This is the most serious matter that Australia faces. Whether it be under a coalition government or a Labor government, this is the most serious challenge we face, and we have to get it right. We have to have strong and effective laws, consistent with the rule of law, and that is what we announced a short while ago.

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (14:07): Mr President, I ask a supplementary question. Could the Attorney-General inform the Senate why these measures are necessary?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:07): I can inform you, Senator, because, as I am sure you know, since September of last year, the Australian threat assessment level has been at 'high'. The definition of 'high' is that a terrorism event is assessed to be likely.
When the security agencies made that intelligence judgement in September of last year, concluding that they believed a terrorism event was likely, tragically, only three months later we saw the Martin Place siege and the loss of the lives of two Australians. It cannot be denied that the threat is real.

We know that today, approximately 120 Australians—about half of them dual citizens, to whom these laws will apply—are fighting on behalf of ISIL and other terrorism groups in the Middle East, and one of the purposes of these laws is to keep them out of this country.

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (14:08): Mr President, I ask a further supplementary question. Could the Attorney-General inform the Senate of any alternative policies?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:09): Yes, I can inform Senator Fawcett of an alternative policy. I mentioned in answer to the last question that the government's policy is to keep terrorists out of our country.

Opposition senators interjecting—

The PRESIDENT: Order on my left. Senator Conroy and Senator Carr.

Senator BRANDIS: The Australian Labor Party's policy, as announced by the shadow Attorney-General last Thursday, is to bring them back. There could not be a clearer difference for the Australian people. The government led by Mr Abbott would keep terrorists out of our country. A Labor government led by Mr Bill Shorten, as we are told by the man who would be the Attorney-General in any such government, Mr Dreyfus, would bring them home. We do not agree with the Labor Party's policy of bringing the terrorists home. We are introducing these laws to keep them out.

Honourable senators interjecting—

The PRESIDENT: Order on both sides.

Education Funding

Senator PERIS (Northern Territory) (14:10): My question is to the Minister representing the Prime Minister. Will the Abbott government's green paper on Federation contain a proposal to cut federal kindergarten and preschool funding altogether?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:10): Senator Peris, I did try to explain to your colleague Senator O'Neil that a green paper is prepared for the purpose of putting all the options on the table, not excluding or including any options. One of the options in the green paper will be to increase the Commonwealth's funding of schooling and pre-schooling. One of the options in the Green paper will be to increase the Commonwealth's involvement so that the Commonwealth takes on a greater role in schooling funding and preschool funding. But it is not the only option, because an options paper is a paper that sets out the variety of choices from which a decision can be made.

These options have not been developed by this government alone. They have been developed in consultation with the states and territories, including the Labor states and territories—

Senator O'Neil interjecting—
Senator BRANDIS: And if I might take your objection, Senator O'Neil—you obviously were not listening to my friend Senator Birmingham yesterday when he read to the Senate what the Labor Premier of South Australia, Mr Jay Weatherill, had to say about this very process. Let me read it again:

... it's only a discussion paper ... We've been asking them—

the Labor government of South Australia has been asking the Abbott government, that is—to canvas the broader range of options ... There's a broad debate going on about Commonwealth/state relations, which is a good thing.

And Premier Weatherill went on to say, 'I think the Prime Minister is serious about reform.'

If it is good enough for the Labor Premier of South Australia, Mr Jay Weatherill, to commend this process, I would have thought it is good enough for the federal Labor Party to get on board and understand that if we are serious about reforming Federation, we should think carefully about all the options.

Senator PERIS (Northern Territory) (14:12): Mr President, I ask a supplementary question. How much more will Australian parents have to pay to send their children to kindergarten and preschool if Commonwealth funding ceases?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:12): Given that there is no proposal on the table for Commonwealth funding to cease, I think the question is based entirely on a false premise.

Senator Wong: Mr President, I rise on a point of order: that was a completely inconsistent answer to the one that was given to the primary question, so the Attorney-General has misled the Senate either in the first or the second question.

The PRESIDENT: I do not concur with that, Senator Wong.

Senator Wong interjecting—

The PRESIDENT: I am not going to debate it with you, Senator Wong. The minister has answered the question.

Senator PERIS (Northern Territory) (14:13): Mr President, I ask a further supplementary question. Cutting federal funding would see most children's access to early education cut by the equivalent of a day a week, from 15 hours to 10. What damage will this do to children's development?

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): As I have told you, the government has made no such decision.

Climate Change

Senator DI NATALE (Victoria—Leader of the Australian Greens) (14:14): My question is for the Minister representing the Prime Minister, Senator Brandis. In *The Lancet* today, one of the world's premier medical journals, there was a study that was released into the human health impacts from global warming, many of which are actually occurring right now. It goes on to say that we are at risk of reversing the health gains of the past 50 years, if no action is taken. I have a fairly straightforward question: does the minister accept the information
published in The Lancet that the health impacts from global warming are occurring right now, here in Australia?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:14): Senator Di Natale, although I do not read The Lancet myself, I am familiar with the fact that it is a prestigious medical journal. I am familiar with the fact that it is one of hundreds of prestigious medical journals. And if your profession, the medical profession, Senator Di Natale, was anything like my profession, there would be a wide variety of opinions expressed in the pages of all of those distinguished journals.

Senator DI NATALE (Victoria—Leader of the Australian Greens) (14:15): Wow! I hope you do not get lots of different opinions when you have got pain in your chest!

Mr President, I ask a supplementary question. The question is for the minister—

Honourable senators interjecting—

The PRESIDENT: Order, on my left and my right. Order on both sides.

Senator DI NATALE: My supplementary question is around the evidence citing the very damaging effect of coal—the cardiovascular and respiratory impacts. The Lancet makes it very clear that coal combustion has very damaging health impacts in those areas. Does the government continue to state that coal is good for humanity, or does it support the evidence in The Lancet?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:16): Senator Di Natale, the government unequivocally says that it believes that coal is good for humanity, and it unequivocally says that it believes that coal, in particular, is good for Australia, because, Senator Di Natale, human flourishing depends on a lot of things, and one of the things it depends upon is giving poorer people the best opportunities. If we have low energy prices and low electricity bills because we have some of the cheapest coal in the world, that is a good thing, and it is, in particular, a good thing for people at the bottom of the income scale, while your decision to support a carbon tax, I might say, was such a socially unjust decision—

The PRESIDENT: Pause the clock.

Senator Di Natale: Mr President, I raise a point of order. I asked specifically about the evidence in The Lancet and whether the minister agreed with the evidence that was cited around the health impacts of coal.

The PRESIDENT: Yes, and your question was broader than that; you did include whether coal was good for humanity, and the minister did answer towards that part of your question. Minister, have you finished your answer?

Senator BRANDIS: I am happy to continue and address the first part of the question. Senator Di Natale, I will take you at your word that some medical scientists or doctors have written an article in The Lancet that says what you say. I refuse to believe that there is a uniformity of opinion in your profession on medical issues.

Senator DI NATALE (Victoria—Leader of the Australian Greens) (14:18): Mr President, I ask a further supplementary question. My question is around the evidence cited in The Lancet around the impact from extreme weather events—heatwaves and cyclones. I want to
know: what specific action is the government taking to ensure that our health system is prepared for these challenges?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:18): Well, Senator Di Natale, I think I answered that question in part in answer to an earlier question from the opposition. We are increasing the Commonwealth's contribution to health and hospital funding by 25 per cent over the next four years. Let me just repeat that for you, Senator Di Natale: we are increasing the Commonwealth's investment in health and hospital funding by 25 per cent over the next four years—a decision that I would have thought you, as a medical practitioner, would have welcomed.

In relation to the health effects that are asserted or alleged to be consequential upon global warming, I know, as you do, Senator Di Natale, that there is a vigorous debate in the community about whether and, if so, what those health effects are.

**Australian Customs Service**

Senator JOHNSTON (Western Australia) (14:19): My question is to the Assistant Minister for Immigration and Border Protection, Senator Cash. Can the minister inform the Senate of the importance of securing and managing Australia's borders?

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (14:19): I thank Senator Johnston for his question. We on this side of the chamber understand that the first priority of a government is to ensure the nation's security and defence. We also understand, as do Australians, that a government that cannot control our borders cannot control national security. Governments need to have strong border protection policies. The Australian people understood this when they overwhelmingly voted for the Abbott coalition government at the last election. And the implementation of Operation Sovereign Borders is a testament to the fact that this government has delivered on its promise to the Australian people. The results of Operation Sovereign Borders speak for themselves. We have stopped the boats. It has been over 300 days since there was a successful boat arrival to Australia. We have stopped the deaths at sea, and we are getting children out of detention. Unlike those opposite, who have done a lot of talking in relation to children in detention, it is those of us on this side of the chamber who have got children out of detention.

We also understand the importance of ensuring that our front-line services are properly resourced so that they can undertake their jobs properly. This is something that the former Labor-Greens government failed to understand. Labor, when in government, made budgetary cuts to Customs of $734.8 million, resulting in the shedding of 700 staff. This government, on the other hand, has restored the funding to our front-line services. We have provided a $630 million package, announced by the Prime Minister, as part of our counter-terrorism response. We have also provided Customs with $49.6 million to establish a Border Force Counter-Terrorism Unit. We on this side understand the importance of border security, and we understand that this ensures the security of our nation.

Senator JOHNSTON (Western Australia) (14:21): Mr President, I ask a supplementary question. Will the minister inform the Senate of how the government has been able to provide additional funding for our front-line border services?
Senator Hanson-Young: And wads of cash—big wads of cash.

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (14:21): Well, we can remember that, when Senator Hanson-Young was in control of our borders—because obviously she was the relevant minister under the former Labor-Greens government!—we had a budgetary blow-out of in excess of $11 billion.

In stopping the boats and implementing strong border protection policies, this government has not only been able to deliver humanitarian dividends to the international community but also delivered savings measures of more than half a billion dollars in the 2015-16 budget. This builds on the in addition of $2.5 billion that was delivered in savings in the last budget and that have been reinvested into the Australian Border Force. The Australian Border Force will be the nation’s first line of defence against individuals and networks seeking to undermine our border controls or threaten our community. The government is already getting on with the job of ensuring stronger borders. Standing up on 1 July, the Australian Border Force will further strengthen our ability to protect Australians. (Time expired)

Senator JOHNSTON (Western Australia) (14:22): Can the minister advise the Senate if there are alternative proposals which would undermine the security of Australia’s borders?

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (14:23): I can, and I am disappointed to advise the Senate that there are alternative proposals to the government’s strong border protection policies. Unfortunately, those on the other side have thus far refused to back anything that this government have done in relation to securing our borders. You also have the failure of the current Leader of the Opposition to admit that the coalition's policies of turn-backs, which ironically were Mr Rudd’s policies leading up to 2007 election, have actually worked. We also only need to look as far as those on the other side and their policy that will get rid of temporary protection visas in the event that they are re-elected to government. Again, on this side of the chamber, we understand that if you cannot control our borders, you cannot control national security. It is a testament to this government's understanding that the first priority of a government is national security and it is the fact that we have strong border protection policies. (Time expired)

Budget

Senator CAROL BROWN (Tasmania) (14:24): My question is to the Minister representing the Prime Minister, Senator Brandis. Does the minister agree with Michael O’Neill, Chief Executive of National Seniors Australia, who says the government's cuts to pensions are poorly thought through and unfair for middle Australia?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:24): Senator Brown, I actually have not read that gentleman’s comments, but I can tell you that since the election—

Senator Wong interjecting—

Senator BRANDIS: Thank you, Senator Wong—the single pension has increased by $52 a fortnight and the married pension has increased by $78 a fortnight. The Leader of the
Opposition, your leader, announced last week that he would vote against increasing the pension by an average of $780 a year or $30 a fortnight—

The PRESIDENT: Pause the clock.

Senator Carol Brown: Mr President, I rise on a point of order. My question was in relation to the comments from chief executive Michael O'Neil from National Seniors Australia about whether the minister's cuts to the pensions are poorly thought through and unfair for middle Australia. If he has not read the comments, because he has not had even time because the committee inquiry was truncated, then he should sit down; I do not need a lesson from him.

The PRESIDENT: Thank you, Senator Brown. The minister did answer the question directly up-front and the minister is entitled to enhance his answer, as has always been the practice, and he is doing so.

Senator BRANDIS: Senator Brown, I will address your question because your question asserts that the pension has been reduced, when in fact the pension has been increased. Your question is based on a false premise. In fact, the Leader of the Opposition last week, only last week, announced that he will vote against increasing the pension by an average of $780 a year for more than 170,000 pensioners with modest assets.

Now, Senator Brown, that is what your party proposes to do, so please do not come into this chamber and ask questions based on false assertions that the pension has fallen when the pension has risen, when you yourself, Senator Brown, sit in a caucus that has recently decided to vote against a decision to increase the pension.

Senator CAROL BROWN (Tasmania) (14:26): Mr President, I ask a supplementary question. Does the minister agree with the Prime Minister's hand-picked Commission of Audit head, Mr Tony Shepherd, who says that superannuation tax concessions definitely have to be reviewed?

Senator BRANDIS: I am not sure how that is a supplementary to the primary question. Nevertheless—

Senator Wong interjecting—

Senator BRANDIS: I suppose if we define it broadly; I thought it was about the pension, Senator Wong. Nevertheless, no, I do not, Senator Brown. I have a very high regard for Mr Tony Shepherd. The Commission of Audit process was made necessary, by the way, so that the government could identify savings from the fiscal train wreck it inherited from our predecessors, and in particular from Australia's worst ever finance minister. Mr Shepherd was tasked with a very difficult job to go through the expenditure of the government to try to find economies. There were many, many considerations that Mr Shepherd took into account. He made many, many recommendations. Some of them the government accepted; some of the recommendations the government did not accept. That is one recommendation that the government has specifically ruled out.

Senator CAROL BROWN (Tasmania) (14:28): Mr President, I ask a further supplementary question. Can the minister confirm that as a result of the coalition's deal with the Greens, more than 330,000 pensioners will have their pensions cut, with some on incomes as low as $25,000?
Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:28): I can confirm, as I was trying to convey to you in my answer to your primary question, that as a result of the measures the government proposes to introduce, 170,000 pensioners, pensioners with modest assets, by the way, will be better off. Senator Brown, why your party would stand in the way of a pension increase and improving the circumstances of 170,000 Australian pensioners with modest assets is beyond me.

Budget

Senator BERNARDI (South Australia) (14:29): My question is to the Minister for Finance and the Minister representing the Treasurer, Senator Cormann. Can the minister update the Senate on how the budget is supporting business confidence and growth?

Senator CORMANN (Western Australia—Minister for Finance) (14:29): I thank Senator Bernardi for that question, and for his strong interest and support for policies that are strengthening growth and opportunity across Australia. When we came into government we inherited a weakening economy, rising unemployment and a budget position that was rapidly deteriorating on the back of an unsustainable spending growth trajectory held by the previous government. I was listening to the worst finance minister in the history of the Commonwealth just before question time, when she was telling us that economic growth had slowed under this government. That is objectively wrong.

Opposition senators interjecting—

The PRESIDENT: Senator Conroy.

Senator CORMANN: Growth last year was stronger than in the year before, the last year of Labor government. Growth last year was 2.4 per cent compared to 1.9 per cent in the last year of Labor, and this year we had one of the strongest starts, when it comes to economic growth, of any country in the developed world.

Today we have got some further good news. Senator Wong does not like good news, but today the Commonwealth Bank released its monthly business sales indicator, and what does it show? It shows the biggest lift in business spending in three years, and that is directly attributed to the growth-promoting budget of the coalition government. We came into government with a strong plan to strengthen growth, to create more jobs and to repair the budget, and we are making progress in that. The Commonwealth Bank business sales indicator shows that economy-wide spending grew at a solid pace of 0.8 per cent in May after similar gains in March and April, the strongest three-month gains in 15 months. It is notable that spending by business services rose by 1.9 per cent in trend terms in May, the biggest monthly lift in three years, and it is directly attributed to our budget. In annual terms the business sales index grew by 7.5 per cent in May, up from 7.2 per cent annual growth in the year to April. Labor does not like the good news. (Time expired)

Senator BERNARDI (South Australia) (14:31): Mr President, I ask a supplementary question. Can the minister explain to the Senate why further budget repair is essential to improving future business conditions?

Senator CORMANN (Western Australia—Minister for Finance) (14:31): It is self-evident that business confidence will be improved if the parliament continues to support the
government's plan for stronger growth and to repair the budget. Over this past fortnight the government has been able to make progress when it comes to budget repair. We have been able to reach agreement in relation to budget repair measures to the value of about $10 billion, which have gone, or I expect will go, through the parliament during this fortnight. All of that is an important part of strengthening growth, creating better opportunities for people to get ahead and improving business confidence.

I will provide some further information about what has been happening in the economy. The seasonally adjusted measure of sales has been rising for the third straight month—up one per cent in May. It was the strongest three-month gain in two years, and annual growth went to the six-month high of 8.4 per cent. This is all good news, and the Labor Party does not like to hear good news.

Senator BERNARDI (South Australia) (14:33): Mr President, I ask a further supplementary question. Would the minister advise the Senate of any risks to Australia's medium-term economic outlook?

Senator CORMANN (Western Australia—Minister for Finance) (14:33): The major risk that we face as a country is that the parliament does not continue to support the government's plan for stronger growth, more jobs and to repair the budget. I am pleased to note that in recent weeks there has been an increased level of bipartisanship supporting some of the very important measures that the government has been seeking to pursue for some time. I welcome that. Long may it continue. We have made significant progress, but there is still more work to be done. What I would say to the Senate is that all of us are in this together; the country needs us to continue to focus on the job that needs to be done. The country needs us to continue to focus on implementing our plan for stronger growth, for more jobs and to repair the budget. I understand that the worst finance minister in the history of the Commonwealth wants to detract from the very important work that is being done in this space, but we are just getting on with the job.

Family Law

Senator MADIGAN (Victoria) (14:34): My question is to the Attorney-General, Senator Brandis. Attorney, in 2012 the Gillard government amended the Family Law Act in a number of ways, including expanding the definition of 'family violence' beyond its traditionally understood meaning of physical or sexual violence, requiring courts to prioritise the need to protect children from family violence, so defined, over the interest of the child having a meaningful relationship with both parents, while removing the requirement that parties found to have lied to the court pay the legal cost of the other party. While perhaps well-intentioned, there is gathering evidence that, in combination, the effect of these changes has been to provide an incentive to parents involved in Family Court disputes to make false allegations of parental abuse. Can the Attorney-General please inform the Senate of any plans his office has to reform the Family Court jurisdiction?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:35): Senator Madigan, that is an extremely important question. I want to thank you for it, and for your interest in it. I can tell you that the Australian Institute of Family Studies is currently evaluating the way in which the Family Law Act deals with family violence, as a result of the 2012 amendments. That report from the Australian Institute of Family Studies is due in
August of this year, and the government will consider it with great care—in particular, considering whether any shortcomings in the 2012 amendments, having been identified, require legislative attention.

As well, in October of last year I made a reference to the Family Law Council. I asked the Family Law Council to consider the issues of the jurisdiction of the Family Court in the care and protection of children, and how the jurisdiction of the Family Court and state and territory children's courts intersect. This was with a view to changing the jurisdictional boundaries of those issues which, of course, in particular include family violence issues which affect the interests of children. I asked the Family Law Council to provide me with an interim report on that matter by 30 June—in other words, seven days hence. I expect to receive that interim report then, and I will brief you on it, Senator Madigan. Those are two very important inquiries that are shortly to report: the Australian Institute of Family Studies, which is looking specifically at the definition of 'family violence', the matter which is of concern to you; and the Family Law Council, which is looking at the jurisdictional issues bearing on the same issue.

Senator MADIGAN (Victoria) (14:37): Mr President, I ask a supplementary question. Attorney, while it is common for the Family Court to find that allegations of physical or sexual abuse made by one parent against another are unfounded, those who lie to the court in this way are almost never prosecuted for perjury. Given it is virtually impossible for a court to achieve a just outcome when one party goes to such lengths to mislead it, why is more not being done to deter this sort of behaviour?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:37): Senator Madigan, I know that this is also a very, very important and difficult issue. Of course, to state the obvious, perjury is a crime. But you are quite right when you say that very commonly—and not just, by the way, in proceedings in the family law jurisdiction—witnesses perjure themselves or they are found by the judge to have given unreliable or untruthful evidence, and very, very commonly they are not prosecuted. So the point I would make to you, Senator Madigan, is that this is not exclusively a problem for the Family Court. But, of course, if a witness does give unreliable evidence, if a witness does give evidence that the trial judge considers to have been untruthful, then that, of course, is likely to lead to findings against them, certainly findings against them in relation to any assertions of fact or allegations they might make in the course of giving that unreliable evidence.

Senator MADIGAN (Victoria) (14:38): Mr President, I ask a further supplementary question. One of my constituents, a family lawyer, recently said to me that he thinks that the Family Court is now among the most hated institutions in Australia. Others have shared harrowing tales of bitter disputes that run over many years, cost hundreds of thousands of dollars and leave all participants—that is, mothers, fathers and the children—seriously traumatised. Tragically, an all too common scenario involves these broken people going on to take their own lives. Attorney, can we stand by and allow this to continue? Is it not time we acted to reform the Family Court? (Time expired)

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:39): Senator Madigan, in your ultimate question you asked me: is it not time to reform the Family Court?
think, because this is the jurisdiction that affects more Australians than any other jurisdiction and because, in this jurisdiction, every story is an unhappy one, at the end of the day, every story is an unhappy one. It is something that all governments must watch carefully and keep constantly under review. I might also say to you, Senator Madigan, that, of course, about 87 per cent of family law matters these days are not dealt with by the Family Court but by the Federal Circuit Court exercising a family law jurisdiction. So the Family Court does not do most of the family law cases these days. It does the more complex ones and the appeals. But I have indicated to you, Senator Madigan, two reports that the government is about to receive, and, of course, we note your interest, we acknowledge and respect your interest and we will keep the matter under review.

**Industrial Relations**

Senator CAMERON (New South Wales) (14:40): My question is to the Minister for Human Services, Senator Payne. Can the minister confirm that despite her department sending its revised enterprise bargaining offer to the Australian Public Service Commission for approval on 27 May 2015, the APSC has still not approved the offer for presentation to the DHS single bargaining unit?

Senator PAYNE (New South Wales—Minister for Human Services) (14:41): As far as I am aware, the department continues to expect to present a further proposal to the staff in July this year.

Senator CAMERON (New South Wales) (14:41): Mr President, I ask a supplementary question. Has the minister raised the delay of approval with the Public Service Commissioner or with the Minister Assisting the Prime Minister for the Public Service? If not, why not?

Senator PAYNE (New South Wales—Minister for Human Services) (14:41): I think, at the moment in this chamber, I represent the Minister Assisting the Prime Minister for the Public Service, in this context at least. But, as you would be aware, Senator, the matter was discussed at some length in the estimates process with senior officials from the department, and those discussions are ongoing.

The PRESIDENT: Senator Cameron, do you have a final supplementary question?

Senator Cameron: I raise a point of order before I go to my final supplementary question.

Government senators interjecting—

The PRESIDENT: Order! On my right! What is your point of order, Senator Cameron?

Senator Cameron: The minister did not go to the question I asked, which was: did she ask about the delay? That was the question.

The PRESIDENT: Thank you, Senator Cameron. I gather the minister has concluded her answer. There is no point of order.

Senator CAMERON (New South Wales) (14:42): Mr President, I ask a further supplementary question. Isn't the minister's agency one of the 15 agencies taking the largest industrial action by Commonwealth public servants in a generation, protesting today at the unfair cuts to pay and conditions contained in their next pay deal? Isn't the government's Public Service enterprise bargaining framework a chaotic failure for both staff and clients?

Senator PAYNE (New South Wales—Minister for Human Services) (14:43): Frankly, I reject a number of the spurious assertions in Senator Cameron's question, which are just his
normal trade union spin, and we are used to all of those. But it is disappointing that the Community and Public Sector Union continues to take industrial action while we are working towards this new agreement. Despite the union claims to the contrary, the number of staff who have actually participated in industrial action in the department has been relatively low to date—

Senator Cameron interjecting—

The PRESIDENT: Senator Cameron, you have asked your question.

Senator PAYNE: and I can assure you that we have taken steps to ensure that payments will not be affected by this industrial action. We have very well-established business continuity strategies and contingency plans to address any potential disruptions and to ensure that customers can continue to access services. These strategies have been deployed on five occasions in response to previous industrial action. Of course, further industrial action is currently underway and scheduled to continue until 26 June 2015. (Time expired)

Indigenous Business

Senator McGrath (Queensland) (14:44): My question is to the Minister for Indigenous Affairs, Senator Scullion. Will the minister advise the Senate how the government is supporting the economic development of Indigenous businesses?

Senator Scullion (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:44): I thank the senator for the question. The government has a vision for a vibrant and diverse Indigenous business sector but Indigenous businesses currently only secure a very small amount of government business—far less than one per cent of it, or about $6.2 million out of $39 billion in annual spending. There are so many Indigenous companies capable of supplying services to the Commonwealth and winning a much greater share of government work. So the government has set a target that three per cent of Commonwealth contracts will be with Indigenous businesses by 2020. This equates to about 1,500 contracts a year. In dollar terms, this will be around $135 million a year based on the average contract value of some $90,000. This is a massive increase in the government's current Indigenous procurement spend, and the potential to grow is unlimited.

For certain Commonwealth contracts agencies will have to check whether an Indigenous small or medium enterprise can deliver goods and services on a value-for-money basis before they make a general approach to the market. Before making an approach to the market the Commonwealth has to demonstrate that there are no Indigenous businesses available. Certain larger contracts will also include mandatory minimum Indigenous employer and supplier use. Each minister and each agency head will be accountable for achieving the target, and performance will be published annually for the whole of the Commonwealth and portfolio by portfolio. Whether through direct contracts or as part of the supply chain, this policy will ensure that Indigenous businesses are showcasing the products that they have to offer. Indigenous businesses are also more likely to be employers of Aboriginal and Torres Strait Islander people by a factor of about 10. So it is natural that, as more Commonwealth procurement is won by Indigenous businesses, more employment opportunities will be created for Indigenous people.
Senator McGRATH (Queensland) (14:46): Mr President, I ask a supplementary question. Will the minister inform the Senate how Indigenous businesses can take advantage of the government's new Indigenous procurement policy?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:46): The government is working with Supply Nation, the Indigenous chambers of commerce and Indigenous Business Australia to ensure the Indigenous business sector grows. From 1 July Supply Nation, a not-for-profit organisation, will publish a free and central register of Indigenous businesses. The register will make it easier for government to contact Indigenous businesses about procurement opportunities. This is a list of organisations that previously you had to pay for to access. This reflects our commitment to removing red tape in this important area. The register of Indigenous businesses will contain more information about each supplier and will include businesses that are 50 per cent Indigenous owned. The process for Indigenous businesses to become certified will also be faster and less resource intensive. I take this opportunity to urge all Indigenous businesses to register with Supply Nation. It is free and it certainly will be great for engaging their business with the Commonwealth. (Time expired)

Senator McGRATH (Queensland) (14:47): Mr President, I ask a further supplementary question. Will the minister advise the Senate how Indigenous businesses can register with Supply Nation, and what are some of the other benefits?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:48): It is now going to be far easier for Indigenous businesses to register with Supply Nation. You simply go to the Supply Nation website and fill out a form that includes information about your location, your size, your capabilities and what type of business you are in. You just enter 'Supply Nation' into your search engine. Of course, Indigenous businesses do not have to source federal government business via the Supply Nation register. However, this register will make it much easier for government procurement officers to contact you. It is streamlined, it is free and, importantly, it is publicly available. On that note, I also urge private and non-government organisations to check out the register. You can do business with some great Australian organisations. And why wouldn't you want to do business with an Indigenous organisation? It makes great business sense. There is a huge amount of talent and great practice within the sector. (Time expired)

Economy

Senator BULLOCK (Western Australia) (14:49): My question is to the Minister representing the Prime Minister, Senator Brandis. Leaving to one side quarterly figures and extrapolations therefrom, can the minister confirm that the annual growth rate has declined from around three per cent in March 2014 to a below trend 2.3 per cent in the year to March 2015?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:49): Senator Bullock, you must have different figures from mine. I am advised that growth over the past year was 2.3 per cent, which is up from 1.9 per cent in the last year of the Labor government. I know you asked me to disregard quarterly figures but I think that is a little unrealistic when we have the most recent quarterly figures available to us. The most recent quarterly growth rate in Australia is 0.9 per cent—
Senator Bullock: Mr President, on a point of order: my question was not to compare March 2015 with the last year of the Labor government. My question was to compare the year to March 2015 with the year to March 2014.

The PRESIDENT: I remind the minister of the question. He has one minute and 25 seconds in which to answer.

Senator BRANDIS: Last year it was 2.3 per cent. The year before, under the Labor government, it was 1.9 per cent. The most recent figure we have, for the last quarter, is that this year it was 0.9 per cent in the first quarter of the year. As an annualised rate that would be 3.6 per cent. As my colleague Senator Cormann reminds me, that means that Australia is among the fastest-growing industrial economies in the world.

Senator BULLOCK (Western Australia) (14:52): Mr President, I ask a supplementary question. Can the minister confirm that wages are now growing at 2.3 per cent—the lowest wages growth in almost two decades?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:53): Senator Bullock, the state of the labour market is in fact very good. This year, over 110,000 new jobs have been created. Since the election of the Abbott government, more than—

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

Senator Moore: Mr President, on a point of order to do with direct relevance: the question was specifically about wages growth and the minister is not moving in that direction at all.

The PRESIDENT: Thank you, Senator Moore. I will remind the minister of the question. Minister, you have 45 seconds in which to answer.

Senator BRANDIS: I will reach your question, Senator Bullock, but I thought I ought to point out that overall labour market conditions are very buoyant at the moment, with the rate of growth of job creation quadruple what it was under the Labor government. In relation to the figure for wages growth that you quote, Senator Bullock, that is an actual figure, not a nominal figure. It has to take into account inflation, which is historically very low at the moment. If you were to look at the actual wages growth, the differential as opposed to the nominal figure, I think you would find that wages growth is very healthy at the moment in this country as well.

Senator BULLOCK (Western Australia) (14:54): Mr President, I ask a further supplementary question. With economic growth well below trend and low wages growth, what happened to the Prime Minister's promise of a stronger and more prosperous economy?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:54): Well, Senator Bullock, you do not have to take these questions. Do not let them boss you around because whoever wrote that question would not have been someone like you, Senator Bullock. The record is that economic growth has gone from 1.9 per cent in the last year of the Labor government to 2.3 per cent last year. On the basis of the most recent evidence we have, the March quarterly figures, it is heading for 3.6 per cent this year, which is among the largest rates of growth in the industrial economies. Jobs growth is quadruple what it was during the period of the Labor government. Housing construction is booming; business confidence is booming; consumer confidence is booming; retail sales are booming; the NAB business
confidence index is booming. This country is going gangbusters under the Abbott government.

Illicit Drugs

Senator RUSTON (South Australia—Deputy Government Whip in the Senate) (14:55): My question is to the Assistant Minister for Immigration and Border Protection, Senator Cash. Will the minister advise the Senate how the government is deterring and disrupting the importation into Australia of the drug known as ‘ice’?

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (14:55): I thank Senator Ruston for her question. Senators will be aware that the drug ice is destroying families and hurting communities. It poses the highest risk of illicit drugs to our community, with ice use rates almost doubling in the last 12 months. It is a growing problem around Australia, but particularly in our rural and regional communities.

Tackling ice is a priority for the Abbott government. We are aware that those who seek to profit from the importation of ice and other illicit drugs continue to pose a problem for our front-line border personnel. The government understands that securing our borders means not just ending the profitability of people smuggling but also ensuring that criminal enterprises will not profit from the scourge of ice.

The government has been on the front foot in providing border agencies with the necessary powers to address drug imports into Australia. On 8 April this year, the Prime Minister announced the establishment of the National Ice Taskforce, led by Mr Ken Lay, to develop a strategy for combating the ice epidemic. Customs has a representative on this task force. Additionally, Customs has a strong and successful strategic partnership with the Australian Federal Police, using shared models for narcotics and precursor detections. Potentially indictable offences are subject to joint consideration for treatment options, which may include joint investigations leading to prosecution of those responsible for narcotics and precursor strategies and trafficking. In 2013-14 there were 1,379 detections of ice at the border, weighing approximately 1,435 kilos.

This government has brought the focus on border protection back to where it should be and that is, of course, at the centre of government priorities. Our Ice Taskforce is proof of that. (Time expired)

Senator RUSTON (South Australia—Deputy Government Whip in the Senate) (14:58): Mr President, I ask a supplementary question. Can the minister inform the Senate of the recent success by Customs in locating illicit shipments of ice using intelligence-led targeting?

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (14:58): Intelligence-led, risk-based targeting is the key to seizing ice and other drugs either at or, ideally, before the border. For instance, on 5 June this year a Chinese national faced court after allegedly importing four kilograms of ice into Australia via the international mail. This resulted from a joint operation between Customs and the Federal Police, which began in July last year, when Customs officers examined cardboard parcels which arrived at Sydney Airport declared to be auto rims. Examination of the cardboard cartons and their contents led to the discovery of
parcels containing a white, crystalline substance concealed in the lining of the cartons, which
tested positive for ice.

Additionally, on 30 May this year, Customs officers at Melbourne Airport seized almost
2½ litres of liquid methamphetamine hidden inside one shampoo bottle and two cognac
bottles. The operational diligence of Customs and their partner agencies is yielding successes
and sending a clear message. (Time expired)

Senator RUSTON (South Australia—Deputy Government Whip in the Senate) (14:59):
Mr President, I ask a further supplementary question. Will the minister advise the Senate of
the government's investment in front-line border services to combat the scourge of ice? Is the
minister aware of any alternative approaches?

Senator CASH (Western Australia—Assistant Minister for Immigration and Border
Protection and Minister Assisting the Prime Minister for Women) (14:59): The coalition, as
we all know, was elected with a clear mandate from the Australian people to secure our
borders. But we understand that securing our borders does not just mean stopping the boats; it
also means the government is committed to providing our front-line personnel with the
resources that they need to get on with the job of tackling the scourge of ice. Last year, the
government announced a $630 million funding boost to our security agencies. As part of that
package, $150 million was set aside to strengthen Australia's borders. The government has
also made a commitment of $700 million invested over the next six years for the Australian
Border Force.

Australians want to know that everybody in our communities, but especially young people,
are not having their lives destroyed comprehensively because of exposure to the insidious
methamphetamine drug that we know as ice. This is a government that is tackling ice head on
in our community and at the border. (Time expired)

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

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Answers to Questions

Senator CAMERON (New South Wales) (15:01): I move:

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

This question time has been an example of the chaos that lies below the very, very thin veneer
that this government represents. Everything you look at with this government is about chaos,
deception and deceit. The questions answered today have to be looked at in the context of the
two budgets that this so-called government has delivered. The first budget was an absolute
disaster. The first budget was about attacking families, attacking education, attacking health
and attacking those who have the least capacity to look after themselves—the weakest people
in this community. That is what underpins the modus operandi of this government.

They have gone from the first budget to the second budget. The first budget was an
absolute disaster; the second budget is simply out there as a political lifeboat to try to keep the
government afloat long enough to get to an election. Nobody should have any doubts about
what this second budget was about. They have gone from Milton Friedman—a right-wing,
hard-nosed economic position—to Keynesianism in the second budget, and it is simply a
political lifeboat to try to make themselves look like they care about families in this community. We know they do not care about the families in this community. You only have to look at all the things they have done since they have come to government. What have we seen recently? We have seen this green paper, where they continue attacks on the health systems in this country. They continue attacks on education. They continue their attacks on child care. No one can trust the government; they are an untrustworthy mob if ever we have seen one—an absolutely untrustworthy mob. They are the mob who said, through their now Prime Minister, Tony Abbott, that there would be no cuts to health, no cuts to education, no cuts to the pension, no cuts to SBS and no cuts to the ABC. Yet what have we seen? Everyone of those promises has been thrown overboard. The lies, the deceit and the mistrust just permeate the government.

Then we have the Minister for Human Services. What we see here is another attack on workers' wages and conditions. The Minister for Human Services, Minister Payne, has not stood up for the workers in the Public Service once. They have been told that they can get this modest pay increase that would mean they would lose money; they would lose pay. They are told, 'You have to accept this. We're going to strip your agreement bare. Your job security provisions in the agreement will disappear. Your working hours will increase. Your rostering will change to suit the boss. Your rights of representation by your union will disappear. Performance management and call monitoring will increase. Your personal leave will be cut. Your pay, superannuation, salary advancement and broadbanding will be moved out of the agreement. Your allowances will be diminished. There will be more part-time workers.'

We know what this government is about. This government is about Work Choices, and we see another example of Work Choices in the attacks on the Department of Human Services. This is a mob that is out of control. This is a mob that is controlled by extremists—the extremists out of the Prime Minister's office and on the back bench of the Senate. They are the ones who control this government. They are out of control. The sooner they go, the better.

(Time expired)

Senator SINODINOS (New South Wales) (15:06): I rise to take note of answers by ministers to all of the questions of the opposition today. May I say, I am disappointed that Labor live in the past. They continue to think of this year's budget as a replay of last year's budget, so all they can do is reheat and replay the rhetoric of last year. This is a budget which has had a wonderful reception because it has done things to promote greater investment in child care. It has done things to promote greater investment in small business through the instant asset tax write-off and the tax cut to small business.

I am disappointed that Labor cannot come onboard. In fact, there is a real dissonance here between Labor's rhetoric and Labor's actions. Today, Labor have agreed with the coalition to pass the indexation of fuel excise, which is an important reform, which will stop the real price of fuel going down and which will be a compensation measure as well as a revenue-protection measure.

Labor should stand up and admit what their actions actually betray. We have had budget issues in this country. You have a government that is moving to address those budget issues. We thank Labor for the fact that today they have agreed to support the reintroduction of indexation of fuel excise. We just want them to come on board and embrace the bipartisanship
of fixing Australia’s problems. Simply admit it. They are not prepared—ever—to talk about spending cuts. They are always talking about where they will raise more tax. We want lower, simpler and fairer tax where possible. Labor should get on board and admit what their actions today indicate. They know in their hearts there are budget issues that have to be addressed.

There was discussion today about the forthcoming white paper on reform of the federation. We face real issues with our federation. There are many services provided by the states but the states do not have the revenue to meet those service needs—whereas we as a federal government have access to income taxes. We raise the goods and services tax, which we pass onto the states. We have much more resilient tax bases than the states. There is where we need to have a debate. That is what the white paper on federation reform is all about. The fact that we have raised options about what may happen with health and education is an indication—not that any particular option will get up, but we need to have the discussion about how we best rearrange roles and responsibilities so that those who raise the revenue have responsibility for delivering the service and vice versa. As you know, if the revenue comes from somewhere else you may not have the same responsibility for rolling out the service as efficiently and effectively as possible.

It was the coalition that introduced the goods and services tax and the proceeds from that go to the states to fund essential community services. This is what the debate is all about. This is the debate about resilient tax bases to help, among other things, fund an appropriately sized public sector. Senator Cameron, sadly, is wrong when he talks about government policy being captured by ideologues and others. It is captured by pragmatic consideration of what we need to do to make the federation sustainable and, at the state level, for governments to be able to do their jobs.

There are some state governments on the other side of politics—in this case, South Australia, led by Jay Weatherill—who had something to say about the forthcoming white paper on federation reform. It is only a discussion paper. Mr Weatherill said: ‘We’ve been asking them to canvas the broader range of options.’ He added: ‘There’s a broad debate going on about Commonwealth-state relations, which is a good thing.’ I was in South Australia over the weekend with some of my colleagues. It is clear that South Australia faces particular issues and concerns. They know they have to front up to more radical reform than may have been necessary in the past, and they are prepared to do things that are radical in order to bring about an improved economic performance.

It is important for us as the federal government to be open to doing what we can to bring about that better performance. Ultimately, Labor—to be electable again—will need to have a genuine reform agenda and not simply say ‘no’ to everything that the coalition puts up.

Senator O’NEILL (New South Wales) (15:11): This feels like deja vu—day after day; same old same old—these guys, cutting everything to blazes and pretending they are not doing it: another question time, more unanswered questions and more obfuscation. Today Senator Brandis, the minister in this place, played politics instead of answering the questions put to him. He even refuted the validity of a medical journal. Senator Payne did not quite achieve the outcome she wanted and tried to dance around the issue of rights and conditions of public servants while holding up the next enterprise agreements for human services staff. Despite harking back to the Commission of Audit and alluding to the importance of budget control, Senator Brandis has a very short memory. The fact that the Treasurer has doubled the
deficit—adding $68 billion in just 18 months—seems to elude those on the other side. It is a fact from which they run every single day.

There is not a week that goes by, in this place, that we do not hear about some service or other that this government wants to tear apart to fund an ever-increasing black hole. It is hard to fathom how they could be growing the deficit at the same time as cutting health and education to the tune of $60 billion. This is what comes naturally to the government of this day: to cut. The government's green paper that we have been hearing about, that Senator Brandis ran away from as fast as he could as soon as he was asked questions, is less of a discussion paper about the role of federation and more like a Liberal Party manifesto of the things they want to cut.

Cutting the federal government out of education and charging families for public schools was the debate yesterday. Today, we hear more cuts from hospitals are on the horizon; there will be $18 billion per year cut from hospitals. We have just heard the senator for South Wales speak about the fact that John Howard did bring in the GST and the money comes to the Commonwealth, but here we have the Prime Minister saying, 'I don't want to have to pay for that stuff. Good on you states; you're on your own.' Reports today reveal that this government wants to cut nearly $1 billion from early-childhood education. They are considering walking away altogether from funding preschool and kindergarten. This would be an absolutely devastating blow to children's development and a huge hit to family budgets.

Children in preschool and kindergarten are just the latest targets of Tony Abbott's assault on the good things that sustain this nation. Instead of being the mature government they promised to be—answering questions put to them—they hid, again, today behind their hypocritical attacks on Labor, blaming everyone and anyone but themselves and refusing to answer questions, running from them in the most arrogant way.

Today, however, we did see one revelation—a revelation that Labor has known all along but from which the Liberal government continues to hide. Despite the government extending Labor's program of federal funding for preschool and kindergarten, we know that was just to get them past the last election. That was until they could begin to get to a point where they feel they could wipe their hands of that responsibility altogether. The Liberal Party is so despicable in government that they are seeking to hide behind the smokescreen of this green paper so that they can abandon $840 million in funding that guarantees four-year-olds 15 hours of preschool each week, with a $129.4 million cut from the industry in New South Wales. Tony Abbott has already said, 'We have a Federation reform white paper and that will look at the question of who is going to take primary responsibility for preschool going forward,' and this government has indicated at every turn that they are not up for the job of responsibility. Blame they are good at; increasing the deficit, doubling the deficit and running from answers they are good at; but they are not good at telling the truth and they are certainly not good at looking after the essential things that every Australian needs: access to education, access to decent health and access to preschool so that you can grow up in a great nation with a vision for the future. Instead, we see this despicable act played out day after day by a government that has a miserly and myopic view of the future of this nation. It is fear driven. They use fear-laden rhetoric every day, taking away the hope and the business confidence of a generation.
Ninety per cent of the brain development of young people happens in their first five years, but it does not matter to this government that looks like it is set to rip away funding from a vital sector: the education sector of this country.

**Senator WILLIAMS** (New South Wales) (15:16): I have to put some things on the record. Senator Cameron was talking about truth, integrity et cetera. Just recently we had a state election in New South Wales. There was a big board that said: ‘Vote Nationals, get coal-seam gas. Authorised by Senator Doug Cameron.’ It is amazing in that northern coastal area of New South Wales with the controversy over coal-seam gas. It was the previous Labor government of New South Wales that approved all the exploration licences. Every one of them was approved by the Labor Party. Mr Ian Macdonald—not the good Senator Ian Macdonald—is of course well known for his ICAC investigation, along with his colleague Mr Eddie Obeid. Perhaps Senator Dastiari might be able to fill us in a bit on them. But we were talking about integrity and honesty, and there were placards, posters, saying: ‘Vote Nationals, get coal-seam gas’, all approved by the Labor Party of New South Wales; none by the coalition. We talk about honesty and integrity.

Let’s talk about growth. Those opposite in the Labor Party are saying that growth was 3.5 per cent for the March quarter of 2014. That is true: 3.5 per cent; it was a good year. Let’s go back to March of the year before and go through the quarters of growth. For the June quarter of 2013, it was 0.6 per cent. Labor was in government. Senator Fierravanti-Wells, you will note that in the September quarter it was just 0.6 per cent. Who was in government? Labor. Then came the December quarter—and in September there was a change of government—and growth went to 0.8 per cent. Who was in government then when growth rose? Then we get to the March quarter of 2014—1.1 per cent. The figure of 3.5 per cent was a good figure. It was just 1.2 per cent when Labor was in government and almost 2 per cent in the six months of the Abbott-Truss government. So, if Senator Bullock wants to ask questions about growth, employment et cetera, he should look through the details and give us the facts, not just the blurry summary of what he thinks. It is amazing.

There was some good news today. Mr Shorten, the opposition leader, is going to back our changes to the indexation of the fuel excise. The money will go into roads. That is good news for people like us who have dirt roads in front of our front gate. I wonder if any of those on the opposite side, when they go out the front gate of their house, have a dirt road to drive on. Probably not. Incredibly—Senator Fierravanti-Wells, you might be interested to hear this—they are going to put this money back into the Roads to Recovery program, a great coalition program where money is directed to councils to do local roads. But when the land transport bill came to the House of Representatives, the Roads to Recovery program bill, Labor voted against it. They did not want the Roads to Recovery program. They said, ‘We'll vote this down.’ Of course, if the Senate had not changed over, if the Greens and Labor had stuck together, we would have lost the Roads to Recovery program. The member for Richmond, Justine Elliot, was so grateful when the Roads to Recovery program went through here, but she voted against it in the other place.

Labor is now saying, ‘Yes, we'll back the indexation of fuel.’ So they should. We need our roads fixed. Let's look at the history of fuel excise with the Labor Party. When Mr Bob Hawke won government in 1983, there was just 6.4c a litre excise on a litre of fuel. Thirteen years later, when the Hawke government was thrown out and it was the Keating government
at the time, it had climbed to a massive 34c cents a litre. From 6.4c a litre to 34c a litre—that is how your fuel tax is under Labor. It then grew from 34c to 38c—

Senator Urquhart interjecting—

Senator WILLIAMS: Hear me out. You will be interested to hear this.

Senator Conroy: What answer are you talking about?

Senator WILLIAMS: We are talking about taxation.

Senator Urquhart: Mr Deputy President, I rise on a point of order. I do not recall that we had a question on fuel excise. Could you draw the senator's attention to the motion, which is about all questions, but it did not include a question on fuel excise.

The DEPUTY PRESIDENT: Thank you, Senator Urquhart. Senator Williams, I just remind you of the question before the chair.

Senator WILLIAMS: Of course, Mr Deputy President. Thank you for the reminder. We will go to fuel indexation because the hypocrisy is amazing. Senator Cameron was talking on health for the next 10 years when you were in government, knowing full well you were going to lose government—a dream figure that was never budgeted for. In total, the spend in the 2015-16 budget for investment in health and sport increased to $69.7 billion. This is an increase of $2.3 billion, or 3.4 per cent, from the 2014-15 estimate. This also compares with the original forecasted amount in 2015-16 of $68.5 billion. Why do you say there are cuts in health and education? That is simply wrong. It is misleading; it is not the truth. The figures go up all the time.

Senator O'Neill: It's what Treasury said at estimates.

Senator WILLIAMS: Senator O'Neill knows that as well, so please be honest.

Senator URQUHART (Tasmania—Deputy Opposition Whip in the Senate) (15:22): Well, here we are. Senator Williams talks about being honest. What a joke!

Senator Williams: What have I ever been dishonest about?

Senator URQUHART: Can I just remind you that, before the election, the Prime Minister of Australia went to the people with a proposition. That proposition was, if I recall, no cuts to health, no cuts to education, no cuts to pensions, no change to the GST and no cuts to the ABC or SBS. Remember all that? And now we have those opposite talking to us about honesty. I cannot believe it. The Australian people listened to what the Abbott government said at the time prior to the election.

Senator Williams: They weren't in government then.

Senator URQUHART: But they are now. The Abbott government are there now. Mr Abbott went to the election as the opposition leader, Senator Williams, on the basis that he told the Australian people there would be no cuts to education, no cuts to health, no cuts to pensions, no change to the GST and no cuts the ABC or SBS. But how they have quickly turned their backs on those promises and turned around completely to betray the Australian people that voted them in on the fact that those promises would be honoured. The Australian people voted this government in on the basis that they accepted that those promises given prior to the election would be kept. But, no; we have seen the cuts to health, we have seen the cuts to pension, we have seen the cuts to education and all the attempts to undermine all those
promises. In fact, in getting the keys to the ministerial wing it did not take those opposite long before they changed their agenda completely and backed away from all of those promises. They completely backflipped. They had broken promises and bad policy in the area of health. That is what this appalling, sneaky and mean Abbott government have done.

Firstly, what did they do with hospitals? They ripped $50 billion out of hospitals in last year's budget. Then they attempted—not once, not twice—three times to levy a GP tax on Australian people.

Senator Conroy: How many?

Senator URQUHART: Three times, Senator Conroy. Three times they attempted to bring in a tax on the sickest people in our community. For that first point of health care, where people go and need assistance, they go to their GP. But, no; what did this mob over there want to do? They wanted to tax them. They wanted them to pay to seek medical advice at that very pivotal point when people get health care. So none of that worked. The $7 GP tax on all patients did not work. Then we had the $5 GP tax on non-concessional patients and then a $20 cut in rebates for short visits. Each time, what was the reason we were told? It was because they needed to make Medicare sustainable. But that was despite the fact that the Australian Institute of Health and Welfare's report shows that Australian health expenditure was actually growing. It was growing at its lowest level since records began 30 years ago. But, no; this mob wanted to cut it.

They have stood up here today and said they have a green paper, it is a draft and it is going to have lots of things in it. How can we trust them? How can we trust this government when they say, 'We are not going to do this,' when everything they said before the election they have backflipped on? They have backflipped on no cuts to health; they have backflipped—absolutely backflipped—on no cuts to education; they have backflipped on no cuts to the ABC; and they have backflipped on no cuts to SBS. Yet they stand here and say, 'This is a draft green paper; believe us when we say we are not going to cut hospitals.' Let us get it very clear: we do not believe what you say. Nor do the Australian people believe what you say. The people out there who believed what you told them before the last election are not going to believe what you are telling them now. And nor should they because you have not been trustworthy with them. You have not earned the trust of the Australian people. You have broken so many of those promises that they will not believe you now and they will not believe you in the future. That is a sensible thing for them to do because you cannot be trusted. Your word is broken every time. (Time expired)

Question agreed to.

Climate Change

Senator MILNE (Tasmania) (15:27): I move:

That the Senate take note of the answer given by the Attorney-General (Senator Brandis) to a question without notice asked by the Leader of the Australian Greens (Senator Di Natale) today relating to the health impacts of climate change.

Contrary to Senator Brandis's view that there are divergent views amongst the medical profession, he is quite wrong. There is an overwhelming consensus among scientists, particularly in the medical profession, in today's The Lancet. It is common that we are on track for four degrees of warming. That is going to have huge impacts on human health—
catastrophic impacts on human health, actually. They are saying that you are going to see exactly what has already been going on getting much worse. So you will have extreme weather events. That leads to a massive loss of life, loss of infrastructure, waterborne disease, a lack of availability of fresh water, contaminated water and the disease consequences.

Plus, you are going to see extreme heat. It is not well-known in Australia that more people died as a result of extreme heat at the time of the fires in Victoria than actually died in the fires. In fact, there had to be a temporary morgue in Adelaide at the time for the number of people who died from heat exhaustion. Of course, that tends to be the sick and the elderly, and people who live in the poorest standard of accommodation because they do not have access to air conditioning. These people become disoriented and overwhelmed; heat exhaustion may make other conditions they have worse. As a result, they are dying.

We are also seeing the spread of diseases borne by vectors like mosquitoes. In Australia, we already have Queensland subject to dengue fever. We are now going to see an increase in the area which is vulnerable to dengue fever as a result of global warming. Not only that: The Lancet points out there are huge opportunities for us, in a public health perspective, in addressing global warming. It is a win-win, because if you change or redesign your cities so that there is more walking, there is more cycling, more opportunities to access local food, better diets, then you are going to get healthier people. We are already suffering as a result of overweight, obesity and things like diabetes and so on. If you actually redesign your cities for healthier living you are going to have a public health benefit.

But also I come to the point of air pollution. Air pollution, particularly from coal-fired generators, is leading to particulate matter, leading to massive respiratory illness. And it is extraordinary that we have a situation where we have the government running around with a commissioner for wind farms and not actually dealing with the fact that people are dying as a result of pollution from coal fired generators and coal mines. So, you end up in a place like Morwell, for example, where you have demonstrated health issues as a result of coal, yet we have imaginary behaviour going on here, with the government rewarding and putting in place a commissioner for wind farms. It is a ludicrous proposition that is making a fool of us in global terms. And we are wasting hundreds of thousands of dollars on more studies on wind farm sickness and no studies on four degrees of global warming and what that is going to do for public health and what it means in terms of rostering public health professionals to be available at times of extreme weather events, particularly in Australia, particularly in the summer.

This is a ridiculous position we have go ourselves in, and it is because the Abbott government is anti-science, anti action on global warming and a wholly owned subsidiary of the coal industry. For Minister Brandis to try to suggest that the medical profession is split on this is completely wrong. The medical profession is not split on it. The scientists are not split on it. Senator Brandis today was parroting, straight out of Peabody Energy and Burson-Marsteller's PR document. Peabody Energy, globalCOAL, paid Burson-Marsteller to come up with the lines that would justify coal. They have been spread throughout the world, and every time you hear an Abbott government minister talk about energy poverty, read for that Burson-Marsteller; read for it Peabody Coal. It is pathetic—wholly owned subsidiary of the coal industry and enemy of public health; that is the Abbott government.

Question agreed to.
NOTICES

Presentation

Senator Fifield to move:

That, in accordance with section 5 of the Parliament Act 1974, the Senate approves the following proposals by the National Capital Authority for capital works within the Parliamentary Zone:

(a) John Gorton Building car park enhancement; and
(b) construction of a memorial to the victims of the MH17 disaster.

Senators Day, Leyonhjelm and Wang to move:

That the Senate congratulates:

(a) the Australian Broadcasting Corporation for its contribution to Australian political history for the compilation of The Killing Season documentary; and
(b) participating senators for their chilling re-enactments.

Senator Whish-Wilson to move:

That the Senate—

(a) notes:

(i) the recommendations of the Economics References Committee inquiry into the performance of the Australian Securities and Investments Commission, and
(ii) the allegations that financial planners at the Commonwealth Bank of Australia, National Australia Bank, ANZ Bank, Macquarie Bank and, most recently, IOOF had engaged in unethical and/or unlawful activity; and

(b) calls on the Government to establish a royal commission into misconduct within the financial services sector.

Senators Smith and Singh to move:

That the Senate—

(a) notes:

(i) the bravery of those Australians who shared their experiences of Hepatitis C in person and in the book Together We Can: See Our Future, launched at Parliament House Canberra on 16 June 2015 by Hepatitis Australia and the Australian Parliamentary Friendship Group for Blood-Borne Diseases,
(ii) that the stigma associated with Hepatitis C is increasing the suffering of many of the 230,000 Australians living with the disease,
(iii) that successful Australian treatment rates for Hepatitis C are extremely low,
(iv) that the Pharmaceutical Benefits Advisory Committee has recently recommended two new Hepatitis C treatments for listing on the Pharmaceutical Benefits Scheme,
(v) that not only do these and similar new therapies have the potential to be used with relatively minimal side-effects and may offer a better hope of a cure for people who cannot tolerate existing treatments, they raise the possibility of the Australian eradication of Hepatitis C perhaps within a generation, and
(vi) the critical role funding plays in research and development into finding better treatment methods and a cure for Hepatitis C; and

(b) recognises and commends the organisers of World Hepatitis Day 2015, in Australia and internationally, who are working to bring together communities on 28 July to raise awareness and constructively work towards an end to this world wide epidemic.
Senator Carr to move:

That the following bill be introduced: A Bill for an Act to amend the Higher Education Support Act 2003, and for related purposes. Higher Education Support Amendment (New Zealand Citizens) Bill 2015.

Senator Cameron to move:


Senators Leyonhjelm, Wang and Day to move:

That the Senate recognises that:

(a) genetically-modified crops have higher yields per hectare than conventional crops and therefore reduce the need for further land clearing;
(b) genetically-modified crops generally require fewer pesticide applications and therefore reduce farming costs and the environmental impact of farming practices; and
(c) further adoption of genetically-modified crops will increase productivity for farmers and provide superior environmental benefits.

Senator Rhiannon to move:

That the Senate—

(a) notes that—
   (i) the 2014 annual report of the New South Wales Department of Education and Communities shows that TAFE NSW lost 15 per cent of its teaching staff between 2011 and 2014,
   (ii) new apprenticeships in New South Wales fell by 20 per cent in 2014,
   (iii) the annual report further shows a 16.2 per cent decrease in apprenticeship completions from 2013 to 2014, resulting in 10,000 fewer apprentices completing their training in New South Wales, and
   (iv) the Abbott Government has cut nearly $2 billion out of apprenticeship support since coming to office; and
(b) calls on the Federal Government to reinstate the Tools For Your Trade program and other forms of support for apprentices to boost skills development and improve job opportunities for young Australians.

Senator O’Sullivan to move:

That the Senate—

(a) acknowledges the valuable contribution that agriculture makes to Australia’s social, economic and environmental sustainability;
(b) recognises:
   (i) the approximately 123,000 farm businesses in Australia, more than 95 per cent of which are family-owned and operated,
   (ii) that Australian farmers produce almost 93 per cent of Australia’s daily domestic food supply, and
   (iii) the gross value of Australian farm production of over $51 billion; and
(c) congratulates the Government on the commencement of Taskforce Cadena, led by the Department of Immigration and Border Protection and the Fair Work Ombudsman, which will work with relevant agencies, including the Australian Federal Police, the Australian Securities and Investments Commission, and the Australian Taxation Office, and state and territory agencies, to reinforce existing action to tackle allegations of fraud and worker exploitation involving temporary visa holders.
Senator Lazarus to move:

That the Senate—

(a) expresses its deepest sympathy to the family and friends of Mr James Ackerman who sadly passed away on 22 June 2015 as a result of an on-field injury sustained while playing rugby league in Queensland on Saturday, 20 June 2015; and

(b) recognises the selfless actions of Mr Ackerman in donating his organs so others may live.

Senator Lazarus to move:

(1) That a select committee, to be known as the Select Committee on Residential Fire Safety, be established to inquire into and report, on or before 3 December 2015, on the use of smoke alarms to prevent smoke and fire-related deaths, with particular reference to:

(a) the incidence of smoke and fire-related injuries and deaths, and associated damage to property;

(b) the immediate and long-term effects of such injuries and deaths;

(c) how the use, type and installation set-ups of smoke alarms could affect such injuries and deaths;

(d) what smoke alarms are in use in owner-occupied and rented dwellings, and the installation set-ups;

(e) how the provisions of the Australian Building Code relating to smoke alarm type, installation and use can be improved;

(f) whether there are any other legislative or regulatory measures which would minimise such injuries and deaths; and

(h) any other related matter.

(2) That the committee consist of 7 senators, 2 to be nominated by the Leader of the Government in the Senate, 2 to be nominated by the Leader of the Opposition in the Senate, 1 to be nominated by the Leader of the Australian Greens in the Senate, 1 to be nominated by other parties and independent senators, and Senator Lazarus.

(3) That:

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

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

(c) a participating member shall be taken to be a member of the committee for the purpose of forming a quorum of the committee if a majority of members of the committee is not present.

(4) That 4 members of the committee constitute a quorum of the committee.

(5) 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.

(6) That Senator Lazarus be appointed as chair of the committee.

(7) That the committee elect a deputy chair who shall act as chair when the chair is absent from a meeting of the committee or the position of chair is temporarily vacant.

(8) That the chair, or the deputy chair when acting as chair, may appoint another member of the committee to act as chair during the temporary absence of both the chair and deputy chair at a meeting of the committee.

(9) That, in the event of an equally divided vote, the chair, or the deputy chair when acting as chair, have a casting vote.
(10) That the committee has power to send for and examine persons and documents, to move from place to place, to sit in public or in private, notwithstanding any prorogation of the Parliament or dissolution of the House of Representatives, and have leave to report from time to time its proceedings, the evidence taken and such interim recommendations as it may deem fit.

(11) 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.

(12) That the committee be empowered to print 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.

Senators Day, Wang, Leyonhjelm, Heffernan, Lambie, Muir and Madigan to move:

(1) That a select committee, to be known as the Select Committee on the Murray-Darling Basin Plan be established to inquire into and report, on or before 26 February 2016, on the positive and negative impacts of the Murray-Darling Basin Plan and associated Commonwealth programs on regional communities, with particular reference to:

(a) the implementation of the plan, including:
   (i) its progress,
   (ii) its costs, especially those related to further implementation,
   (iii) its direct and indirect effects on agricultural industries, local businesses and community wellbeing, and
   (iv) any evidence of environmental changes to date;
(b) the effectiveness and appropriateness of the plan's Constraints Management Strategy, including:
   (i) the progress of identifying constraints and options to mitigate the identified risks, and
   (ii) environmental water flows and river channel capacity;
(c) the management of the Coorong, Lower Lakes and Murray mouth, including the environmental impact of the locks, weirs and barrages of the Murray River; and
(d) any related matter.

(2) That the committee consist of 7 senators, 2 nominated by the Leader of the Government in the Senate, 1 nominated by the Leader of the Opposition in the Senate, 1 nominated by the Leader of the Australian Greens in the Senate, and 3 to be nominated by other parties and independent senators.

(3) That:

(a) participating members may be appointed to the committee on the nomination of the Leader of the Government in the Senate, the Leader of the Opposition in the Senate, the Leader of the Australian Greens in the Senate or any other party or any independent senator;
(b) participating members may participate in hearings of evidence and deliberations of the committee, and have all the rights of members of the committee, but may not vote on any questions before the committee; and
(c) a participating member shall be taken to be a member of the committee for the purpose of forming a quorum of the committee if a majority of members of the committee is not present.

(4) That 4 members of the committee constitute a quorum of the committee.

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

(6) That the committee elect as chair and deputy chair a member nominated by minority parties and independent senators.
(7) That the deputy chair shall act as chair when the chair is absent from a meeting of the committee or the position of chair is temporarily vacant.

(8) That the chair, or the deputy chair when acting as chair, may appoint another member of the committee to act as chair during the temporary absence of both the chair and deputy chair at a meeting of the committee.

(9) That, in the event of an equality of voting, the chair, or the deputy chair when acting as chair, has a casting vote.

(10) That the committee have power to appoint subcommittees consisting of 3 or more of its members, and to refer to any such subcommittee any of the matters which the committee is empowered to examine.

(11) That the committee and any subcommittee have power to send for and examine persons and documents, to move from place to place, to sit in public or in private, notwithstanding any prorogation of the Parliament or dissolution of the House of Representatives, and have leave to report from time to time its proceedings, the evidence taken and such interim recommendations as it may deem fit.

(12) 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.

(13) That the committee be empowered to print 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.

**Senators Xenophon, Waters, Lambie and Lazarus to move:**

That the following bill be introduced: A Bill for an Act to require Government board members to be appointed with regard to ensuring gender balanced representation, and for related purposes. *Australian Government Boards (Gender Balanced Representation) Bill 2015.*

**Senator Xenophon to move:**

That the following matters be referred to the Economics References Committee for inquiry and report by 1 July 2016:

(a) the measures governing the activities of Australian corporations, entities, organisations, individuals, government and related parties with respect to foreign bribery, with specific reference to the effectiveness of, and any possible improvements to, Australia's implementation of its obligations under:
   (i) the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Convention), and
   (ii) the United Nations Convention against Corruption (UNCAC); and
(b) as part of, or in addition to, paragraph (a), the effectiveness of, and any possible improvements to, existing Commonwealth legislation governing foreign bribery, including:
   (i) Commonwealth treaties, agreements, jurisdictional reach, and other measures for gathering information and evidence,
   (ii) the resourcing, effectiveness and structure of Commonwealth agencies and statutory bodies to investigate and, where appropriate, prosecute under the legislation, including cooperation between bodies,
   (iii) standards of admissible evidence,
   (iv) the range of penalties available to the courts, including debarment from government contracts and programs,
   (v) the statute of limitations,
   (vi) the range of offences, for example:
(a) false accounting along the lines of the 'books and records' head in the US Foreign Corrupt Practices Act,

(b) increased focus on the offence of 'failure to create a corporate culture of compliance',

(c) liability of directors and senior managers who do not implement a corporate culture of compliance, and

(d) liability of parent companies for subsidiaries and intermediaries, including joint ventures,

(vii) measures to encourage self-reporting, including but not limited to, civil resolutions, settlements, negotiations, plea bargaining, enforceable undertakings and deferred prosecution agreements,

(viii) official guidance to corporations and others as to what is a 'culture of compliance' and a good anti-bribery compliance program,

(ix) private sector whistleblower protection and other incentives to report foreign bribery,

(x) facilitation payment defence,

(xi) use of suppression orders in prosecutions,

(xii) foreign bribery not involving foreign public officials, for example, company to company or international sporting bodies,

(xiii) the economic impact, including compliance and reporting costs, of foreign bribery, and

(xiv) any other related matters.

**Senator Dastyari and Senators Madigan, Leyonhjelm, Lazarus, Lambie, Xenophon and Whish-Wilson** to move:

That the following matter be referred to the Economics References Committee for inquiry and report by 24 November 2015:

The economic effect of matters including the difference between cash rates and credit card interest rates, with particular reference to:

(a) the Reserve Bank of Australia's cash rate announcement and associated changes in credit card interest rates;

(b) the costs to banks, credit providers, and payments systems, including those related to:

(i) borrowings,

(ii) credit risk and default rates, and credit risk pricing,

(iii) various credit card loyalty programs, and

(iv) consumer protection measures, including reforms introduced following the global financial crisis,

(c) transaction costs, including interchange fees, on the payments industry;

(d) the costs to consumers, including those related to:

(i) how and when interest is applied,

(ii) minimum monthly payment levels,

(iii) various credit card loyalty programs of other users, and

(iv) card fees, including ATM and POS fees;

(e) what impact competition and price signals have on the credit card market;

(f) how the enforcement of responsible lending laws and the national consumer credit regime affect consumer costs;

(g) how consumer choice of credit card products can be improved, with reference to practices in other jurisdictions; and

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CHAMBER
(h) any other related matters.

**BUSINESS**

**Leave of Absence**

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (15:32): by leave—I move:

That leave of absence be granted to the following senators for personal reasons:

(a) Senator Reynolds from 23 June to 25 June 2015; and
(b) Senator Smith for today.

Question agreed to.

**COMMITTEES**

**Education and Employment Legislation Committee**

**Reporting Date**

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (15:33): by leave—I move:

That the time for the presentation of the report of the Education and Employment Legislation Committee on the 2015-16 Budget estimates be extended to 26 June 2015.

Question agreed to.

**Economics References Committee**

**Reference**

Senator XENOPHON (South Australia) (15:33): I, and also on behalf of Senators Madigan and Lambie, move:

That the following matters be referred to the Economics References Committee for inquiry and report by 12 October 2015:

(a) the economic impact of non-conforming building products on the Australian building and construction industry;

(b) the impact of non-conforming building products on:

   (i) industry supply chains, including importers, manufacturers and fabricators,
   (ii) workplace safety and any associated risks,
   (iii) costs passed on to customers, including any insurance and compliance costs, and
   (iv) the overall quality of Australian buildings;

(c) possible improvements to the current regulatory frameworks for ensuring that building products conform to Australian standards, with particular reference to the effectiveness of:

   (i) policing and enforcement of existing regulations,
   (ii) independent verification and assessment systems,
   (iii) surveillance and screening of imported building products, and
   (iv) restrictions and penalties imposed on non-conforming building products; and

(d) any other related matters.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (15:34): I seek leave to make a short statement.
The PRESIDENT: Leave is granted for one minute.

Senator FIFIELD: The government will not be opposing this motion, but I just want to make two points—firstly, that work is underway within government to address this important issue of building product compliance and fit for purpose at the next Building Ministers' Forum in July, and, secondly, that the Commonwealth does not have sole responsibility for this issue, and any changes that are required would need the agreement of the states and territories.

The PRESIDENT: The question is that the motion moved by Senator Xenophon be agreed to.

Question agreed to.

BUSINESS

Rearrangement

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (15:35): I move:

(a) the hours of meeting shall be 12.30 pm to 7 pm, and 7.30 pm to adjournment;
(b) the routine of business from not later than 7.30 pm shall be the government business order of the day relating to the Renewable Energy (Electricity) Amendment Bill 2015; and
(c) the question for the adjournment of the Senate shall be proposed at 10.30 pm. (open-ended adjournment)

And, under indulgence, I will indicate that the intention is that there be open-ended adjournment, lest there be any question on that matter.

Question agreed to.

BILLS


First Reading

Senator RHIANNON (New South Wales) (15:35): I move:


Question agreed to.

Senator RHIANNON: 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 RHIANNON (New South Wales) (15:36): I move:

That this bill be now read a second time.

I seek leave to table an explanatory memorandum relating to this bill.

Leave granted.
Senator RHIANNON: I table an explanatory memorandum and seek leave to have the second reading speech incorporated in *Hansard* and to continue my remarks.

Leave granted.

The speech read as follows—

**VOICE FOR ANIMALS (INDEPENDENT OFFICE OF ANIMAL WELFARE) BILL 2015**

**Intro**

I am pleased to introduce the Greens' *Voice for Animals (Independent Office of Animal Welfare) Bill 2015*, which establishes the Office of Animal Welfare as an independent statutory authority - with its CEO responsible for reviewing and advising upon the protection of animal welfare in Commonwealth regulated activities.

The Greens are strongly committed to improving the welfare of animals across Australia, and share every compassionate Australian's abhorrence and despair at the continuing horrors and deep suffering borne by animals used for food, clothing, entertainment and profit.

Again and again, we keep seeing animals suffering sickening cruelty under the Government's ineffective Export Supply Chain Assurance Scheme.

Terrified cattle cowering and slowly dying under the blows of sledgehammers; throats sawn agape; eyes gouged; tendons slashed; living beings stabbed, kicked, trussed and thrown; crying in pain and terror, buried or butchered alive.

Thousands of animals in a festival of slaughter. Thousands of animals debilitated in their own excrement on oven-baking ships. Thousands of animals dying horrific suffering deaths.

Time and again, our live export companies cover up, lie and mislead, and excuse the horrific brutality suffered by Australian animals.

Time and again, successive Australian governments and Ministers charged with growing the export market have turned a blind eye to systemic abuse, with the industry claiming humane care and state of the art facilities, even as Animals Australia and other investigators record the torture and terror being meted out to our animals in those slaughterhouses and in those markets.

Under the present system not a single company or person has been penalised. Not one banned.

Across Australia systemic abuse of animals continues: terrified animals used as live bait for racing greyhounds; hens suffers in tiny dark and filthy cages; pigs spend their lives in metal crates they can barely lay down in; ducks living in their own excrement without the water they need to function; cows milked beyond normal capacity with their tiny calves removed and killed as surplus to requirements; kangaroos mis-shot in the dead of night with their joeys killed by being swung by the tail – often ineffectively - against the back of a ute, or left to be torn apart by foxes or suffering a frightening death over many days.

And the response to such systematic cruelty across Australia?

In last year's budget, this Liberal-National Government withdrew the minimal $5 million funding and dissolved the Australian Animal Welfare Strategy which sought to provide a national framework to prioritise and coordinate actions to improve animal welfare across animal use sectors.

It disbanded the Australian Animal Welfare Advisory Committee, an advisory group that provided consensus advice to government on animal welfare, and which comprised representatives from the livestock industries, vets, animal welfare advocates and researchers.

It discontinued the Live Animal Exports – Improved Animal Welfare Programme, which supported training in improved animal welfare in the countries importing Australian live animals.

At the same time the Government invested an extra $100 million to expand agricultural markets and profitability, and reopened notoriously cruel live export markets in the Middle East.

This Bill removes the Agriculture Minister, the industry and their excuses, from the current equation that has them effectively condoning the animal abuse that is continuing right now under this government, and which continued under the purview of the previous Labor governments.

The Office of Animal Welfare will assist its CEO in his or her functions, which include the review, inquiry, monitoring and reporting of the Australian Standards for the Export of Livestock and the Exporter Supply Chain Assurance System. The CEO is also responsible for undertaking inquiries and preparing reports about the activities and effectiveness of the Live Export Advisory Group.

The CEO will monitor, investigate and report on animal welfare issues that impact the Commonwealth, on the work of animal welfare committees and review animal welfare laws and policies. The CEO will also implement of the Commonwealth’s animal welfare laws, with the power to do all things necessary to be done to perform his or her functions.

The Bill also establishes an Office of Animal Welfare Advisory Committee to assist the CEO and his or her Office of Animal Welfare in performing its duties to the best possible standards.

The Committee's members will consist of the CEO and representatives of non-governmental animal welfare organisations, consumer groups, scientists and ethicists specialising in animal welfare issues, the Department and commercial producers or purchasers of animals or animal products, and two other members as considered appropriate by the CEO.

The CEO will provide reports to the Minister with recommendations which must be tabled in Parliament. The Minister will be required to respond to any recommendations made in the reports, and to table the response in Parliament.

These reports may review the work of key animal welfare committees, propose reforms to animal welfare legislation and standards and advise the Commonwealth on harmonisation of animal welfare laws of the Commonwealth, States and Territories.

The Bill directs the CEO to make the Office a Centre of Excellence for the collection and dissemination of information about animal welfare issues that impact the Commonwealth.

The CEO, supported by the Office, will also undertake inquiries, commission research and prepare reports about animal welfare issues. This will include protecting and promoting animal welfare in the export of live animals and the effectiveness of Commonwealth laws that apply to the export of live animals.

The examination of the sustainability and animal welfare issues that arise in respect of killing kangaroos for commercial purposes also falls under the CEO’s remit.

The CEO may also inquire and report on the Commonwealth's animal welfare policy, and scientific and legal issues and potential animal welfare issues that arise in respect of that policy; and the importation of animals and animal products and management of animal species introduced into Australia will also fall under its remit.

The CEO will develop and reintroduce an Australian Animal Welfare Strategy that will provide a national framework to identify priorities, coordinate stakeholder actions and improve consistency in animal welfare across all animal use sectors. He or she will consider animal welfare issues that arise in respect of the Model Codes of Practice for the welfare of animals and contribute work towards the harmonisation of animal welfare laws of the Commonwealth, States and Territories.

The CEO may also inquire into and report on the activities of the Department that relate to monitoring compliance with the Commonwealth's animal welfare laws. The effectiveness of these laws
and their enforcement, and the effectiveness of the Department’s implementation of the Commonwealth’s animal welfare policy may also be examined and reported on.

The Office of Animal Welfare, directed by its CEO, would have the ability to truly independently examine and report on the continuing frameworks that perpetuate and excuse infliction of terrible suffering on other living beings – the animals we eat, we wear, we use for entertainment and profit. It would effectively give voice to those animals, where the Coalition and Labor have refused that voice.

Currently before the Senate sits Coalition Senator Back’s repulsive Private Members’ Ag-gag Bill that would prosecute without need for proof, animal welfare investigators who take visual recordings of systemic animal cruelty on Australia’s factory farms, in greyhound training grounds, in live export slaughterhouses, shearing sheds and laboratories, and other animal use industries. While Labor does not support passage of the Bill, it has not condemned that Bill and the attempts to silence revelations of systemic cruelty in animal use industries.

The Greens have before the Senate a bill that would end the cruel live export trade. We continue to work to gain the Coalition and Labor’s support of the bill.

The Greens also have before the Senate a bill that would end the import or use of animal-tested cosmetics and their animal-tested ingredients. We continue to work to gain the Coalition and Labor’s support for the bill.

This Bill provides a new opportunity for the Coalition and especially Labor, to show Australians that they too believe the terrible suffering of animals in animal use industries is not acceptable and that things can and must change.

In 2012 the Federal Parliamentary Labor Party Caucus endorsed the Caucus Live Animal Export Working Group to develop a model for an Office of Animal Welfare, which reported back to the then Labor Agriculture Minister in 2013.

In a time-honoured buck-passing statement the then Labor Minister of Agriculture responded to the Greens’ questioning about the Office that "there is work to be done in this area but the primary responsibility for animal welfare issues does remain with the state and territories".

This bill allows a constitutionally valid federal response to animal cruelty issues around Australia.

It reinstates the Coalition Government’s dissolved Animal Welfare Strategy and its advisory group.

It would begin the long but so easily do-able road to protecting the wellbeing and welfare of the animals that we use.

This is what Australians want. It is what they expect.

There is nothing to stop Labor supporting this bill, and verifying its political will and the strength of truth of its asserted – but as yet unproven – commitment to the welfare of the animals that are captive to our care and good will.


Debate adjourned.

COMMITTEES

Joint Select Committee on Northern Australia

Meeting

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (15:37): At the request of Senator Smith, I move:
That the Joint Select Committee on Northern Australia be authorised to hold private meetings otherwise than in accordance with standing order 33(1), during the sittings of the Senate, followed by public meetings, as follows:
(a) Tuesday, 11 August 2015;
(b) Tuesday, 18 August 2015;
(c) Tuesday, 8 September 2015;
(d) Tuesday, 15 September 2015;
(e) Tuesday, 13 October 2015;
(f) Tuesday, 10 November 2015;
(g) Tuesday, 24 November 2015; and
(h) Tuesday, 1 December 2015.
Question agree to.

Joint Select Committee on Trade and Investment Growth
Meeting

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (15:37): At the request of Senator Smith, I move:
That the Joint Select Committee on Trade and Investment Growth be authorised to hold private meetings otherwise than in accordance with standing order 33(1), during the sittings of the Senate, followed by public meetings, as follows:
(a) Thursday, 13 August 2015;
(b) Thursday, 20 August 2015;
(c) Thursday, 10 September 2015;
(d) Thursday, 17 September 2015;
(e) Thursday, 15 October 2015;
(f) Thursday, 12 November 2015;
(g) Thursday, 26 November 2015; and
(h) Thursday, 3 December 2015.
Question agree to.

MOTIONS
Women in Sport: Matildas

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (15:37): I, and on behalf of Senator Moore, move:
That the Senate—
(a) congratulates the Matildas on their historic win against Brazil in the 2015 FIFA World Cup;
(b) notes that:
(i) this is Australia’s first-ever senior World Cup knockout round win,
(ii) the Matildas are only paid about a quarter of the national average salary compared to very high earnings for male sportsmen, and
(iii) according to the Financial Review, the top 30 highest paid Australian sportspeople are all men; and
Queensland Firebirds

Senator MOORE (Queensland) (15:38): I, and on behalf of Senators Lindgren and Waters, move:

That the Senate—

(a) congratulates the Queensland Firebirds on their success in the tight, exciting final against the New South Wales Swifts; and

(b) notes:

(i) the professionalism, athleticism and strong competition of the Trans Tasman ANZ Netball Championships, and

(ii) the positive media coverage of this important women's sport, particularly in the Courier Mail.

Question agreed to.

Horticultural Exports

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (15:38): At the request of Senator O'Sullivan, I move:

That the Senate—

(a) notes the valuable boost to Australia's horticultural exports generated by increased free trade agreements with Asia which have led to improved farm gate returns, including:

(i) mango exports to Korea for the 2014-15 season more than doubling those of the 2013-14 season, with exports now up to around 12 per cent of total production,

(ii) industry experts predicting that cherry exports from Tasmania could rise as much as 25 fold, with exports to Korea increasing from virtually nothing to almost $4 million in 2015,

(iii) new market access for table grapes seeing exports to Japan worth around $10 million, and exports to Korea worth over $2.5 million, and

(iv) key horticulture exports, including asparagus, mangoes, olives and macadamias now face zero tariffs entering Japan, and cherries from Tasmania, almonds and dried grapes enter Korea duty free; and

(b) notes the resulting increase in job opportunities created by this growing export market.

Question agreed to.

Asylum Seekers

Senator HANSON-YOUNG (South Australia) (15:39): I move:

That the Senate—

(a) expresses concern at the disturbing reports aired on the *Four Corners* television program on 22 June 2015;

(b) notes:

(i) that only 412 Rohingyaans have been resettled in Australia through Australia's humanitarian program since 2008, and

(ii) the Government's recent refusal to provide assistance or resettlement for Rohingyaans currently in Indonesia, Malaysia and Thailand, and stranded at sea off these three countries; and

(c) urges the Government to:
(i) contribute to the search and rescue mission for thousands of migrants, including Rohingyans, currently stranded at sea,
(ii) resettle some of the Rohingya migrants rescued by Indonesia and Malaysia, and
(iii) resettle an increased number of Rohingyans in the 2015 humanitarian program, increasing the number of the program if necessary.

The PRESIDENT: The question is that the motion be agreed to.
The Senate divided [15:39]
(The President—Senator Parry)

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

AYES

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

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

NOES

Back, CJ
Brown, CL
Bushby, DC
Canavan, M.J.
Edwards, S
Fifield, MP
Heffernan, W
Leyonhjelm, DE
Lines, S
McEwen, A (teller)
McKenzie, B
Moore, CM
O’Neill, DM
Peris, N
Ruston, A
Urquhart, AE
Williams, JR

Bilyk, CL
Bullock, J.W.
Cameron, DN
Colbeck, R
Fawcett, DJ
Gallagher, KR
Ketter, CR
Lindgren, JM
Marshall, GM
McGrath, J
McLucas, J
Nash, F
Parry, S
Polley, H
Ryan, SM
Wang, Z

Question negatived.

MATTERS OF PUBLIC IMPORTANCE

Health Funding

The PRESIDENT (15:46): A letter has been received from Senator Moore:

Pursuant to standing order 75, I propose that the following matter of public importance be submitted to the Senate for discussion:
The Abbott Government's radical plan to scrap all Commonwealth funding for public hospitals.

Is the proposal supported?

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

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

Senator Lines (Western Australia) (15:47): Yesterday we found out that, along with this proposed radical new plan for our public schools that will see them become ghettos if it sees the light of day, the Abbott government wants to scrap Commonwealth funding for public hospitals. This is what leaked documents tell us. What I can say today with absolute certainty in this place is that when it comes to health, and in particular public health, Liberal governments, whether they are state governments or whether they are Commonwealth governments, simply cannot be trusted with our health. They have an appalling record. We all remember when Mr Abbott stood up before the election and said there would be no cuts to health. What an absolute mistruth and broken promise that has been because we have seen agency after agency scrapped; we have seen good programs lose their funding, and it would seem there is no end in sight based on this latest leaked proposal to scrap Commonwealth funding to our public hospitals.

I do not know where the Abbott government think the states would get funding from to fund public hospitals—he must think that these funds are just going to fall from the sky—but let us have a look at what they have done to health in the very short time they have been the government of Australia. There is the GP tax and the rumours around that: we had version 1 and then version 2 and we now have version 3 by stealth. We have already seen in this country the Abbott government impose a tax on people when they go to the doctor. We have seen the closing of Medicare Locals. What a huge success story they were, but, no, they were put there by a Labor government so that is enough for the Abbott government to say they have to go. We have seen the largest increase to private health insurance premiums in a decade, and just with the stroke of a pen they were able to go out. We have seen that the price of our pharmaceuticals will go up. We have seen cuts to preventative health research; we have seen cuts to chronic disease prevention; we have seen cuts to rural outreach. And, on top of this, what we saw yesterday in that leaked document is that it is the Abbott government's intention to go even further and to scrap Commonwealth funding to public hospitals. I am sure you will hear them get up in here today and deny that. That is the pattern of the Abbott government: first you leak the proposal, then you deny it like crazy and then maybe you tweak it a little bit and then in it comes. That is their record on health.

Let us take a look at Western Australia. Fancy asking a state government that has had its credit rating reduced to pick up any funding for public health. What kind of a game is that? The people who will be worse off are Western Australians because the Western Australian government has shown itself to be absolutely incapable of running a public health system, in the same way that the Abbott government has shown itself to be incapable of running and funding proper health services in this country—good, preventative health services. The Western Australian government is well and truly up there in terms of simply not being anywhere near competent in running public health. The projected midyear deficit in Western
Australia is $1.3 billion, but does the Abbott government care? No. It is going to try to foist the cost of running public hospitals in my home state onto a government that has no money at all because of its absolute mismanagement. And that deficit in Western Australia is projected to blow out to $2.7 billion.

And it is a government cannot run a hospital. We have seen debacle after debacle with the Fiona Stanley Hospital—a flagship hospital developed and paid for by the previous Labor government. First of all, what the Barnett Liberal government did was privatise that hospital to a company that runs prisons and detention centres. So we have our flagship hospital in Western Australia on a 20-year contract with Serco—a 20-year contract! Serco have never run a public hospital in this country before, but that does not stop the Liberals; no, they give it away.

We have seen debacle after debacle: 18 months over its due opening date; almost half a million dollars a day in debt in the cost overruns in that hospital; an IT system that was so inadequate the state had to take it back—goodness knows what that cost; and, more recently, in the last four to six weeks, the sterilisation issue—an absolutely integral part of a public hospital, keeping patients well and giving them good surgical outcomes. It has been debacle after debacle: instruments going up to theatre all bloodied; instruments going up to theatre with bits of bone on them. It was so bad, despite the Liberal state health minister saying, 'Nothing wrong here,' but finally they conceded. Serco have lost that contract. They have lost two contracts in the very short space of time they had that hospital—first the IT system and now the sterilisation.

This Abbott government want to hand the funding of public hospitals over to the Western Australia government—what a joke. Neither the federal Liberal government nor the state Liberal government can run hospitals. It does not stop there in Western Australia. In 2008, it was proposed that the Royal Perth Hospital would close and it would close because Labor had a flagship hospital, Fiona Stanley, which the Liberals have since dragged through the mud. But, no, the Barnett Liberal government made a great promise to the people of Western Australia that they would turn Royal Perth Hospital into a 400-bed emergency type hospital. Guess what? That is not happening anymore. It was completely scrapped last year—a broken promise there. And there were great plans to upgrade our rural hospitals. Guess what? They have been scrapped as well.

So in Western Australia we have seen public hospital after public hospital absolutely lose funding. The latest Barnett debacle was to give the public hospital in the eastern suburbs, a poor area, to the Catholics, to the St John of God Health Care system. Guess what happened to reproductive technology? It is gone. 'Oops' said Mr Barnett, 'We didn't realise that St John of God wouldn't do any reproductive health.' They will not do terminations; they will not do sterilisations—no, no, no. So Mr Barnett says, 'It's all right, we'll build a stand-alone facility in the grounds of this privatised hospital.' St Johns said to them: 'Oh, no, you won't. We're not having those services next to our hospital.' What a bungle by the Liberal state government, and this is exactly what this government is trying to do. It does not matter how much they stand up in here and say they have not cut the federal health budget; they absolutely have.

What a low blow yesterday: the leaked document which says they are trying to get out of Commonwealth funding of public hospitals. The health status of Western Australians is already in a parlous state because of the constant bungling and the cost overruns by the
Barnett government. Goodness knows what will happen to Western Australians if this latest move comes into being. That is the record of the Abbott government—deny, deny, deny. Remember the GP tax? 'We’re not going to do that.' Deny, deny, deny and suddenly there it is: a GP tax. That is exactly what will happen here. I am telling you, Australians will not stand for it. Our public hospitals and our public health systems used to be world leaders. Under this Abbott government, they are slowly and surely being dragged down to levels that are completely unacceptable in a country as wealthy as ours.

On preventative health, we have heard front-line service after front-line service lose money under this government. On drug and alcohol services, we hear so much about their ice program, but there needs to be a preventative focus. The Abbott government do not seem to understand that, as they rip front-line funding away from services like that. We have seen them deny this and they will continue to deny it, but the truth gets out. This is a disgraceful move, particularly from a government that said in the lead-up to the election, 'There’ll be no cuts to health.' That is completely untrue. We have seen nothing but attack after attack after attack on good preventative services. This latest move to scrap funding to our public hospitals is disgraceful.

**Senator NASH** (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (15:57): Well, Mr President, there you have it. There we have it yet again—the Labor Party, again, never letting facts get in the way of what they think is a good story, because their entire premise of the MPI is incorrect. If those in the Labor Party were opposite, they would be truthful with the Australian people. What they are referring to is something contained in a media report, which is pretty much where they take most of their information. If they were being honest with the Australian people, they would be saying the facts, that this is a draft green paper. It is an options paper only. It is a discussion paper. It is not government policy. So if the opposition were going to be honest with the Australian people, that is exactly what they would be saying today.

We are a democracy. What we do in this nation is we discuss issues. We raise ideas. On this side of the chamber, this government, the Liberal and the National parties, actually encourage discussion. We actually want debate. We actually want people to put ideas forward and have a national conversation about that. Not from the other side. Indeed from the other side, apparently, according to Senator Doug Cameron, we see zombies. On that side of the chamber, they are not allowed to have an individual thought. On this we encourage debate and discussion. On the other side, they shut it down. Indeed, Senator Cameron said: 'We don't want zombie politicians.' Indeed, in 2010, he described serving in the Labor government as: 'A bit like having a political lobotomy. You can't speak your mind. You can't think about some issue because they are all off the agenda.' I can tell you, Mr Acting Deputy President Bernardi, on this side, in this government, we encourage debate and discussion. If those opposite were being honest with the Australian people, they would have said exactly what they were referring to and use some facts.

Interestingly, we have even seen the South Australian Labor Premier, Jay Weatherill, referring to this particular issue saying, 'It's only a discussion paper. We've been asking them!'—that is, the government—'to canvass the broader range of options. There is a broad debate going on about Commonwealth state relations, which is a good thing.' Perhaps those
on the other side should spend a little bit more time listening to some of their Labor Party colleagues in other states.

The scaremongering from the Labor Party knows no bounds. When we look at the facts—and again I come back to the facts—hospital funding is increasing. It is increasing by 25 per cent over the next four years. It is increasing by $3.8 billion. We might need to say it a few more times for others around the chamber who maybe were not listening today to the excellent responses from Senator Brandis: health funding for hospitals is increasing. That is a fact. I know the Labor Party does not like dealing in fact, but it is a fact.

The former Labor government claimed that they would increase hospital funding by over 10 per cent a year—when they were in government, that was their promise. That was going to take the costing from $15 billion to $40 billion within a decade. And where was it going to come from? This is magic money—money that was off in the never-never; money that Labor now talks about this coalition government cutting. It was never there; it was magic pudding money. It was Labor hocus-pocus of promised money that they knew they were never going to have to deliver. Magic money is a standard Labor tactic. They were going to pretend they would fund health and education by billions and billions of dollars of fake magic money, and then scream when the government is said to be cutting their fake, unfunded promises. It is about time the Labor Party started to be truthful with the Australian people.

I feel a bit sorry—or very sorry, actually—for the hard-working people in the health sector who are out there saving people's lives and working hard. I have to pay tribute to all our frontline health workers across the country. They do a fantastic job. And they believed the cruel Labor hoax that there was some magic pot of money coming their way down the track. Of course, it was never there, because Labor have absolute form on this. The irony of Labor talking about future funding! They could not manage the economy when they were in government, let alone manage delivery of any future funding. They have absolutely no idea how to manage the economy. On this side, this coalition government realises we have to be economically responsible managers. We have to make sure that, going forward, this country is secure and the economy is strong and robust. But on the other side they have no idea. What did they leave us? A trajectory to debt of $667 billion. For them to come in here and talk about future funding without any reference to the facts of the case is absolutely gobsmacking.

I will note that you are nodding in agreement, Acting Deputy President Bernardi. Thank you. We were left $123 billion worth of deficits by the previous Labor government. What a mess this coalition government has had to fix up! We are going to do that because we realise that the future of the nation is at stake.

Because of the previous Labor government we are paying $1 billion a month in interest. We are paying this because of the failed economic management of the previous Labor government. That is a billion dollars a month that we cannot spend on all those things that people out in our electorates, out in our states, right across the country, are asking us to do. It is because of the mess Labor left us. I know those opposite do not like us referring to that, but it is a fact. Facts are something those on the other side refuse to believe.

When we look at the economic mess we need to look no further than to the failed former finance minister, Senator Penny Wong. As finance minister all she delivered was debt and deficit, with no effective plan to bring the nation's finances under control. This was under Labor, under Senator Wong as finance minister at the time. Senator Wong said in her first
speech as finance minister, in 2010, that a return to surplus in 2012-13 was not negotiable, yet her promised surplus never turned up. It never turned up because she failed to rein in the spending, and she presided over the most rapid escalation of debt in Australian history.

For those on the other side to come in here today and talk about future funding—and indeed, as I said at the outset, the MPI is based on a false premise—is absolutely gobsmacking. It is about time that those opposite in the Labor Party started to talk facts to the Australian people; that they started to be truthful with the Australian people when it comes to issues that affect them so enormously. We only have to look at some of the decisions that were taken under the previous Labor government to realise why this government is the economically responsible manager of the nation's finances. We look at things like the pink batts program, where $2 billion was mismanaged. We had FuelWatch and Grocery Watch—nearly $30 million was spent setting them up.

Senator Di Natale: Oh really? You are not going there! It is embarrassing! Pink batts?

Senator NASH: I am going to take the interjection from the leader of the Greens, who is saying: 'Oh really? You are not going there!' Unfortunately for the leader of the Greens, they have very little in terms of economic foresight, as well. No wonder the leader of the Greens is happy to sit there and go, 'Oh really, are you going to mention that?' It actually matters. It matters to understand why we are in the situation we are in. It matters to have some foresight and to be able to take the country forward. Perhaps Senator Di Natale could stop interjecting and maybe put some ideas and plans for some forward economic foresight, because we have not seen any yet.

It is most interesting that it is this side, this coalition government, that is going to make the economically responsible decisions for the future of this nation. The people out there across Australia compare and contrast. That is why they elected us in 2013—to fix the economic mess that Labor left us. For Labor to come in here and talk about future funding, the irony is gobsmacking. It is this coalition government that is going to lead the nation forward in a sustainable way and an economic way for the strength of the nation.

The ACTING DEPUTY PRESIDENT (Senator Bernardi): Before I call Senator Di Natale, I will point out that the chair neither agrees nor disagrees with any debating points being made. It exists only to ensure that the standing orders are upheld.

Senator DI NATALE (Victoria—Leader of the Australian Greens) (16:07): During the dying days of the last government, after the soap opera that was the change of leadership and so on, I remember someone saying to me, 'Can things get any worse?' At the time I wondered whether they could. You only need to look at this government's record on health policy to know that the answer to that is an emphatic: yes, they have got much, much worse. The health policy that the government has introduced through the course of the past two years is a litany of missteps, mistakes and utter chaos. Things got particularly bad under the previous minister, who has shown himself to be as inept in Immigration as he was in Health.

We had the co-payment policy, which was floated—it seemed like it was a thought bubble at the time—with no consultation. That got buried very quickly. Then we had version 2 of the co-payment policy, and for a while it looked as though that was flavour of the month where the government was concerned. Then that was ditched. The argument was that we needed to make sure that we sent a price signal, which later became a value signal, which was really
code for saying, 'We've got to make it harder for someone to see a doctor because we think that people aren't that crook,' to use the words of the chair of the Commission of Audit. Then we had version 3 of the co-payment policy. That hung around for a while and eventually that was ditched. In the end, the policy went to where so much of this government's political agenda has ended up, and that is in the graveyard of bad ideas.

The one idea that did see the light of day and is having an impact right now—in fact, it is biting pretty hard—is what this government did to the funding of hospitals. It is true that reports that have been floated in the green paper are simply suggestions—if we are to believe the government—about possible reforms by a future government. You do not need to look at the green paper, because the reality of what is happening within our hospital system right now is much more frightening than what has been described in that green paper. We have half the facts out there. It is true that the government has increased funding to the states to ensure that our hospitals can continue to function. But that is only half the truth. The problem in this place is that most of the information that flies around is half fact or is opinion dressed up as fact.

The reality is that demand for hospital services is increasing. It is increasing as a function of a couple of things—improved health technology and growing population—and the funding is not meeting that demand. What that means, and it is very straightforward, is that people are going to have to wait longer in emergency departments, they are going to have to wait longer to have surgery done, it is more stress on staff, mistakes will happen and patients who need urgent care are going to miss out.

If this trajectory continues—and this is not speculation, this is the reality, which is far scarier than we have seen in the green paper—the hospital system will simply collapse. They are not my words. They are the words of the former secretary of the health department, now the head of the health program at the Grattan Institute, Stephen Duckett. In his words it is completely unthinkable that this policy could continue because the result would be a total collapse of the hospital system. There will be a change at some point or our hospitals will indeed fall over.

The simple issue is that federal governments have an important responsibility to fund our hospital sector. They cannot vacate the space as this government has done, and they cannot vacate it for a few reasons. It is all very well to have an ideological position that says, 'State governments should look after hospitals; we'll take care of Medicare and aged care.' What that position ignores and fundamentally misunderstands is how the system works. The entry points into the system are through primary care, a federal government funded responsibility. The exit points are through aged care, which, again, relies on federal government funding. You cannot have a situation where you have these divided responsibilities that create all sorts of perverse incentives to shift costs from one jurisdiction to another. It results in a very inefficient system, and that is at the heart of the problem here. We have divided responsibilities.

It must be said that the previous government, despite having extremely ambitious targets when it came to what it would do to reform our hospitals, at least made some progress. For the first time we had federal governments with some skin in the game who had an incentive not to shift costs to state governments. Likewise, state governments had an incentive not to shift costs across to federal governments. That is one of the big cancers in the system at the moment. By the federal government meeting half the costs of growth funding, what we saw
was both parties finally working together to try and solve some of the issues that exist within our public hospital system and within our health system more generally. This helped the system work better.

This government is taking us in the opposite direction to where we should be heading when it comes to ensuring we have a decent system. It is a system, and the different parts of it have to work together. We cannot carve out state responsibility for hospitals in one area, federal responsibility for primary care in another area, aged care in yet another area and expect the system to somehow work properly. It makes for a patient experience that is fragmented, that leads to care being sub-adequate and that is ultimately expensive for the taxpayer. This is an ideological pursuit for no good reason. We need to start taking a much more responsible and mature approach to this situation and recognise that if we do not work in partnership with state governments right around the country we are going to return to the bad old days where a government, in the lead-up to an election, waved the chequebook around, rolled out some pork and said, 'We'll fund a hospital here or a few beds over there,' and the system continued to flounder. That is the problem that we have got right now.

It must be said that it is not just about hospitals, though, where this government has failed on health. There are so many other areas. Let us look at the flexible funds, which are funds that are given to a whole range of programs that do important work out in the community. There has been a $600 million cut in funding for the Flexible Funds program. What does it deliver? It delivers services to people with substance abuse issues. The government is running around talking about the ice epidemic, about how critical it is that we do something to address the scourge of ice, and yet they are cutting $8 million from programs that fund substance abuse. Tell me how those two messages are consistent.

The government says: 'Domestic violence is a national priority. Good on Rosie Batty for being a champion for domestic violence! But do you know what we'll do just quietly? We'll cut funding for domestic violence programs, many of them delivered in the health space. We'll cut funding for mental health. We'll cut funding for dental health.' Despite the fact that we have a huge inequity in our health system, which means many people across the country cannot get access to decent dental care, we have huge cuts in dental health as well. This is extremely short-sighted. One of the most significant causes of presentations to both general practices and emergency departments is untreated dental disease. It has a huge impact on the rest of the body—and we are cutting funding for dental health!

We have seen a funding cut for the Preventive Health Agency—'Forget that prevention stuff! It's namby-pamby stuff! Why would we care about things like obesity, smoking and alcohol? Why would we care about those things? It's really up to individuals. It's all about personal responsibility.' Well, if you are a young child being brought up in a home where alcohol is a big part of the family environment, you are already at risk of running into problems yourself later in life.

The truth is that we can afford to have decent health care in this country. Don't believe the nonsense that our health system is unsustainable. It is one of the best health systems in the world. As a proportion of GDP, we spend less than the average health spend of other OECD countries when it comes to health—and we get really good value for money. We need to start having a conversation in this country about whether our governments are investing in things that our community want, need and deserve. When it comes to health care, the Australian
community speaks with one voice: 'Yes, we believe that our taxes should support a decent health system and a decent hospital system and it's the federal government's responsibility to deliver that for us because we're who they are working for.' (Time expired)

Senator O'NEILL (New South Wales) (16:17): I am very pleased to rise to speak on this matter of importance, particularly because it is a signature policy area for Labor. We believe in public health and we have committed to it in every form and with great vigour in every government we have ever formed—and we will need to become a government once again to help this country recover from the damage that is being inflicted right now by this shameless and shameful Abbott government which is determined to tear apart access to public health. In this environment of cuts and austerity that is currently being imposed upon the Australian people by a callous coalition regime, if this government cares at all about health and the Australian people it is time for a debate; it is time for them to listen to some of the experts and some of the evidence and some of the advice that is been proffered. But based on the Liberal Party's policies any conversation about public health care needs to start with a very good warning: the Liberals cannot be trusted with public health care—and neither can their coalition partners the Nationals. Yesterday Labor actually welcomed one comment from the health minister, Susan Ley, which was a long overdue admission that the Abbott government has ripped over $60 billion from public hospital funding. At least now we are part of the way to some disclosure of the truth that they run and hide from every day in this chamber. Every single day they run away from the facts.

At the 2013 election the Abbott government committed to maintaining Labor's funding guarantee for public hospitals. They guarantee that they would support it. They said: 'A coalition government will support the transition to the Commonwealth providing 50 per cent growth funding of the efficient price of hospital services.' That is what they said. And on the day before the election they backed it in with a promise of 'no cuts to health'. Well, we know that that promise was worth absolutely nothing—from a government that is determined to rip out the heart of a health system that has served the nation, and continues to serve the nation, very well. Yesterday Minister Ley also confirmed that she is planning an additional $1.3 billion in cuts to the Australian health system to replace the $5 hike in prescription charges which has stalled in the parliament. Like so much of the government's failed policy objectives, we have cuts, cuts and more cuts.

Labor is deeply concerned about the ongoing uncertainty created by this $1.3 billion in health cuts being planned by Minister Ley. That is in addition to cuts around the Flexible Fund. I acknowledge the comments by Senator Di Natale. He is 100 per cent right. The government is running around the country screaming that we have got an ice epidemic and we need to respond. I agree that we need to respond to drug and alcohol problems in our community—but we do not respond to them by cutting funding for rehabilitation services! That is hardly the right response—yet it is the response of this government. There are 16 flexible funds. It is like the government is playing them off against each other—'Let's tell them the money is going to go, and see who screams the loudest. We might give them a little bit just to keep them quiet.' Going around the country I have heard from health professionals who are almost being given hush money—a three-month extension to keep them quiet for a bit longer. Or it may be a six-month extension. Or if they have a really good friend they might get 12 months. The chaos and the cuts to funding are destroying an entire system.
The disclosure from Minister Ley that confirms this government is not content with a $60 billion cut last year and the $2 billion that they added to that, and another $1.3 billion, just reveals that there is no boundary to how much they will take out of the health system. Make no mistake, with these ongoing cuts the Abbott government is absolutely dismantling universal health care access as this country knows. Labor believes, I believe and Australians believe that we should be able to get the health care that we need—not the health care that Tony Abbott decides he can afford to give you. If you are wealthy, well good on you: 'You can top it up and have the health care that you really need.' But if you are not wealthy, if you are disadvantaged or even if you are working and you get a chronic illness: 'Too bad, so sad, you're just going to get cut out, you'll have to miss out, sorry.' That is not the Australia that was envisioned when we put in Medicare. This government has invented a budget crisis as a cover-up to impose an ideological agenda on an unsuspecting public. Australia will certainly be the poorer and the sicker for it.

Building and supporting a public healthcare network is in Labor's DNA. It is a very central part of being Labor. We stand proudly on our record. From Medibank to Medicare to the NDIS, Labor has delivered and expanded our public healthcare system to provide for all Australians—not just some, not just the wealthy, not just those lucky enough to be born into good health and a wealthy family. For Labor, universal public health care is an inalienable right.

There are people in this country who do not know what it was like before Medicare came on the scene. But we have heard evidence from leading health economists who have been around for a long time. Bankruptcy was what happened to people who were sick and went to a hospital and did not have any money. Their houses were sold out from under them. People chased them around the country to recover the money to repay the debt. That was the reality that faced Australians in the good old days, a reality to which this government, the good old boys, would take us back. Their networks are flush with cash from the sorts of systems that they set up, but they do not care about ordinary Australians, particularly vulnerable and sick ones.

We do not believe that public health care is a privilege to be whittled away by a deceptive government. We do not believe that it should be denied to people who are unable to afford it. Regardless of age, gender, wealth, ability or locality, access to a decent, universal public healthcare system is a non-negotiable principle for Labor. It is a principle we fought for long and hard, to establish, expand and deliver. We fought harder still to protect it from the many efforts of those who would have it dismantled and wind it back.

The hospital funding cuts that are the topic of discussion today are $60 billion cut out of the 2014-15 budget. They will swear black and blue to your face that there are no cuts to health. 'No, they're increasing.' Except that every state government knows that they are trying to manage a budget of reduced funding. Every state government knows how much pressure they are under because this mob, who were supposed to be delivering a fifty-fifty commitment to health in the states, balanced by the money from the federal government that states would get from the GST, said, 'We'll do a partnership; we'll shake hands with you'—until they got to government. Within moments of being here, within a breath of arriving here, they ripped up the national partnership agreements and walked away. And they have tried to back it in with this green paper. They are going to run away from that as well. 'No, it's only a
draft,’ they say. But in the green paper the possibility—which I would say their actions reveal to be a probability—is that they want to walk away from a joint responsibility with the states for the fundamental access to health care that Australians need.

They are ready to rip up any agreement. They are ready to walk away from any commitment. There is no deception that they will not prosecute if it is in their own self-interest. They are cutting like crazy, but they are not cutting in the right places. They are cutting from the vulnerable. They are cutting from the sick. They are cutting from those who live in lower socioeconomic areas. They are cutting from the bush and trying to keep quiet about it. Just a couple of weeks ago I was in Broken Hill with the Select Committee on Health. We were out there, and the head of the local health district, which runs the hospital, actually sent out an email to his senior executives and told them that, if they were contacted by the Senate Select Committee on Health, they were not to participate. That is a cover-up by any name. That is a gag. That is an attempt to hide the facts from the Australian people. These guys, if they are good at anything, are good at that. They are good at hiding the facts from the people—sadly, in complicity with some of the media who are not telling the truth.

I know this government does not want people to understand what they are really doing, but the Australian people are smarter than the government give them credit for. They have longer memories than the government give them credit for. They actually believed the government when they said that there would be no cuts to health and no cuts to education, no cuts to the ABC and no cuts to SBS. They believed you, but they will not believe you again because they will not allow their families and friends to have health care ripped out from underneath them by a shameful government. (Time expired)

Senator IAN MACDONALD (Queensland) (16:27): The greatest threat to the wonderful healthcare system we have in Australia at the moment is exemplified by the speech that anyone who might have been listening has just heard, from a Labor politician who lives in fantasy land and will say anything and do anything and use every emotive word, no matter how untrue, to try to fool the Australian public to believe the Labor line.

The facts—the actual numbers, the figures—prove the lie to everything that you have just heard from the previous speaker. First of all—and I know that my colleagues have raised this, as has been explained countless times at question time—the proposal in the green paper is one of many proposals for discussion, requested by the state premiers, including three or four who are Labor premiers. You have all heard, and I will not repeat again, how Mr Jay Weatherill, the Labor Premier of South Australia, has congratulated the government on this white paper. It does not necessarily mean that the option that talks about more Commonwealth spending and less state spending will happen. It does not necessarily mean that the option of more state spending and less Commonwealth spending will happen. These are just two alternatives that the state premiers asked to be put in the discussion paper. That is what happened.

So, in spite of explicit evidence not just from Liberal and National Party ministers and leaders but from Labor Party premiers—in spite of all those assurances—the Labor Party continue this massive scare campaign in the hope that it will in some way get Mr Shorten looking better against the constant attacks from his colleagues on the ABC program The Killing Season. We cannot wait for this evening and another gripping episode of how dysfunctional the Labor Party are in opposition, which is how incompetent and dysfunctional they were when in government.
That is why this nation needs two or three terms, at least, of Liberal and National Party governments to get the country back on track. Labor, starting with a $60 billion credit—with $60 billion in the kitty for a rainy day—not only spent that $60 billion but ran up debts that would, if not addressed, approach $700 billion. That is a turnaround of some $760 billion. The previous speaker made a comment about the health system that 'Tony Abbott decides he can afford to give to you'. I remind Labor people, because they did not understand this when they were in government, that governments do not have any money at all. Governments do not own a single cent. All they do is use taxpayers' money. So it is not 'the government's money'; it the taxpayers of Australia's money, and they demand—and the Liberal and National parties will bring—proper and careful management of their taxation moneys.

I know these figures have been given before, but perhaps with enough repetition they might just sink through the minds of Labor Party speakers in this debate. Total budgeted health spending has this year increased from $67 billion to $69.7 billion. That is an increase of 3.4 per cent, more than the inflation rate, since last year. Public hospitals in 2005-06 were being supported to the extent of $8 billion. This year, public hospitals are getting $16 billion. In spite of what the previous speaker said, I am sorry, you cannot argue against the figures—and the figures are all there. PBS spending has gone up from $6 billion in 2005-06 to $10 billion in 2015-16, an increase of some 59 per cent. And the figures just continue. This government is concerned about health but wants to have a sustainable and financially viable health system—because, again, it is not the government's money; it is the taxpayers' money that has to be spent properly.

If you want to understand just how mischievously misinformed the Labor Party speakers are, we heard this comment that, back in the good old days before the Commonwealth took a greater funding share of public health expenditure, people had to sell their houses to go to hospital. Of course, the speakers should remember that in most states, and certainly in my state of Queensland, there was a free state hospital system—run by the Golden Casket, would you believe? It was always there, and so that sort of scaremongering misinformation that you get from Labor speakers clearly and typically exemplifies why Labor should never be trusted with money and should never be trusted with our health system. Our health system will continue to grow and continue to be even better, but it will be done in a financially responsible way. At the same time, we will look after taxpayers' money properly so that they are not paying more than $3 million each and every day in interest on loans borrowed during the Labor period. Good health means good coalition government. (Time expired)

Senator GALLAGHER (Australian Capital Territory) (16:34): I welcome the opportunity to speak on the matter of public importance today and about the important role the Commonwealth plays in funding public health services and, indeed, public hospitals across the country. The Commonwealth is the largest funder of health services across the country and provides just over 60 per cent of all government funding going into health, which currently exceeds $100 billion per annum between the state, territory and Commonwealth governments. I think it is absolutely appropriate, with the issues that continue to be leaked into the papers at the ends of sitting days, that we do respond to those issues as they emerge. The concerning one yesterday was about a withdrawal of funding from public schools or means-testing parents; today it is about the Commonwealth walking away from funding public hospitals.
I note other speakers have used the Premier of South Australia in their defence of the indefensible, saying that Mr Weatherill congratulated—I think that was the language that Senator Macdonald used—the government on the issues potentially being raised in the green paper. That is not an entirely correct representation of Premier Weatherill's comments. Indeed, Premier Weatherill, in expanding on his comments today, made the point that, when it comes to health funding, the Commonwealth, states and territories need to remain working together in a cooperative fashion. We are in a sense, to use Premier Weatherill's term, joined at the hip. You cannot have one funding partner in the health system potentially remove themselves from it when they have policy and funding responsibilities in other respects. The Commonwealth has responsibilities in primary health care, in GPs and in the MBS. It also has funding responsibilities in relation to aged care, disability and community care. We need all of the partners who work with the hospitals, which are the entry and exit points for a lot of the people using those services, to be supported financially by both the national and the state governments. We both need skin in the game. For one to remove itself from one element and believe it will not impact on the services is unbelievable. To say that the state and territory governments have 100 per cent funding responsibility for hospitals—what is the incentive to run efficient community care, GPs or disability and aged-care services when there is no incentive to make sure that services at the hospital are running efficiently?

Tony Abbott wants out of schools and hospitals, and it appears he wants out of preschools as well. This is off the back of saying that there would be no cuts to health. All we have seen in the last two budgets, which is all we can measure this current government on, is a walk away from funding commitments relating to health. If I use the ACT as an example, in the 2014-15 budget the ACT lost—and it updated in this year's budget—about $228 million in funding that we expected to get, from the Commonwealth, to run public-hospital services in the ACT.

Senator Seselja: No it didn't!

Senator GALLAGHER: Senator Seselja interjects, but he does not understand hospital funding. He does not understand that estimates of projected growth are that we are getting less than what was estimated in the Commonwealth budget paper. This goes to the point that those opposite will say there have been no cuts. Reduced growth funding is a cut in health. It is a cut, no matter which way you dress it up.

If hospitals and expenses are growing at over five per cent and one of your major funding partners is funding at 1.7 per cent, that is a cut. That is a cut of three per cent that will be felt within the hospital system. This is how hospitals have been funded since the Commonwealth, state and territory governments resolved modern funding arrangements. There was an estimated growth cost. Find me one state or territory budget that has been handed down, in the last month, that funds public-hospital growth at 1.7 per cent. You will not find one, because they are growing much faster than that. The people who provide the services have to be realistic about how those services are funded. Perhaps the Commonwealth does not need to worry about that, but the states and territories do. There has been a cut to health and a cut to health funding in the ACT, and the ramifications will be felt for years to come. (Time expired)

Senator SESELJA (Australian Capital Territory) (16:39): I am very happy to follow on from Senator Gallagher because she has repeated the falsehoods she made outside this place.
around health funding. The Department of Health has confirmed that Senator Gallagher was simply making it up.

**Senator Wong:** I know it's hard to cope with, but she beat you!

**Senator SESELJA:** Senator Wong may not want to hear this, but she was making it up. The current health minister in the ACT is also making it up, but he is making it up with a completely different set of figures. So let's start with the record. Today's *The Canberra Times* reads: 'Canberra the worse for urgent case wait times.' That is what has been happening under years of ACT Labor.

**The ACTING DEPUTY PRESIDENT (Senator Bernardi):** Senator Seselja, you know the use of props is not appropriate.

**Senator SESELJA:** This is not a prop, this is a piece of paper. But I will read from it. The Australian Institute of Health and Welfare has figures showing that the ACT had the lowest proportion of urgent patients treated on time—just 50 per cent within 30 minutes. It also revealed that only 61 per cent of overall patients who presented in emergency departments, in the ACT, were seen within two hours—the second worst in the country. Those figures are simply false.

Let's go to them. Let's go to the last Rudd-Gillard budget when it went to ACT Health hospitals funding, and compare it to coalition budgets, because the numbers that Senator Gallagher put out there are false. The Department of Health confirmed they are false. The $240 million she claimed last year was false, so let's go to the difference. The last Rudd-Gillard budget in 2012-13 had $202 million in funding for ACT hospitals. In 2013-14 they promised $233 million. The first coalition budget, in comparison, in 2013-14, was $271 million. That is a significant funding boost on what would have been there, on what was budgeted under the Rudd-Gillard budget. In 2014-15 it was $271 million. In the second coalition budget, delivering in 2015-16, we saw $321 million going onto $343 million in 2016-17.

One of the reasons the Labor Party cannot be taken seriously on health is that spokesperson after spokesperson comes here and makes up figures. We have heard it from senators opposite, right across the board. They are claiming these massive cuts when there are not massive cuts. There are increases in health funding. That is true in the ACT. Simon Corbell, the ACT health minister, came up with a different number. He claimed $600 million in cuts. Senator Gallagher claimed $240 million in cuts. Both of them were wrong. In fact, there was an extra $200 million for ACT health funding under this government than what would have been delivered by the previous government, had it continued. Yet they claim a cut. That is what we see across the board.

I will go back to some of the national figures. What I think most interesting about this matter of public importance is that the Labor Party—who have had such a bad few weeks—are not arguing against actual coalition policy anymore, they have taken to arguing against phantom coalition policy. They will make up a policy that we do not have and argue against it. That comes through in wording like we had today about 'the Abbott government's plan to rip funding away from hospitals'. That is absolute rubbish.
I will go to some facts. The total 2015-16 budget investment in health and sport increases to $69.7 billion. That is an increase of $2.3 billion or 3.4 per cent from the 2014-15 estimate. This compares with the originally forecast 2015-16 amount of $68.5 billion.

We have a whole-of-government spending: Medicare, over $22 billion; primary and mental health, $2.4 billion; medicines, $10.1 billion. Let's look at this comparison: in 2005-06, the Commonwealth was spending $38 billion on health; in 2015-16, we are spending $69 billion, or an 85 per cent increase. So the economic vandals in the Labor Party who created the problem, who created the massive budget deficits, are now claiming that an 85 per cent increase in that time somehow represents a cut. We see it from those arguing it nationally and here in the ACT we hear it often.

I would say to the journalists who sometimes want to believe what the ACT health minister says, be it the current health minister in Simon Corbell or the former ACT health minister, that they should look at the figures. They should look at what the Department of Health has said on the record in relation to those figures. When I put the claims to them that there was a $240 million cut, they said that they had absolutely no idea where the former health minister had pulled that figure from. We can only assume that the figure was simply made up by Katy Gallagher, as she was then the health minister of the ACT. We can only assume—in fact, we know—that Simon Corbell's claims in relation to $600 million are similarly made up. He just made up a different figure. He just plucked out a different figure to justify the mismanagement of the health system by ACT Labor here in the ACT. We read about it again today in *The Canberra Times*. Canberrans have been experiencing it for more than a decade as we have consistently languished right at the back of the pack. Regardless of the additional investment from the Commonwealth, regardless of additional spending from the ACT government, we have continued to see some of the worst outcomes in the country.

To conclude, I think it is just a little bit embarrassing that the Labor Party is no longer arguing against our budget. I thought we might hear today about their vehement opposition to petrol excise increases, but of course we are not hearing that. They no longer have a position on that as they once did. They are no longer arguing against our budget; they are no longer arguing against actual policy. What they have resorted to through this MPI is to argue against phantom policies. They will make up a policy and then argue against it. I think that is pathetic. That is why, absolutely, the premise of this matter of public importance should be rejected. *(Time expired)*

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

**DOCUMENTS**

**Consideration**

The documents tabled today were called on but no motion was moved.

**COMMITTEES**

**Environment and Communications Legislation Committee Report**

**Senator URQUHART** (Tasmania—Deputy Opposition Whip in the Senate) (16:48): As Deputy Chair of the Environment and Communications Legislation Committee, I present a
correction to the non-government senators' dissenting report of the committee on the provisions of the Communications Legislation Amendment (SBS Advertising Flexibility and Other Measures) Bill 2015.

Ordered that the report be printed.

Environment and Communications References Committee
Report

Senator URQUHART (Tasmania—Deputy Opposition Whip in the Senate) (16:48): I present the report of the Environment and Communications References Committee on Australia's environment, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator URQUHART: by leave—I move:
That the Senate take note of the report.

I rise today to table the report of the Environment and Communications References Committee into Australia's environment. Firstly, I would like to thank all the people who took the time to submit to this inquiry and recognise the amount of work and effort that went into these submissions. I would also like to recognise the people who took time out of their own days to appear before the committee at hearings in Brisbane and Canberra. The committee received 61 submissions and held two public hearings. I would also like to thank the Environment and Communications References Committee secretariat staff for their hard work and excellent advice on this and all other inquiries that I have worked on with them.

Of course, it is no secret that this government is no friend of the environment. Their record is truly shocking, ranging from moving backwards on climate change to risking our international reputation for outstanding World Heritage icons. Soon after coming to office, the Abbott government began rushing through environmental approvals. The government disallowed the endangered community listing of the River Murray from the Darling to the sea. The government discarded any sense of reason and ignored expert advice to sneakily have the world's largest marine reserve system re-proclaimed to undo the management plans that give them effect. But it does not end there. This government has taken us backwards on climate change by repealing the carbon tax in favour of a taxpayer funded dressed-up slush fund. In its first auction of its emissions reduction fund, it paid $660 million of taxpayers' money for only 10 million tonnes of new carbon abatement—a carbon price of $66 per tonne. It also wants to axe the Clean Energy Finance Corporation, which provides assistance to clean energy developments and actually makes money for the budget bottom line.

The government approached the World Heritage Committee to delist 74,000 hectares of the Tasmanian Wilderness World Heritage area. This embarrassing application was dismissed out of hand by the World Heritage Committee. The government has been entrusted with one of the greatest honours in public life: to protect and promote Australia's magnificent natural assets. Instead, it is intent on destroying them and the Prime Minister is not embarrassed for the world to know what he is doing. In fact, this government is in the unenviable position of being internationally renowned for its disregard and disrespect for the environment. When this reference was accepted to the committee, it was much more broad-ranging and also included consideration of the government's attacks on carbon pricing, the Clean Energy
Finance Corporation, the Australian Renewable Energy Agency and the renewable energy target, the Climate Change Authority and the Climate Commission. It was also due to look at the government’s cruel cuts to Landcare and consider the government’s plan to hand over environmental approval powers to state governments, as well as the government’s poor record on the Great Barrier Reef and Tasmania's Wilderness World Heritage area.

After the lodgement of this reference, however, it became very clear that these areas needed serious investigation as discrete inquiries themselves, which were undertaken through the committee. As a result, the focus of the terms of reference was narrowed to look at the remaining areas that had not previously been looked at and that still needed further investigation. The first of these was the Biodiversity Fund, an initiative of the previous government which was established to improve the resilience of Australia's unique species to the impacts of climate change, enhance the environmental outcomes of carbon farming projects and help landholders to protect carbon and biodiversity values on their land. The Biodiversity Fund represented a significant investment of Commonwealth funds in Australia's environment and allowed ecologically complex solutions to be pursued in a variety of landscapes across Australia. The committee received general concerns from witnesses and submitters about the implications that changes to access to Commonwealth funding and decreases in the level of funding for environmental projects would have for the future of Australia's environment.

We also dealt with the Environmental Defenders Office. Currently, there are eight state and territory—or there were at the time of the hearing—community environmental law centres which form the EDOs of Australia. The work undertaken by the EDOs relates to legal advice and representation, community legal education programs and the formulation of environmental policy and law reform. The EDOs are the only public interest environmental lawyers in Australia. As a result of this status, the EDOs of Australia argued that, 'Access to environmental justice ultimately depends upon our continued capacity to deliver a range of specialist legal services to the community.' The EDOs also argued that they provide a unique service to local communities through their education programs. They also play a significant role in public interest environmental litigation.

The EDOs receive funds through fees, donations, gifts and government grants and programs. EDOs of Australia also commented that the funding received by each office fluctuates markedly from year to year due to progress-based funding, one-off philanthropic grants and a variable success of fundraising efforts and income from services. In December 2013, the Mid-year Economic and Fiscal Outlook outlined cuts for legal protection reform and advocacy funding, including a $10 million cut in funding over four years to the EDOs. The Attorney-General's Department noted that the supplementary funding agreements entered into by the previous government included an immediate termination clause. This was executed immediately with the December 2013 MYEFO announcement.

At this time, the EDOs were also notified that their ongoing base funding would not be renewed beyond its expiry date of 30 June 2014. The Attorney-General's Department commented that the recurrent funding was not terminated or cancelled, rather that the government had agreed not to continue this funding at the expiration of the current funding arrangements—that was at 30 June 2014. The committee received evidence on the consequences of the defunding of the EDOs on the organisations and the work that they
undertake. The EDOs of Australia pointed to the importance of stable funding for the long-term delivery of services. The committee acknowledges the vitally important role that EDOs have undertaken over many years. The EDOs empowered communities through education about their legal rights regarding the environment and the provision of advice on legal matters. The EDOs also played a significant role in providing access to justice where it is in the public interest for environmental matters to be pursued by those who cannot afford private legal representation. By providing this important legal assistance, EDOs serve to reduce frivolous litigation by taking very few matters to court.

The committee notes the finding of the Productivity Commission that, in the past five years, no cases in which the EDOs were engaged were dismissed on the grounds that they were frivolous or vexatious. The concern of the committee was that, without the EDOs, communities and individuals across Australia will not be able to access legal assistance or legal advice on matters that directly affect their local environment. The committee went on to make three recommendations. Those recommendations are: in relation to the Biodiversity Fund, the committee recommends that the Department of the Environment undertake an evaluation of the impact of the Biodiversity Fund; recommendation No. 2 was the committee recommends that the Commonwealth government reinstate funding for projects for biodiversity conservation to the level which had been available under the Biodiversity Fund; and the third recommendation of the report was the committee recommends the Commonwealth government establish a new funding agreement for the Environmental Defenders Offices which reinstates the funding previously provided.

Senator RUSTON (South Australia—Deputy Government Whip in the Senate) (16:57): I too would like to make a small contribution in relation to the report tabled by Senator Urquhart this afternoon on behalf of the Environment and Communications References Committee. The government senators on this committee, me being one of them, consider that the premise of this inquiry really had nothing to do with Australia's environment. In fact, we thought it was completely baseless and motivated by political intent. The idea that the Abbott government is attacking the environment, following the disasters of the previous government in relation to things like green loans, the carbon tax and the home insulation scheme, seems really quite hypocritical.

The most distressing thing was, as the Greens were the ones that actually called for this inquiry, just the extraordinary scaremongering that went on. It was completely unnecessary and damaging scaremongering. Then, to come into this place to try to table this document was very disappointing. I put that in the context of being the chair of the Environment and Communications Legislation Committee and deputy chair of the references committee. I worked very hard with those opposite, whether it was the opposition, the Labor Party, the Greens or the crossbenchers. In every report we try to bring down a consensus report. This inquiry was so ridiculous that, right from the word go, you knew you could never even attempt to get a consensus report or an outcome in which this reference actually delivered a heap of recommendations which might have some meaning or some benefit for Australia. It was never going to do that, because the basis of the inquiry was never going to allow it to do that.

Something that just cannot go without being mentioned today is some of the facts and figures that were just put on the record by Senator Urquhart in relation to the emissions
reduction fund. The reality is that this government put to the Australian public an emissions reduction fund, which was like a reverse auction, and we purchased 47 million tonnes of CO2 equivalent abatement. That is four times as much as achieved under the previous government's carbon tax. Those results alone clearly prove that the coalition's climate change policy is delivering real and significant abatement benefits, just as we said it would. For all the scaremongering that went on through this inquiry and previous inquiries into this particular issue, the cold, hard realities were that when the first round of reverse auctions came down it was quite clear that this particular program was working a whole heap better than the carbon tax had ever even attempted to work.

If you sit down and have a look at it, the 47 million tonnes of abatement was delivered at an average of $13.95 per tonne. If you have a look at the $15.4 billion that was spent by the previous government on the carbon tax to try to reduce emissions, it works out at $1,300 a tonne. You do not have to be much of a mathematician to realise that that is actually 93 times more expensive. So, to come in here and suggest that this government is attacking the environment, when we have actually delivered, at a very reasonable cost to the taxpayer, something that they said we never would, is ridiculous. In addition to that, we are investing $2 billion to manage natural resources—things like Working on Country, the Green Army, the Reef Trust; there is a whole raft of policies and platforms that this government is delivering in support of our environment. And the redesign of the Landcare program: whilst there is no doubt that this government was left with a legacy of debt and deficit that you could not jump over, we still have tried to manage, within the resources that were available to us, programs that allow—particularly in the case of Landcare—decision making to go back to the local communities. I think Australians are sick to death of being told what to do by government. I think they would like to have a little bit more say in what is going on. The redesign of the Landcare program to allow this decision making to go back to local communities is but one example of the way this government believes we should be looking to run this country.

There was no question in the committee that we all acknowledge the financial constraints with which we were faced in this space. There was no doubt, in the government's side of the debate, that budget measures needed to be implemented. We would have liked to see much more money spent in the environmental space, but the reality was that we could not. In this context, the government cannot and will not restore funding to the Environmental Defenders Office, which I think was one of the key platforms for the political motivation by the Greens for this inquiry to be held in the first place. I do not think the discontinuation of funding to EDOs reflects an adverse judgement on the merits of EDOs at all. It just reflects the broader context of the stringent resource constraints that we face because of the actions of those who go before us.

Instead of the recommendations that have been tabled in the substantive report today, instead of this witch hunt, this committee should have commended the government for undertaking massive investment in environmental programs in an unprecedented environment of fiscal constraint and given that in the first 18 months of this government we have delivered some very significant benefits and changes, not least of which is the decision by the World Heritage Organization not to proceed to put the Great Barrier Reef on the endangered list. Unfortunately, as much as I would have liked to work with the opposition and the Greens to
come up with a consensus report, that was obviously never going to be able to occur, simply because it was, I believe, a witch hunt set up by the Greens.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (17:04): I too rise to speak briefly to the report of the Environment and Communications References Committee. I was really pleased to get support—in fact, on World Environment Day last year—to establish this inquiry. Initially it was planned that it would be quite an expansive look at the various attacks on the national environment that this government in so brief a time had already wreaked, even back then. Sadly, that trajectory has continued, and we see environmental law after environmental law repealed, watered down, completely slashed; organisations defunded; denial of climate science; and silencing of anyone who speaks out against this government's environment agenda and its plan to absolutely undermine all of our protections. It has not been a good trajectory.

In the course of the time that has elapsed since the establishment of this inquiry, we have again fortunately had the chance to inquire into many of these matters in other inquiries. This particular inquiry was focused on particular aspects, namely the gutting of the biodiversity fund and the complete removal of funding, for the first time in 18 years, of the Environmental Defenders Office. Full disclosure: I used to work at the Environmental Defenders Office in Brisbane. I am proud of that. I had nine years there as one of their solicitors. They are an impeccable, professional outfit that provides free legal advice to members of the community on using our laws to try to protect the environment—that is, community enforcement of the laws that this place makes, often when government sees fit to not enforce its own laws.

We have seen report after report—most recently the Auditor-General's report at the federal level, and there was also an Auditor-General's report at the Queensland level—showing, sadly, that governments tend to under-enforce their environmental laws. They under-resource their enforcement departments, and they do not take prosecutions; they rarely investigate breaches. Things happen, and regulators turn a blind eye. It is an open secret; everybody knows that. That makes community enforcement all the more important. If we go to the trouble of writing decent environmental laws—which we did, before this government went to the trouble of axing most of them—then we need the community to be able to enforce and uphold those laws. It is part of a robust democracy for the community to be able to enforce the rule of law.

It is very telling that this government, rather than listening to those critiques and taking onboard the suggestions, or even respectfully disagreeing with them but noting them anyway, wants to silence its critics. It has been on a real program to try to do that. Not only has it axed, for the first time, the Grants To Voluntary Environment and Heritage Organisations, which, before its axing, was renamed the Grants to Voluntary Environment, Sustainability and Heritage Organisations. That was a long-standing fund that many environment groups used to do both on-ground work and excellent campaign work to identify systemic failures in our system and advise government on how those flaws could be changed and fixed for positive environmental outcomes. The government axed that fund.

It also axed the Climate Change Commission, which, through crowdfunding, was able to continue, thanks to the goodwill of Australian people who actually do care about the climate and understand that it is something human beings influence and that the government should do an awful lot more about it than this government proposes to.
Then this government completely removed, for the first time in 18 years, federal funding for the Environmental Defenders Office. Again and again, we see that this government just cannot take criticism. It cannot take on board advice from environment and other non-government organisations advocating for systemic law reform. It cannot take on board that feedback. Instead, it has moved for advocacy restrictions on much of the community sector, including the Environmental Defenders Office. It simply cannot accept the fact that these people are experts. They work on implementing these laws on behalf of the community. They have a very valued perspective, which is not available to government through any other means. But because this government does not like criticism and cannot see when it is constructive, useful and efficient, it wants to shut down advocacy. It wants to say that somehow this is political activism. These people are environmental lawyers. They are trying to actually help fix up sometimes unintended consequences in environmental laws—oftentimes the consequences are perfectly intended; in many cases they are not. This is actually a service to government and is, in particular, a service to the community, who want to see our environmental laws upheld and enforced.

Through the course of this inquiry, we have been thrilled to hear about the wonderful work of the EDOs in South Australia and the Northern Territory that stand to close their doors in a week's time—at the end of this financial year. For the first time in 18 years, this government chooses not to fund community enforcement of environmental laws. I think it is a new low for this government. I think it shows that they have an embarrassing glass jaw and that they do not believe in accountability and they do not want those laws enforced. Perhaps that should not be surprising, because we know that they are trying to give away those same environmental approval powers, for which the Commonwealth level of government fought for 30 years to assume responsibility for, and share that responsibility with the states. This government, with the stroke of a pen, wants to get rid of that responsibility and give it away to the states. So is it any wonder that they are trying to silence the environment groups who are saying, 'That is a really bad idea. The environment stands to suffer. Wrong way, go back.'

I am really pleased that, as part of the course of this inquiry, we have been able to hear about the excellent work of the EDOs. If anyone is listening—because we are being broadcast and people might be on the bus or driving home—we are almost at tax time and I would urge people to think about donating to the Environmental Defenders Office in their state. Some of those offices are about to close their doors because this government has entirely removed their funding, for the first time in 18 years. Not even John Howard withdrew funding for the Environmental Defenders Offices, but this government has completely gutted federal support. Which is why we Greens, in our additional comments to this inquiry, have recommended reinstating funding for the EDOs—and not just the base funding, but also the additional funds that had been provided on a temporary basis by the former government. Also, the Productivity Commission's report into access to justice recommended that Community Legal Centres receive an additional $200 million, and we have urged that the government think about the portion of that that should sit with the Environmental Defenders Office, who are, of course, a Community Legal Centre.
The short version is, the EDOs deserve federal funding. They perform a vital role for our democracy, and this government stands condemned for removing their funding and the funding to so many of those on-the-ground environment groups, who are doing excellent work.

The Biodiversity Fund was the second aspect the inquiry focused on. It was formerly almost a $1 billion fund. It was set up to be funded under the carbon price that we used to have before this government axed it, along with many other environmental protections. Unfortunately, under the former government it had been chopped in half before it was then ditched entirely by the current government. What a shame, because it was actually a fund that helped landowners access government support to rehabilitate their land—to work for positive environmental outcomes that also helped their own on-farm land-management outcomes. It was a win-win situation. It was essentially a stewardship program, and I would have thought that at least the Nationals could see the benefit of it. What a crying shame that we have now lost that funding pool entirely, thanks to an ideological objection to accepting climate science.

We have recommended that the funding for that Biodiversity Fund be restored, and we have also taken issue with the fact that this government claims to have been handing out some dollars for the Great Barrier Reef. We welcome that, of course. None have been greater champions of the future of the reef than those in my party, and that view is shared by many Australians. Why on earth, though, do you have to take that money out of other environment programs? What is so toxic about the environment that it does not deserve decent funding? Clearly, this government is being utterly run by its fossil-fuel donor masters, and, once again, the environment is left to squabble over the crumbs from the table of funding. Again: wrong way, go back. The Great Barrier Reef deserves infinitely more funding and it deserves that without it being taken from Landcare programs.

I was really pleased to this inquiry was undertaken. There were over 1,000 submissions from members of the public that were not published. I want to thank each and every one of those people who took the time to make the submissions. And I want, in particular, to thank the witnesses who gave us such powerful evidence.

I want to finish by condemning the House of Representatives inquiry that is looking at removing the tax-deductible status of environment groups. For heaven's sake, stop the attacks on environment groups. They are there to try to protect this place. They are actually trying to protect it for future generations. They are trying to help you implement decent environmental laws and all you are doing is attacking them and de-funding them. It is very unbecoming, and it is not what Australians deserve.

The Acting Deputy President: The question is that the motion moved by Senator Urquhart be agreed to. Question agreed to.

**Procedure Committee**

**Report**


Ordered that the report be printed.
Ordered that consideration of the report be made an order of the day for the next day of sitting.

Senator MARSHALL: I move:

That the Senate take note of the report.

This report addresses two matters that have been considered by the Procedure Committee for some time, and it makes recommendations in relation to the routine of business. Senators will be aware that there are two groups of temporary orders that expire on 30 June this year. The first group provides for the consideration of private senators' bills for two hours and 20 minutes on Thursday mornings and the corresponding 10 am start on Mondays. These have been in operation since the beginning of 2011. The second group are the temporary orders adopted as a trial last September for the streamlining of various types of business, including routine committee extensions and authorisations to meet while the Senate is sitting; the consolidation of opportunities to present and debate documents and reports; and an experiment with the adjournment debate on Tuesdays and Thursdays. With the exception of changes to the adjournment debate, the Procedure Committee considers that the temporary orders have worked well and should be incorporated into the standing orders with effect from the first sitting day in August.

In relation to the adjournment debate, the committee recommends that the Senate return to what is currently provided for in the standing orders: namely, an open-ended adjournment debate on Tuesday evenings with tiered speaking times of five, 10 and 20 minutes, and a 40-minute adjournment debate on Thursdays. Therefore, when the order of the day for consideration of the report is called on tomorrow, as a consequence of the motion just agreed to, I shall be moving that the Senate adopt the recommendations of the report to achieve changes to the standing orders and a return to the previous arrangements for the adjournment debate.

The second issue covered by the report is third-party arbitration of public interest immunity claims. This was referred to the committee on the adoption of a recommendation made by the Legal and Constitutional Affairs References Committee in its 2014 report entitled *A claim of public interest immunity raised over documents*. That committee asked the Procedure Committee to examine the system in operation in the New South Wales Legislative Council and consider how it might be adapted for the purposes of the Senate. The committee has considered the New South Wales procedures but has concluded, for a number of reasons, that the procedures are not readily adapted to the Senate and that the Senate's current procedures, which involve a range of solutions, are preferable. The committee does not reject the possibility of third-party arbitration or assessment in the right circumstances, but considers that such a procedure should not be a remedy of first resort. The committee has consolidated some guidance for ministers in responding to orders for production of documents, and proposes to monitor responses to orders for the production of documents over the next 12 months, after which it will report to the Senate. I commend the report to the Senate and seek leave to continue my remarks.

Leave granted; debate adjourned.
Joint Standing Committee on Foreign Affairs, Defence and Trade

Report

Senator GALLACHER (South Australia) (17:18): On behalf of the Joint Standing Committee on Foreign Affairs, Defence and Trade I present the committee's second report for the 44th Parliament entitled Partnering for the greater good. I move:

That the Senate take note of the report.

The inquiry into the role of the private sector in promoting growth and reducing poverty in the Indo-Pacific region coincided with the launch of Australia's new development policy. This provided an opportunity for the committee to consider how to most effectively increase engagement with the private sector, promote gender equity, and refocus Australia's aid efforts to the Indo-Pacific region—our regional neighbours, some of whom have the greatest need globally.

The committee greatly appreciated the comprehensive and constructive nature of the evidence provided. We received over 150 submissions and heard from 84 diverse organisations and individuals at public hearings. The 37 recommendations and supporting commentary in this report will facilitate putting development policy into practice. The report provides an overview of the global aid landscape and examines best practice stakeholder engagement. It highlights the work being done by the private sector, the emergence of social responsibility and cross-collaboration in accelerating the pace of economic growth and reducing poverty, as well as the risks and benefits to the enterprises and the nations concerned. The report also explores the options for financing development to get the best return on investment for Australians and for developing countries within our region.

The private sector is moving ahead, often in partnerships with development agents, to address financing needs. There is growing interest in the social impact investing sector, and, while many countries are establishing development finance institutions, the Australian government has shown what can be done by partnering with Australia's world-class financial institutions. The Australian government should look for ways to continue to support these efforts rather than trying to compete in the already heavily occupied development bank space at this time.

Australia's expertise is very well regarded and in demand. This is an area where we can make a real contribution to promoting economic growth and private sector development across the region. The Australian government's capacity building and winning programs have supported developing country partners to establish effective public services and improve governance to minimise corruption. Australia's volunteer programs have also made a valuable contribution. However, it is time to reflect on these programs to ensure they are supporting businesses to grow. It is the local private sectors that will lift low-income communities, and the men and women within them, out of poverty and provide economic independence.

Supporting the private sector also means addressing infrastructure and social services. Multistakeholder partnerships, public private partnerships, and product development partnerships are demonstrating the benefits of coordinating and consolidating resources to achieve greater good.

But to build successful partnerships takes mutual understanding and respect. There is still some work to be done in this area. We strongly encourage the Department of Foreign Affairs
and Trade to take immediate steps to build its capacity to engage with the private sector in a
more meaningful way, both here in Australia and through its overseas representatives. On this
basis, the committee has recommended that the department foster expertise in building
partnerships, work to shift its culture toward a more positive approach to the private sector,
and find ways to increase the number of staff with experience working within the private
sector.

Complementing this, DFAT needs to invest in an improved communications strategy,
including web-based communication platforms that describe all of the programs and projects
in play, as well as the upcoming opportunities for collaboration and partnering. Potential
partners should be able to find a pathway with ease; likewise the public is entitled to know
where and how Australia's aid funding is being spent. Not only must our taxpayer-funded aid
be more transparent; it should be highly visible.

Much more also needs to be done by DFAT to tell the story about the Australian
government's aid activities. Australia's aid program needs to be more recognisable and our
distinctive Australian identity should be evident across everything we do.

Broader and deeper engagement of the private sector represents an important change to
development support in our region. Through innovation and partnerships utilising Australian
expertise in the public sector, the private sector and civil society, together we can build a
better region.

I commend the report to the Senate.

Senator SINGH (Tasmania) (17:24): I also rise to contribute to the tabling of the report,
Partnering for the greater good. Like Senator Gallacher, I also participated in this inquiry and
I would like to provide the Senate with my views on some of the recommendations and the
way forward. As Senator Gallacher has said, there were some 37 useful recommendations that
the committee provided in this report, after a lengthy inquiry process with a number of
submitters and a number of hearings, where we heard from various organisations—
businesses, government bodies and the like.

The report does find that for aid to be effectively encouraged though from the private
sector to assist economic growth and development, the Department of Foreign Affairs and
Trade should establish an effective private sector and philanthropic communication and
engagement unit. It is my hope that the government really consider that recommendation and
actually consider the department of foreign affairs establishing such a unit. The idea of that
unit is to provide a clear pathway for potential partners and for Australia's overseas diplomatic
missions to more effectively identify opportunities, support more small business and
encourage partnerships, all in the Indo-Pacific region but at that local level.

If you think about who some of those small business partnerships might be, I would
imagine that a lot of them would be run by women. I hope the government will look at that
recommendation about DFAT establishing this philanthropic communication and engagement
unit because there is a real opportunity here for Australia to play a more crucial role in
supporting the rights of women in the Indo-Pacific region. In fact, we provide an entire
chapter on that issue, in chapter 4, where we talk in a very detailed way about women being
empowered through a thriving private sector. There are a number of recommendations in that
area.
The report also recommends to the Australian government that it should directly invest in innovation technology across the region and participate in or support joint ventures between the private and public sectors, and wherever possible ensure technology transfer and local contractors are engaged.

Even though I do commend the recommendations in this report—and the Joint Foreign Affairs and Aid Subcommittee has provided decent recommendations here for the government to take-up—unfortunately, I have to highlight that this is all against the backdrop of an incredible cut to our foreign aid budget. I do not want to see this report regarded by government in any way, shape or form as an opportunity for them to relinquish their responsibilities as a government in the foreign affairs portfolio to provide foreign aid and aid and development.

Whilst, yes, the private sector do and can play an ongoing role in providing aid and development in the Indo-Pacific region, and we provide a number of recommendations about how that can occur, it should never do so in a sense to replace the role of government in its own aid and development program. That is the caveat that I put in support of this report, that this government actually lifts up its socks and starts doing what it should do as a strong, democratic country in the region to provide for the aid and development of the Indo-Pacific. Unfortunately, that is not occurring at the moment. We know the government has confiscated some $11 billion from Australia’s aid budget, the biggest cut this government has made on record thus far.

Compare that to the United Kingdom. The new high commissioner to the UK recently addressed this very committee.

We know that the UK passed a law in March enshrining its commitment to spend 0.7 per cent of its gross national income on aid every year, making it the first G7 country to meet the UN’s 45-year-old aid spending target. Despite the global financial crisis, the UK has continued to provide its aid and development funding in the world. At the same time as the Australian Prime Minister describes our aid cuts as ‘modest’. Australia is in a significantly better economic position than as the UK, yet we are cutting our aid budget by some $11 billion. This means that Australia has an income per person more than 50 per cent higher than that of the UK and has only 20 per cent of the level of government debt that the UK has, yet it provides only one-fifth of the level of aid. That says a lot about the Abbott government’s commitment to the Indo-Pacific region.

Whilst I commend the report to the report to the Senate, in relation to the role of the private sector in aid and development, I condemn this government for relinquishing its responsibilities in the aid and development budget to the Indo-Pacific region. I hope it lifts its game and starts to live up to a better reputation than it currently has.

I seek leave to continue my remarks.

Leave granted; debate adjourned.

BUDGET

Consideration by Estimates Committees

Senator O’SULLIVAN (Queensland—Nationals Whip in the Senate) (17:32): Pursuant to order and at the request of the chairs of the respective committees, I present reports from the Community Affairs Legislation Committee; the Economics Legislation Committee; the
Environment and Communications Legislation Committee; the Finance and Public Administration Legislation Committee; the Foreign Affairs, Defence and Trade Legislation Committee and the Rural and Regional Affairs and Transport Legislation Committees in respect of the 2015-16 budget estimates, together with the Hansard record of proceedings and documents presented to the committees.

Ordered that the reports be printed.

**Finance and Public Administration Legislation Committee**

**Report**

**Senator O’SULLIVAN** (Queensland—Nationals Whip in the Senate) (17:32): I move:

That the Senate adopts the recommendation in the report of the Finance and Public Administration Legislation Committee relating to cross-portfolio estimates hearings on Indigenous matters:

**Recommendation 1**

1.1 The committee recommends that when the Senate sets the dates for the 2016 Estimates hearings that the 'separate time' for the cross portfolio estimates hearing on Indigenous matters not be restricted to the Friday of each estimates week.

Question agreed to.

**COMMITTEES**

**Human Rights Committee**

**Report**

**Senator O’SULLIVAN** (Queensland—Nationals Whip in the Senate) (17:33): On behalf of the Chair of the Parliamentary Joint Committee on Human Rights, I present the 23rd report of the 44th Parliament: Human rights scrutiny report.

Ordered that the reports be printed.

**Senator O’SULLIVAN:** I move:

That the Senate take note of the report.

I seek leave to have the tabling statement incorporated into Hansard.

Leave granted.

*The document read as follows—*

**PARLIAMENTARY JOINT COMMITTEE ON HUMAN RIGHTS**

**SENATOR SMITH’S TABLING STATEMENT**

**Tuesday 23 June 2015**

I rise to speak to the tabling of the Parliamentary Joint Committee on Human Rights' Twenty-third Report of the 44th Parliament.

This report provides the Parliamentary Joint Committee on Human Rights' view on the compatibility with human rights of bills introduced into the Parliament from 11 May to 4 June 2015, legislative instruments received from 10 April to 14 May 2015, and legislation previously deferred by the committee. The report also includes the committee's consideration of responses arising from previous reports.

This report outlines the committee's examination of the compatibility of these bills and instruments with our human rights obligations. The committee seeks to engage in dialogue with relevant ministers,
both to help the committee better understand the intent of the legislation and to help relevant ministers and officials to identify and explore questions of human rights compatibility.

Of the 44 bills considered in this report, 42 are assessed as not raising human rights concerns, and two raise matters requiring further correspondence. The committee has deferred its consideration of three bills and a number of instruments, including those which had previously been deferred. The committee has concluded its examination of seven bills and three legislative instruments.

This report includes consideration of the response to the committee's initial inquiries in relation to the Fair Work Amendment (Bargaining Processes) Bill 2014. I note that in relation to this legislation, committee members expressed different views on its compatibility with human rights.

Assessments of the compatibility of legislation by the committee involve the application of its analytical framework to, first, identify if a measure engages a human right (that is, whether in the broadest sense the measure may interact with a right); second, identify if a measure limits any right that is engaged; and third, assess whether any limitation is legally justified (that is, pursues a legitimate objective, is rationally connected to that objective and is proportionate).

Since its inception, the committee's approach is to apply the above analytical framework in undertaking a routine and technical examination of legislation. However, it is important to recognise that there are areas in which committee members may legitimately come to different conclusions on the compatibility of legislation with Australia's human rights obligations.

The committee's consideration of the response to the aforementioned Fair Work Amendment (Bargaining Processes) Bill 2014 is one such example where legitimate differences of view are expressed by committee members on the question of the proportionality of the measures.

The ultimate purpose of the committee is to inform the debates of the Parliament on the merits of the legislation which we are asked to consider, and in that spirit I encourage my fellow Senators and others to examine the committee's report to better inform their consideration of proposed legislation.

With these comments I commend the committee's Twenty-third Report of the 44th Parliament to the Senate.

Question agreed to.

**Public Works Committee**

**Report**

**Senator O'SULLIVAN** (Queensland—Nationals Whip in the Senate) (17:33): (by leave)—On behalf of the Parliamentary Standing Committee on Public Works, I present report No. 5 of 2015, 17th construction squadron relocation infrastructure project. I move:

That the Senate take note of the report.

Question agreed to.

**Intelligence and Security Committee**

**Report**

**Senator O'SULLIVAN** (Queensland—Nationals Whip in the Senate) (17:34): On behalf of the Chair of Parliamentary Joint Committee on Intelligence and Security, I present the report of the Parliamentary Joint Committee on Intelligence and Security on the Review of the re-listing of Hizballah's External Security Organisation. I move:

That the Senate take note of the report.

Question agreed to.

I further seek leave to incorporate the tabling statement in Hansard.
Leave granted.

The document read as follows—

PARLIAMENTARY JOINT COMMITTEE ON INTELLIGENCE AND SECURITY

Review of the re-listing of Hizballah’s External Security Organisation

Senator David Fawcett

23 June 2015

[after reports presented and leave granted for statement]

Mr President, I am pleased to present the Committee’s report on its review of the re-listing of Hizballah’s External Security Organisation as a terrorist organisation under 102.1 of the Criminal Code.

Mr President, it is important to note at the outset that this listing proscribes Hizballah’s External Security Organisation, or ESO, and not Hizballah in its entirety.

Hizballah is a multifaceted organisation that includes political, social and military components. Hizballah maintains a social welfare network, including education and health services, as well as what is described as a highly capable and well-resourced militia. Hizballah entered the Lebanese Parliament in 1992 and the government in 1995.

The ESO is described as a discrete branch of Hizballah, ‘responsible for the planning, coordination and execution of terrorist attacks against Hizballah’s enemies outside of Lebanon’. In evidence, the Committee was informed that Hizballah’s structure can be identified to a level of detail that enables that very distinct part of the organisation ‘that is purely responsible for its terrorist activities’ to be identified.

Although ASIO has concluded that the ESO has been involved in at least three significant attacks against Israeli or Jewish interests outside Lebanon, the ESO has not publicly admitted responsibility for any terrorist attack. The statement of reasons notes the difficulty in gathering information about the group’s role and activities due to its secretive nature, but concludes ‘there is no indication that ESO’s role has changed in recent times’. The Committee notes that since the last re-listing, several alleged or probable ESO operatives have been arrested around the world.

Mr President, the Committee examined the basis for the listing of only the ESO and was assured that, for this and all previous listings, the Government had carefully considered the extent of the organisation that should be proscribed. This included the question of whether proscribing the ESO would achieve the Government’s intent. The Committee acknowledges the evidence it received to substantiate the approach that has been taken.

The Committee accepts that the Government’s current approach to proscription provides flexibility by allowing competing interests to be considered and unintended consequences that may hinder counterterrorism efforts to be avoided.

It should also be noted that any activity that is relevant to security may be subject to investigation by ASIO, regardless of whether an entity is proscribed or not.

Mr President, on the basis of the evidence presented to it, the Committee accepts that Hizballah’s ESO continues to engage in terrorist acts. The Committee therefore supports ongoing proscription of the ESO as a terrorist organisation under the Criminal Code and recommends that the regulation not be disallowed.

Mr President, I commend the report to the Senate.

Joint Committee of Public Accounts and Audit

Government Response to Report

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (17:34): I present the government’s response to the 446th report
of the Joint Committee of Public Accounts and Audit, the *Review of the operations of the Parliamentary Budget Office*. In accordance with the usual practice, I seek leave to incorporate the document in *Hansard*.

Leave granted.

*The document read as follows—*

**Australian Government response to the Joint Committee of Public Accounts and Audit Report No. 446**

**Review of the Operations of the Parliamentary Budget Office**

**JUNE 2015**

**Response to the recommendation(s)**

**Recommendation No. 1**

The committee recommends that the Government ensures that Commonwealth agencies meet the timelines in response to a request from the Parliamentary Budget Officer as specified in the Memorandum of Understanding.

**Noted**

The Government acknowledges the importance of timely responses by Commonwealth entities to Parliamentary Budget Office requests. At the same time, the Government notes it is important that the deadlines requested by the Parliamentary Budget Officer, where possible, take account of the complexity of the request. Each entity is responsible for managing its own timeframes for responding to requests from the Parliamentary Budget Officer.

The Memorandum of Understanding (MOU) provides that, subject to/depending on complexity, urgent requests are to be responded to within 5 days of receipt, and routine requests are to be responded to within 10 days of receipt (paragraph 5.2 (d)). The MOU also expressly provides for negotiation of alternative timeframes (including seeking an extension of time to complete the request) based on the complexity of the request, the level of involvement of other agencies, and competing workload pressures.

**Recommendation No. 2**

The committee recommends that the legal authority of the Parliamentary Budget Officer should be strengthened by specifying the information gathering powers of the Parliamentary Budget Officer in the *Parliamentary Service Act 1999*. The Government should bring forward amendments to the *Parliamentary Service Act 1999* to express the intention of Parliament that the Parliamentary Budget Officer is entitled to free and timely access to all relevant information held by Executive agencies required to perform his or her functions, except where it is unlawful to do so.

**Noted**

The Government supports the position that the Parliamentary Budget Officer is entitled to appropriate and timely access, noting that sufficient access to information from Commonwealth bodies is expressly provided for in the existing *Parliamentary Service Act 1999*.

**Recommendation No. 3**

The committee recommends that the Government release details of the individual components of the Contingency Reserve to the Parliamentary Budget Officer, subject to any non-disclosure requirements considered necessary.

**Not supported**
As noted in the Department of Finance's (Finance) submission to the Joint Committee of Public Accounts and Audit (the Committee), disclosing individual line items in the Contingency Reserve (CR) would be contrary to the public interest.

Finance publishes the aggregate estimates for the CR, together with a broad description of the CR, in the *Expenses and Net Capital Investment Statement*, which in the 2015-16 Budget is Statement 5 of Budget Paper 1 and Attachment D of the Mid-Year Economic and Fiscal Outlook, and where appropriate, in the Pre-Election Economic and Fiscal Outlook.

Individual measures in Budget Paper 2 may include a statement that a provision has been included in the CR where the financial implications cannot be published due to commercial sensitivity, national security or where the disclosure would disadvantage the Commonwealth (such as in the negotiation of National Partnership Agreements).

Given the sensitivity of some information and the potential harm to the Commonwealth's interests, as well as to national security, Finance relies on exemptions that are available under the *Freedom of Information Act 1982* to exempt such information from release or disclosure.

**Recommendation No. 4**

The committee recommends that where a Commonwealth agency outsources the preparation of the budget estimates and costing of policy proposals to a third party, the terms of the contract should enable the agency or the third party to provide all the relevant data, including the underlying calculations, models and methodology, to the Parliamentary Budget officer under the MoU without charge.

**Support in part**

The Government notes that the *Australian Government Protocols Governing the Engagement between Commonwealth Bodies and the Parliamentary Budget Officer* expressly state that in determining whether information will be released to the PBO, Commonwealth bodies respect and recognise pre-existing intellectual property of any information they hold and/or use that has originally been produced by third parties.

The MOU also provides for free access to relevant and accurate information from Commonwealth bodies, but that specific arrangements may need to be negotiated between the parties to obtain information held under license (paragraph 5.4).

The Government also notes that situations may arise where an entity has to pay additional fees or charges to access data it does not already retain and/or is not already in its possession. In these circumstances, the Government considers it reasonable for entities to pass these additional costs on to the PBO.

Where the preparation of budget estimates and/or costing of policy proposals are outsourced by a Commonwealth agency, the Government expects that these arrangements should be contracted to provide for independent scrutiny by Finance, and notes that these arrangements could extend to the PBO as well.

The Government is therefore supportive of entities considering the inclusion of clauses that enable sharing of data with the PBO, subject to pre-existing intellectual property rights, and as contracts come up for renegotiation.

**Recommendation No. 5**

The committee recommends that the Government review Commonwealth statutes and remove legislative barriers to the release of information to the Parliamentary Budget Officer, including those identified in this report.

**Noted**

The Government is committed to protecting individual privacy and the confidentiality of data provided to the PBO, noting there are a range of provisions contained in Commonwealth legislation that
specifically deal with the protection, handling and transfer of sensitive information, particularly personal information.

The Government further notes that, as indicated in the PBO's submission to the Committee, to date legislative barriers have had very little impact on the PBO's ability to respond to requests of parliamentarians. The nature of the PBO's requests for information have focused on summary data and agencies' models.

Recommendation No. 6

The committee recommends that where it is appropriate to retain an administrative discretion, the Government should consider making special provision for the release of data to the Parliamentary Budget Officer and, if necessary, any additional protection for the Commonwealth decision maker.

Support

The Government notes the PBO's claim in its submission to the Committee that there have been some instances where legislative provisions have either prevented or delayed the PBO's access to detailed information and models, including where the provision of information to the PBO requires the exercise of a discretionary power by the Agency Head.

In circumstances where sound reasons exist for non-release of information, (for example, commercial, or cabinet in-confidence or intellectual property rights) the Government supports Agency Heads exercising their discretion in deciding the most appropriate approach for their entity.

Should significant barriers emerge, the Government would consider additional protection for Commonwealth decision makers, in prescribed circumstances.

Recommendation No. 7

The committee recommends that the Parliamentary Budget Officer should prepare and publish medium term projections on an annual basis. The Government should bring forward the necessary amendment to section 64E of the Parliamentary Service Act 1999 to include the annual preparation of medium term projections as a core function of the Parliamentary Budget Officer.

The Parliamentary Budget Officer should be consulted, and if required, the Government should provide additional resources to enable the Parliamentary Budget Officer to carry out the new function.

Support in part

The Government supports the PBO periodically reporting and publishing medium term projections of programme expenditure on an ad hoc basis, which can be done under existing legislation.

Section 64E(1)(c) of the Parliamentary Service Act 1999 provides for the preparation of responses to requests relating to the budget, which could broadly include the PBO undertaking medium term projections of programme expenditure. Section 64E(2)(a) expressly states that the PBO's functions do not include preparing economic forecasts or budget estimates.

The Government notes that the difference between medium term projections of programme expenditure and the preparation of economic forecasts and budget estimates is that medium term projections represent extensions beyond the forward estimates (based on assumptions made by the PBO) of published government policies and spending provided by other government entities.

The Government also notes that the PBO has previously undertaken this activity, which was published on 22 August 2014, titled 'Projections of Government spending over the medium term' within its existing resources. Should the PBO consider there is a case for additional resources, it should seek to bring forward a New Policy Proposal, consistent with the process applied to all Commonwealth entities when requesting additional funds.

Further, the Government notes that the Treasury already publishes medium-term projections of key fiscal aggregates (including underlying cash balance, and gross and net debt) each year in the Budget and Mid-Year Economic and Fiscal Outlook. Presentation of these medium-term projections as part of a
document where the primary focus remains on the four-year forward estimates period has benefits. Such an approach sensibly balances the need to illustrate the broad medium-term trends in spending and revenue implicit in current policy settings, on the one hand, against the unavoidable decrease in precision involved in fiscal estimates as the projection horizon increases.

Recommendation No. 8

The committee recommends that the Government bring forward amendments to the Parliamentary Service Act 1999, to extend the analysis in the post-election report beyond the period of 4 years (current financial year and 3 year forward estimates) to include, where possible, 10 year medium term projections of the budget impact of the election commitments of the designated parliamentary parties.

The committee recommends that the Government consult the Parliamentary Budget Officer about the timing and detail of the information required on which to base the analysis.

Noted

Consistent with the Charter of Budget Honesty Act 1998 the Government employs a medium term estimates framework, and costings are done on the basis of the budget year and the following three financial years.

Senator MILNE (Tasmania) (17:34): I move:

That the Senate take note of the document.

I rise to note the government's response to this report of the Joint Committee of Public Accounts and Audit on the review of the operations of the Parliamentary Budget Office. I have to say that I am very disappointed with the government's response. The Parliamentary Budget Office has been an outstanding new institution to the federal parliament. Until we had the Parliamentary Budget Office the government of the day would prepare its own costings for its election and could make comment on opposition costings, and we had no capacity to present carefully costed policy material that was all based on the same assumptions and modelling information, so that there could be a genuine debate about the policy propositions being put forward.

The Greens are very proud of the fact that we now have a Parliamentary Budget Office. This is something that we negotiated as part of the agreement between the Greens and the Gillard government—that we would pursue a parliamentary budget office. It has been pursued, it has been a great success and it stands as one of the institutions that has improved the operation of the federal parliament for the benefit of the community, particularly when it comes to election time and when it comes to looking at and talking about what the projections are over the forward estimates and beyond.

I want to say, though, that I am very disappointed with the government's response. The committee recommended there be several legislative changes to entrench, first of all, the legal authority of the Parliamentary Budget Office. It should be strengthened, and the committee gave a specific recommendation about an amendment to the Parliamentary Service Act to express the intention of parliament that the Parliamentary Budget Officer be entitled to free and timely access to all relevant information held by executive agencies required to perform his or her functions, except where it is unlawful to do so. All the government has done is note that. It has not accepted the recommendation that the legislation should be strengthened.

In exactly the same way, the committee recommended that the government release details of the individual components of the contingency reserve to the Parliamentary Budget Officer,
subject to any non-disclosure requirement considered necessary, and—what a surprise!—the government do not support that. This prevents the Parliamentary Budget Office doing what it needs to do, which is to have a look at the details of the contingency reserve. Why have the government said it is not supported? They say that they do not believe it can be published due to commercial sensitivity and national security and that the disclosure would disadvantage the Commonwealth. Once again, the sensitivity of the information means we cannot get a handle, as opposition parties, on the details of the contingency reserve. What we are now seeing increasingly from this government is 'national security', two words that are used constantly to deny the community access to the information the community needs to make good judgements about government policy.

Again, the committee recommended that, where the Commonwealth outsources the preparation of the budget estimates and costings of policy proposals to a third party, the terms of the contract should enable the agency or the third party to provide all the relevant data, including the underlying calculations, models and methodology, to the Parliamentary Budget Office under the memorandum of understanding without charge. The government has only agreed to that in part. Once again, it is going to be those costs within a very restricted budget of the Parliamentary Budget Office that will prevent it from being able to access the information that government agencies have already paid to get from an external source.

We will go on looking at the recommendations. The committee recommended very strongly that the government review the Commonwealth statutes and remove legislative barriers to the release of information to the Parliamentary Budget Office, including those listed in this report. All that has been done is to note that. There is no move to carry out that legislative change. The same thing goes when it comes to the recommendation that the Parliamentary Budget Office should prepare and publish medium-term projections on an annual basis. Once again, it is only supported in part.

The point that I want to make is that the government is still disadvantaging the community by continuing to restrict what the Parliamentary Budget Office can get hold of and then provide in its assessment of those medium-term forecasts. Given the way that we have seen the government present the figures to date, this is a really important issue if we are going to get a handle on what the government is actually doing, recalling that last year there was a budget emergency and this year the budget emergency just evaporated. The whole assumption around that remain what the government chooses to present, and the analysis from the Parliamentary Budget Office is constrained by virtue of not having access to the information that it wants to have.

The last recommendation of the committee was that the government bring forward amendments to the Parliamentary Service Act to extend the analysis in the post-election report beyond the period of four years to include, where possible, 10-year medium-term projections of the budget impact of the election commitments of the designated parliamentary parties. This is really important because when a party goes to the election and says, 'Over the forward estimates we'll spend X, but we are going to introduce some new policy with regard to funding education, funding health, funding something else,' but they only provide the costs over the forward estimates and not what it is going to cost over the period of 10 years that they are saying, as a community we need to know that cost, otherwise it is a joke. We had this with the Gonski public funding of education. People thought there had been an undertaking
from the previous government to pay for public education. But it was only over the forward estimates. The rest was pushed out to years 5 and 6, which do not exist in terms of providing money or real expectations.

The Parliamentary Budget Office should be able to scrutinise what is being promised in real terms over the forward estimates and what is on the never-never, out to the 10-year mark. What has the government's response to that been? It has just been: consistent with the Charter of Budget Honesty, the government employs a medium-term estimate framework, and costings are done on the basis of the budget year and the following three financial years. In other words, take a running jump, Parliamentary Budget Office; the government has no intention of carrying out that recommendation. That is a really short-sighted thing for the government to do. It is also ironic that the government should be saying 'consistent with the Charter of Budget Honesty'; when it was the Abbott government, when in opposition, that completely ignored the Charter of Budget Honesty and did not provide a costed election platform when they went into the 2013 election, contrary to the Charter of Budget Honesty. The government sold that out.

The Greens went into the election with a fully costed platform. It was costed by the Parliamentary Budget Office, and it is something we are very proud of. It was the Liberal Party and the National Party, who pretend to be some sort of management of the economy, who went into the election without a fully costed platform. That stands as a matter of fact. When we go into the election next year, the Greens will be out there again with absolutely carefully costed policies from the Parliamentary Budget Office. Once again, it will be the government, through their failure to take up the recommendations of the committee to strengthen the legislative basis for the Parliamentary Budget Office to get timely access to information, that will be denying the community the information they need, through the PBO, to do what the community needs.

To conclude, I congratulate the Parliamentary Budget Office for the work that it does. It has been highly professional, and its work has been an important contribution to the parliament and to our democracy. It is something that I, as the former leader of the Greens, am very proud to have been able to implement whilst in the leadership, because it stands as a permanent contribution to the body politic and to democracy in Australia.

Senator IAN MACDONALD (Queensland) (17:46): I want to speak to that same report. I will not take long. I want to simply highlight to those who might be listening that the speech they heard from the former leader of the Greens in this place was typical of her approach to matters in this chamber through all the time of her leadership—and that was that, if the Liberals did it, it is bad, and, if Labor or the Greens did it, it is good. Senator Milne did not highlight the fact that the Charter of Budget Honesty was an initiative of the Liberal government when Mr Costello was Treasurer. All of the accountability provisions that apply in this parliament are initiatives of Liberal-National Party governments over many years.

Senator Milne talks about costing of Greens election policies. With no disrespect to the Parliamentary Budget Office, which can only work on the material given to it by the Greens, anyone who saw that document would have had a good smile at it but would not have been encouraged to take on the Greens policies by anything the Parliamentary Budget Office might have done.
I remember several years ago one of their policies related to easier provision for some drugs around the place. This was before Senator Milne's time when Senator Bob Brown was the leader of the Greens. That was the first time anyone had had a good look at Greens policies. They were exposed, I think, by a Melbourne newspaper, which showed what the Greens election policies were all about. The coalition has always been open and frank with election policies—(Time expired)

PETITIONS

Western Australia: Health

Senator LINES (Western Australia) (17:48): by leave—I present to the Senate a non-conforming petition calling on the establishment of a mammography unit within the Kimberley district of Western Australia.

Petition received.

COMMITTEES

Joint Committee of Public Accounts and Audit

Report

Senator IAN MACDONALD (Queensland) (17:49): I seek leave to return to item 12 that the Senate has just agreed to.

The ACTING DEPUTY PRESIDENT (Senator Dastyari): Leave is granted for two minutes.

Senator IAN MACDONALD: I sought some agreement prior to this for five minutes, which is considerably less than I would have had had I been here in time. I am not going to bother if the Labor Party are going to restrict me to just two minutes. I cannot say what I want to say in two minutes. I am just disappointed that the commitment given by Senator Moore earlier has been so flippantly reneged upon.

Senator Moore: Mr Acting Deputy President, I rise on a point of order. I did say that I would give Senator Macdonald leave to speak. I did not quantify that it would be for five minutes.

Abbott Government's Budget Cuts Select Committee

Constitutional Recognition of ATSIP

Membership

The ACTING DEPUTY PRESIDENT (17:50): The President has received letters from party leaders requesting changes in the membership of various committees.

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (17:50): by leave, I move:

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

Abbott Government's Budget Cuts—Select Committee—
Appointed—Participating member: Senator Di Natale

Constitutional Recognition of Aboriginal and Torres Strait Islander Peoples—Joint Select Committee—
Discharged—Senator McGrath
Appointed—Senator Ruston.
Question agreed to.

BILLS

Social Services Legislation Amendment (Defined Benefit Income Streams) Bill 2015

First Reading

Bill received from the House of Representatives.

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (17:51): I move:
That this bill may proceed without formalities and be now read a first time.
Question agreed to.
Bill read a first time.

Senator SCULLION: by leave—I move:
That the provisions of paragraphs (5) to (8) of standing order 111 not apply to this bill.
I table a statement of reasons justifying the need for this bill to be considered during this sittings and seek leave to have the statement incorporated in Hansard.

Leave granted.

The statement read as follows—

STATEMENT OF REASONS FOR INTRODUCTION AND PASSAGE IN THE 2015 WINTER SITTINGS
SOCIAL SERVICES LEGISLATION AMENDMENT (DEFINED BENEFIT INCOME STREAMS) BILL

Purpose of the Bill

This Bill will introduce a further 2015 Budget measure improving the fairness and sustainability of the pension system.

From 1 January 2016, the Bill will ensure that a fairer proportion of a superannuants actual defined benefit income is taken into account when applying the social security income test by introducing a 10 per cent cap on the income that can be excluded from the test. The measure will not apply to military superannuation schemes.

Reasons for Urgency

The measure is intended to be implemented from 1 January 2016. To allow this, significant work needs to be completed on communication products so that customers can be given sufficient notice about future arrangements for their payments. Passage in Winter would permit this work to be completed in time.

Question agreed to.

Second Reading

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (17:52): 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—

SOCIAL SERVICES LEGISLATION AMENDMENT (DEFINED BENEFIT INCOME STREAMS) BILL 2015

This Bill will introduce a further 2015 Budget measure improving the fairness and sustainability of the pension system.

For improved fairness and equity, the Bill will make sure a fairer proportion of a superannuant’s actual defined benefit income is taken into account when the social security income test is applied. From 1 January 2016, this measure will introduce a 10 per cent cap on the defined benefit income that can be excluded from the social security income test.

A defined benefit income stream is a pension paid from a public sector or other corporate defined benefit superannuation fund, where the pension paid generally reflects years of service and the final salary of the beneficiary. Current arrangements allow some defined benefit superannuants to have a large proportion of their superannuation income excluded from the pension income test.

People receiving Veterans’ Affairs pensions will not be affected by this change, and defined benefit income streams paid by military superannuation schemes will be excluded.

Debate adjourned.

Excise Tariff Amendment (Ethanol and Biodiesel) Bill 2015

Returned from the House of Representatives

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

Tax Laws Amendment (Small Business Measures No. 1) Bill 2015

Tax Laws Amendment (Small Business Measures No. 2) Bill 2015

Assent

Message from the Governor-General reported informing the Senate of assent to the bills.

NOTICES

Postponement

Senator WRIGHT (South Australia) (17:54): I move:

That business of the Senate notice of motion No. 2 standing in the name of Senator Wright for today, relating to the disallowance of the Federal Courts Legislation Amendment (Fee Regulation) 2015, be postponed till the next day of sitting.

Question agreed to.
BILLS

Appropriation (Parliamentary Departments) Bill (No. 1) 2015-2016
Appropriation Bill (No. 1) 2015-2016
Appropriation Bill (No. 2) 2015-2016
Appropriation Bill (No. 5) 2014-2015
Appropriation Bill (No. 6) 2014-2015

Second Reading

Debate resumed on the motion:
That these bills be now read a second time.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (17:55): Prior to question time, I commenced my contribution in this debate on the appropriation bills. I was discussing the context in which any set of appropriation bills is presented to this chamber—that is, the government's management of the budget and the management of the Australian economy. I was running through the figures in terms of the broader economic data which demonstrate the circumstances that the government have presided over since they came to government but most particularly since their confidence-killing budget of last year.

Senator O'Sullivan: What about this year?

Senator WONG: I will take the interjection from Senator O'Sullivan. I am happy to come to this year. Of course, they turned from fiscal conservatives into fiscal profligates, with higher deficits and higher debt than at any time under the Labor government, which they so roundly criticised.

Senator Ian Macdonald: You have to be kidding; how can you say it with a straight face?

Senator WONG: Well, it is true. I know those opposite get very grumpy with the truth, but all you have to do is look at these tables at the back of the budget papers—they are called the historical tables—and you can see all of the net debt figures, the historical figures around the underlying cash balance, expenditure, payments, tax, non-tax receipts. They make for very interesting reading and they show how poorly this government is managing our fiscal policy.

One of the most important tasks of an elected government is to set appropriate fiscal policy, to manage the Commonwealth budget responsibly, to consider the impact of fiscal policy on economic growth, to make the investments and reforms needed for a prosperous and fair society into the future, and to make the decisions needed to ensure long-term budget sustainability—and that is the approach the former government took. We did use fiscal policy to keep Australia growing through the global financial crisis. We invested in infrastructure and we did so while ensuring that finances remained sustainable. We made responsible budget savings worth more than $180 billion over the six budgets after 2008-09. And we left Australia with one of the lowest levels of public debt of any advanced economy.

What has been the approach of those opposite? They have broken every promise they made before the election. They have created uncertainty and anxiety in the community. They have sought to ram through unfair policies like the new GP tax, cuts to pension indexation, cuts to family benefits and cuts to superannuation entitlements. Their approach to the budget has damaged consumer confidence and business confidence. Who can forget Joe Hockey?
Senator Ian Macdonald: Business confidence has never been better.

Senator Wong: Well, that is simply untrue. Senator Macdonald says that business confidence has never been better. That is just not true. In fact, business confidence, by the NAB survey, has fallen 75 per cent since the government took office. That is the problem with Senator Macdonald. He does not actually look at the facts; he just sits there spouting the rhetoric—

Senator O'Sullivan: Let's go to the polls.

Senator Wong: Here is another one—Senator O'Sullivan. He does not want to look at the facts; he spouts the rhetoric. They claimed that they would reduce debt and deficit; they have grown the debt. So I again remind them: since their first budget was handed down in May 2014 we have seen a slowing of economic growth. As Senator Bullock rightly pointed out in question time today, the annual growth rate to the year ending March 2014 was three per cent, around trend. In the year to March 2015 it was 2.3 per cent—substantially below trend. There has been a denting of confidence, as I have reminded those opposite. They do not want to hear it. The NAB business survey shows that business confidence has fallen by 75 per cent since the government took office and consumer sentiment has fallen by 13.8 per cent. Wages growth has slumped. In the year to March 2015 wages grew by 2.3 per cent—the lowest annual rate of wage growth in two decades. Senator Cormann today interjected in question time, 'It is all fine because CPI is low'. I said to him, 'Why don't you go to the voters of Hasluck and say to them, "It's okay that you are getting wages growth at the lowest rate in 20 years, because CPI is really low; inflation is really low."' See how that works. We know this government does not make wages growth a priority; does not make increasing inequality, increasing the sharing of economic prosperity in this country, a priority. And of course the unemployment rate is up. The unemployment rate has been at six per cent or higher since their first budget in 2014. Under the Labor government the unemployment rate never had a six in front of it—not even at the height of the global financial crisis.

So slower growth, sluggish wages, rising unemployment—what this means is that Australians' incomes have fallen under this government. The latest national accounts show that the average Australian's disposable income fell by 1.5 per cent in real terms in the year to March 2015. That is worth considering—the average Australian's disposable income fell by 1½ per cent in real terms in the year to March 2015. That is what this government is presiding over. Just this week we have seen a report from PricewaterhouseCoopers which shows a growing economic problem—one that governments of both persuasions need to tackle; the difference is those on that side do not appear to—and that is the increasing disparity in economic activity around Australia. One-third of regional locations are in recession.

The government's second budget is as socially unfair and economically short-sighted as its first budget. It still includes $80 billion in cuts to local schools and hospitals funding. In question time today Senator Brandis kept talking about CPI and population growth as good bases for indexation. I am sure there are those opposite who understand the mathematics of this enough, which is that if your costs grow at a rate higher than indexation, you erode funding over time. That is what the government is ignoring. Nobody on either side of politics asserts that health costs only grow by the consumer price index. No-one who can be taken seriously would assert that. The government's approach of changing indexation for health and
education funding is a cut—it cuts funding over time because we know that the costs of these activities historically have continued to rise at rates higher than CPI. You do not have to take it from me—Liberal Party ministers and governments are complaining about this. As was discussed today, the New South Wales government's own evidence is that we will see longer waiting times for elective surgery and greater pressure on public hospitals as a result of the cuts to hospitals.

What else does the budget still include, apart from the $80 billion cut to schools and hospitals? There are $100,000 university degrees, a new tax on visiting the doctor and $2 billion more in cuts to health care, with children's health care, dementia assistance and Medicare benefits hit the hardest. This second budget hits families again, just as the government's first budget did. An analysis by NATSEM shows that the government's budget policies will inflict more than $6,000 in cuts to the typical family.

Labor has outlined its approach. We will invest in the education of our young people and the skills of our workforce. We want more young Australians to learn the language of the digital age, coding, from the beginning of formal learning in primary and secondary school. I was at a breakfast this morning with the Business Council of Australia where there was discussion about the demand for these skills, certainly in the United States, and why these skills are so important to employment prospects for the next generation of Australians. To cater for this we have to boost the skills of our primary and secondary teachers; we also have to encourage more recent graduates in science, technology, engineering and mathematics to become teachers and we have to introduce new measures to encourage more young people, particularly women, to study the science, technology, engineering and mathematics disciplines. These are all matters that Mr Shorten has spoken at length about. Labor has also made clear the priority of investment in science research and innovation and supporting new ideas and start-ups to drive the economy. Our commitment is to ensure that three per cent of Australia's GDP is invested in science research and development by the end of the next decade. This is all about a smart, modern and fair Australia.

In conclusion, I return to the need for a sustainable budget. We understand the need for a sustainable budget, and we demonstrated that when we were in government, as I said, by making targeted savings totalling over $180 billion over the six budgets from 2008-09. We have supported in excess of $20 billion of proposed savings announced by the government, and we have proposed a range of alternatives—alternatives which are responsible and fair. These include reducing superannuation tax breaks for high-income earners, saving over $14 billion in 10 years. I note today that Mr Tony Shepherd, the Prime Minister's hand-picked head of the Commission of Audit, has said what the Prime Minister cannot say, has said what the government cannot agree with, and that is that superannuation concessions need to be revisited. They do. They are overwhelmingly tilted to high-income earners, and in the interests of long-term sustainability of the budget position, as well as the encouragement of a sensible policy for all retirement incomes, you cannot take them off the table in the way the government has.

Another measure the opposition has announced is multinational tax reform to ensure multinational companies pay their fair share of tax, saving some $7.2 billion over 10 years, and we indicated clearly that we did not support the Prime Minister's Paid Parental Leave scheme or his Direct Action scheme, which cost, respectively, $5.5 million and $2.6 billion a
year. These are savings which are socially fair, unlike the Abbott government's cuts which fall hardest on low- and middle-income earners. Alternative savings are also economically and fiscally responsible—contributing to fiscal consolidation while supporting economic growth—and they address reform priorities: the need for a more sustainable retirement income system and also the impact of multinational tax shifting on budget revenues, which is an ongoing challenge for all advanced economies.

In conclusion, I want to turn to the issue of spending. Those opposite like to mouth a lot of rhetoric about Labor's spending, but in opposition they made a range of assertions which were simply not true. I think it was Barnaby Joyce who said that we were heading for Greek-like levels of debt; I recall Senator Abetz in question time suggesting that the country was bankrupt. In fact these are economically irresponsible statements; they are not only untrue and not only partisan, but they are economically irresponsible for senior members of a party of government to make. Senator Cormann also spent a lot of time, both in opposition and in the lead up to the 2014 budget, beating his chest about how fiscally conservative he was. It must be very embarrassing for him now to be the finance minister presiding over the budget. He spends a lot of time telling me how bad I was; I would like to point out some figures to him and hopefully he will reflect upon them.

During my time as finance minister, government spending averaged 24.6 per cent of GDP. Since Senator Cormann was sworn into the position of finance minister, government spending has run at an average of 25.8 per cent of GDP—that is a full percentage point of GDP higher than during my period as finance minister. But it is also higher than it was during the tenures of finance ministers Tanner, Minchin, Fahey, Beazley, Willis, Walsh, Guilfoyle, Robinson and Lynch. So in a government that has notched up so many dubious distinctions, here is another: congratulations to Senator Cormann, you hold the record as Australia's biggest-spending finance minister.

Senator LEYONHJELM (New South Wales) (18:09): I rise to speak to the various Appropriation Bills before the Senate. I know the major parties support their passage, but I have grave concerns about these annual Appropriation Bills that I want to put on the record. As we have just heard from Senator Wong, Commonwealth spending is at record levels. Figures for last financial year indicate that real Commonwealth government spending per person is at its highest level on record. Real government spending per person across the federation is also at its highest level on record. There is no hiding the rise of government spending, even when you compare government spending with GDP. Commonwealth government spending is 25.9 per cent of GDP—that, by my calculations, is actually higher than Senator Wong thinks at 25.8. Since 1970, this ratio of Commonwealth government spending to GDP was higher for just four years under Bob Hawke, for two years under Keating and for one year under Rudd. In all other years since 1970, Commonwealth government spending relative to GDP was lower than it is today.

There is no justification for the ever-expanding Commonwealth government spend. As I have said before, living standards for all groups of society have risen inexorably over the past decades. This means the need for government welfare services has declined, and we have not uncovered new forms of effective government intervention, either. To the contrary, the prosperity-promoting effects of free markets and the many failings of government involvement have been demonstrated time and again.
The annual Appropriation Bills authorise Commonwealth government spending. They provide line-by-line authorisation for spending on specific items. They also set limits for some general categories of spending. The Senate is empowered by the Constitution to reject any appropriation bill. This reminds us that Senate scrutiny into appropriation bills does not represent sticking our noses into other people's business. Indeed, the Senate has a responsibility to scrutinise. The Senate is also empowered by the Constitution to amend any provision in the Appropriation Bills that does not relate to the 'ordinary annual services of Government'. That means the Senate can amend any provision relating to loans, capital equipment, assets and depreciation, any provision relating to grants to the states and territories and any provision relating to new policies.

So the Senate has a particular responsibility to scrutinise capital spending, grants to the states and spending on new policies. This leads me to the first of my grave concerns. The government is asserting that the Senate cannot amend provisions relating to new policies. The government is doing this by placing provisions relating to various new policies in those Appropriation Bills that should exclusively house provisions relating to the 'ordinary annual services of Government'. These are the odd-numbered Appropriation Bills, like the no. (1) and no. (5) bills before us today. For example, the no. (1) bill includes provisions for Australia's contributions to the Asia Pacific Project Preparation Facility and to the World Bank's Global Infrastructure Facility. These are new policies, but because they fall under an existing, broad departmental outcome, the government is asserting that they represent the 'ordinary annual services of Government' and are immune from Senate amendment. I reject this assertion and reserve the right to amend provisions relating to new programs and projects, even if the government places these provisions in odd-numbered appropriation bills.

Another grave concern relates to the even-numbered Appropriation Bills. These are the bills that should contain all the provisions that the Senate is empowered to amend, including grants to the states under section 96 of the Constitution. Section 96 of the Constitution provides:

… the Parliament may grant financial assistance to any State on such terms and conditions as the Parliament thinks fit.

This is a very strong power provided to the parliament, but Appropriation Bill (No. 2) before us today contains a clause, clause 16, that delegates this power to the relevant minister. In particular, it provides the minister with the power to determine the amounts and timings of payments to the state, territory and local governments. It also provides the minister with the power to determine the conditions under which those payments are made. The government asserts that these payments to the states and territories can be made without a written determination from the minister; and the government asserts that, if there is a written determination, the determination may not be made public and it will not be disallowable by the parliament. It is bad enough that the Commonwealth uses section 96 of the Constitution to undermine the Federation; it is unforgivable that this could occur at the whim of a minister, without parliamentary scrutiny. This is a centralisation of power that would put the Soviet Union to shame.

My final grave concern relates to the massive blank cheques provided in the appropriation bills. Take, for example, the issue of national partnership payments. These are payments of tied grants to the states and territories that are authorised under the Federal Financial
Relations Act 2009 so they do not need to be individually specified in annual appropriation bills. However, the annual appropriation bills need to set a limit on the total amount of national partnership payments in a year. The budget papers outline government plans for $10.6 billion of national partnership payments next financial year, but Appropriation Bill (No. 2) sets a limit of $25 billion on national partnership payments next year. This represents a $14.4 billion blank cheque. It will allow the government to make national partnership payments that it has not outlined in any document.

Such a blank cheque is completely unnecessary. For instance, if the government increased its planned national partnership payments in later months, it would be able to outline these increased payments in updates to the portfolio budget statements and to seek authority for a higher spending limit in follow-up appropriation bills, which are routine. That the government seeks authority for national partnership payments without even outlining them in budget documents is the height of authoritarian swagger.

I have a simple amendment to Appropriation Bill (No. 2) to reduce the authority for national partnership payments next year from $25 billion to $11 billion. This is still well above the planned level of national partnership payments. This is the most modest of amendments. It is an amendment to a bill that the Senate is clearly empowered to amend and it is an amendment that defends the limited rights of the parliament. So, if any senator opposes this amendment, I would appreciate an explanation in the committee stage as to why.

I have outlined three grave concerns with the appropriation bills before the Senate, but these are not the paranoid concerns of a solo libertarian. The first two concerns arose from the Senate Scrutiny of Bills Committee, a cross-party committee of which I am not a member. The third concern arose from the Parliamentary Library's briefings on the budget. Most senators do not take the time to personally scrutinise these bills. Surely that means it is our responsibility to listen to those people who do take the time—that is, the senators on the Scrutiny of Bills Committee and the parliamentary officers who prepare their committee reports and undertake research at the Parliamentary Library.

These five appropriation bills before the Senate have more than $97 billion of specific spending proposals in their schedules and spending limits applying to general spending areas in excess of $30 billion. Even if you do not share my concerns about the magnitude of government spending, there is a case for applying more scrutiny to these bills than to other bills that pass through this place. Unfortunately, there is far less scrutiny of these bills.

I believe it is a dereliction of duty to let government spending drift; but, through a failure to scrutinise these appropriation bills, that is exactly what this parliament is doing.

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (18:19): As most people in this chamber know, one of my previous occupations was as an early childhood educator. As such, I am familiar with the excitement that a child feels when they learn a new word. Listening to the Treasurer on budget night, I could not help but come to the conclusion that he was just like a small boy who had learnt a new word—that word was ‘fairness’—and he was trying to use it at every opportunity. And it was clear to the Australian people that, like a small boy, he did not really understand the meaning of it, because this Treasurer still needs to learn that just saying something is fair does not make it so.
This appropriation bills debate that we are having today, despite the convention not to block supply, is perhaps the most important of the parliamentary year. It is important because it allows us to outline the values that we feel should be used to allocate funding and it allows us to spotlight the values that the government has used in this budget and raise objections to decisions that the government has made—and the values of this government are very, very wrong. They are not aligned with the values of the Australian people. Australia is a nation of intelligent, caring, egalitarian people. We battle for the underdog. We help out a mate. We believe in the fair go. The Australian people know that, despite the budget's mask of fairness, it contains cruel cuts and is built on last year's budget attack on the least well off in our community. There are cruel cuts to health, cruel cuts to education, cruel cuts to pensions and further unnecessary cuts to the ABC, SBS and the arts. The Abbott government is killing the fair go.

Inequality in Australia is now at a 75-year high. It did not rise during the period 2007-2013. However, we are now in a situation where, compared to a generation ago, the top one per cent share of income has doubled and the top 0.01 per cent share has tripled. Earnings have gone up three times as fast for the top as they have for the bottom, and the wealthiest three Australians now earn more than the poorest one million Australians.

This budget does nothing about reducing inequality, and in fact it increases it. NATSEM modelling found that the poorest 20 per cent of households would lose up to seven per cent of their total annual disposable income by 2018-19, and that is when you take all the budget measures into account. This is a huge hit to 2.5 million of Australia's least well-off families. The modelling also shows that some higher-income families will be better off. The analysis shows that a sole parent with an income of $55,000, with two kids, one in primary school and one in high school, will be more than $20,000 worse off in total by 2018-19. This is absolutely shameful. It is a shameful attack on single parents and it is completely unwarranted.

As members of this place know, a great way to reduce inequality is through education, and Australians value education. Australian parents know that education is the means through which their children will build a better life. Parents understand that a quality education is vital for getting a job. They work hard to ensure their kids have the resources they need to get the best education they can. And, of course, in last year's budget we saw $30 billion cut from schools over 10 years.

I was absolutely shocked by reports over the weekend that part of the green paper on Federation reform would see funding adjusted for student need and the ability of families to make a contribution. In other words, this government is now putting forward an idea to charge parents for sending their children to primary school. This is from a government that had the great idea to provide $75,000, non-means-tested, to millionaire mums. There is no good reason to charge parents to send their children to public schools. Free public education is the right of every citizen in this country. Mr Abbott has walked away from a commitment to universal public education. He said recently:

Whether state or territory governments choose to change the way schools are funded in their states and territories is absolutely a matter for them.

And:

We don't have any role at all.
I would like to say, Mr Abbott: you do have a role, or your government does. You provide the states with the majority of their funding. If the Commonwealth does not provide the states with enough revenue to provide basic services, it is your fault if they have to introduce the education co-payment model outlined in the green paper. It would be Mr Abbott's fault, as the idea was raised in the Abbott government's own green paper.

Universal education was introduced in the 19th century and it is a value held by everyone in the country. It has been clear for some time that this government is out of touch and that its values are decades out of date, but I did not think they would be centuries out of date. There is absolutely no justification to make this fundamental shift in the right of Australian children to access free education.

The government have shown that they are also opposed to the principle of universal health care. Recently, we saw the 40th anniversary of Medicare. Medicare is a fantastic success story. It has been a central part of the Australian health system, except for the brief period in which it was axed under the Fraser Liberal government. But we saw in last year's budget that those opposite are opposed to universal health care. According to those opposite, universal access to health care is not an inalienable right but something that must be paid for. We saw this through their successive of policy positions on the GP tax. Whether the tax is $7, $5, $20 or, now, $80, it is a bad idea. They failed to sell this policy to the Australian people last year and they have failed to sell this policy to the Australian people this year. Why are they again trying to bring it back in through an effective $8 dollar GP tax in the budget through the MBS indexation freeze? This is a cut of more than $2 million from Medicare over the forward estimates that will have a serious impact on bulk-billing rates, out-of-pocket costs and the level of access vulnerable patients have to general practitioners.

We know from an analysis published in *The Medical Journal of Australia* that the government has put a GP tax of $8 into the budget by stealth. They have cut $2 million out of health again, and some of it in an incredibly petty way—for example, when you look at the cut to support for those with inborn errors of metabolism.

The government just wants to attack the most vulnerable in our community. In particular, they attack young people to shift the blame to them for the government's own failings. The rate of youth unemployment is far too high at 13.4 per cent, and long-term unemployment is at its highest rate in 16 years. The government has shown no interest in fixing this issue and no ability to do so. Consequently, they want to blame young job seekers. Rather than work positively to provide opportunities for young job seekers, they wish to punish them instead by ensuring they get no income support for a month.

Labor will not support a measure which pushes young people into poverty and hardship. How could this possibly help anyone? Why does the government think this cruelty will help? This government shows no concern for the vulnerable in our society, and its overtly harsh policies reflect the selfishness of liberal ideology. This government does not care about providing opportunity for all; it believes that if you do not have opportunity, it is your fault for not having rich parents.

While we are discussing unemployment, the budget figures themselves forecast an increase in unemployment over the course of the next year. Not only is this government failing to find work for those who are unemployed now, the situation is going to become worse in the future. It is all very well for the Treasurer to tell people to get a good job and a well-paid job—nearly
800,000 Australians are having trouble getting any job at all. For those Australians, the future is looking bleak, and that is why the government needs to do more. This government needs to articulate a jobs plan for this nation.

The ABC and SBS are exemplars of quality public broadcasting. Despite the assertions of members in Mr Abbott's government, they provide independent, unbiased and quality news. They are regularly rated as being trusted by the Australian people to a significantly higher degree than other parts of the mainstream media. This government, with its continued cuts to the ABC and SBS, shows that it does not value independent, unbiased media. Unfortunately, it is clear that the attacks on SBS and ABC are a payback to the Liberal and National Party mates for the support that they provided in the lead-up to the federal election.

It is pretty dangerous for a country to be without a free and fair media, because an independent, unbiased media is vital for questioning government policy. It is looking like this government is trying to hinder scrutiny of its actions wherever it can, because they are finding it hard to govern. It is hard to govern when all you have are three-word slogans and no real policies. It is hard to govern when the Prime Minister cares only about saving his own skin rather than governing for the benefit of the nation. It is hard to govern when you try to force all your policies through a narrow ideological vision that the Australian people do not subscribe to and that does not match reality.

Perhaps the minister who is most out of touch is the besieged Attorney-General and Minister for the Arts, Senator Brandis. Unfortunately the minister brings nothing to this government except arrogance and a lack of political judgement—and a small book of poetry to read at estimates when he should be doing his job. Minister Brandis has again mismanaged a portfolio responsibility. This budget saw an unwarranted and unprecedented attack on the arts. The Australia Council does a fantastic job of allocating funding independently, fairly and to arts organisations that are worthy. But Minister Brandis does not believe in the independent allocation of arts funding. He seems to believe that everyone has the right to be a bigot, as he has previously told this place; and, ironically for a man so enamoured with free speech, he believes that the allocation of arts funding should be under direct government control—namely, his own control. Presumably this is to reduce funding to projects or organisations that create art which the minister does not personally believe in.

The Liberal government's budget is once again leaving those on lower incomes worse off. The budget also unfairly attacks families. Tony Abbott and Scott Morrison's families package will leave almost half of Australian families worse off. New analysis by the National Centre for Social and Economic Modelling shows that 44 per cent of families, or over 1.4 million families, will be worse off. Tony Abbott's second budget is just as unfair as his first and will hit low- and middle-income families the hardest. Eighty per cent of families with children earning below $75,000 will lose out over all. Six in seven families who receive family tax benefits will be worse off because of the government's child care changes and family tax benefit cuts. One in 10 families receiving family tax benefit will be over $4,000 a year worse off.

This budget is a disaster. The government has even failed the test it set for itself. In this budget, spending is up, tax is up, deficits are up and unemployment is up. The government has broken its promise to save as much as it spends: spending initiatives are greater than actual savings. Mr Hockey has doubled the deficit in one year—from $17.1 billion to $35.1 billion.
billion. Mr Abbott has broken his promise for no new taxes—this budget contains around 17 new taxes—and tax is at its highest level since the last budget of the Howard government. As I said previously, this government is completely out of touch. It is out of touch with the values of the Australian people. It is out of touch with the way the world operates. This government has failed to meet its own expectations and has completely failed the Australian people.

This budget is mean. It attacks those on low incomes—single parents, pensioners and others that face disadvantage. This budget is vindictive. It attacks arts companies that the government does not agree with. This budget is visionless. It fails to see the value of investing in education and training. And this budget is cruel. It denies access to health care for those who can least afford it. The Abbott government cannot see a better Australia for all and has no plans to improve Australia. This is not a budget for Australia's future. It is last year's budget repackaged and ready for an election. I believe Australians deserve better government.

Senator LUDWIG (Queensland) (18:33): I rise to speak on the Appropriation Bill (No. 1) 2015-2016. I agree with Senator Bilyk's assessment of this budget. It is a repackaged budget. They have tied a bow around it. They might have changed the wrapping, but it is still the same budget from last year which wrought such damage on the economy—on individuals and businesses. What we see in this year's budget is Mr Abbott trying to con the Australian public with a PR exercise to boost his own credibility, not to boost the economy and the standard of living of everyday Australians. The reality is that this budget remains inherently unfair—just like the last one but repackaged and served up again. Many of the same programs that were in the last budget are in this one. This budget contains the same cruel cuts from last year's budget which this parliament consistently rejected.

This budget shows that Mr Abbott and the coalition are not listening to the public, to the parliament, to their own backbench or, for that matter, to the crossbench. They are fanatically persisting with their own unfair budget measures. I concede that there has been repackaging. Health has been a major stayer in the Australian economy for a very long time. All sides have sought to improve health outcomes for Australia. All sides have continued to improve health services—up until recently. And it is the same person who did it once before. Mr Abbott has got form in this area. In the Howard era he ripped $1 billion out of the health budget—and he is doing it again. Of course, what that means is that families will be the hardest hit by Mr Abbott's attack on the Australian health system—only this time he has chosen a much bigger sum than $1 billion and to include education. The figure he is seeking to cut from both health and education is around $80 billion.

This budget does confirm that the government is once again trying to push through a GP tax, further cuts to hospital services and more expensive medicines. Before the election, Mr Abbott told the Australian people that the coalition would be a 'no surprises, no excuses' government. Well, there is one thing that is true about that statement: they certainly do not like providing any excuses. As for 'no surprises', it has been surprise after surprise after surprise. This government has consistently gone into reverse gear on many of the promises it made during the election period. Mr Abbott promised the Australian people that the coalition was about reducing taxes, not increasing taxes. He promised that the coalition was about getting rid of taxes, not imposing new taxes. Nothing about that statement is true. The Abbott government's new GP tax proposed in this budget is even bigger than the original proposal.
By including a four-year freeze on medicine rebates, Mr Abbott and this government are passing the cost on to families, which he promised not to do.

In fact, the Liberals are so zealous in charging Australians this GP tax that, despite opposition from across the parliament, including the crossbench senators, they are still determined to pursue this GP tax, destroying the notion of universal health care in this country. It appears to be almost a pathological desire of the Liberals and Nationals, one of their highest priorities, to do this. The rebate freeze in this year's budget is just the latest version of an unfair GP tax, a tax which the Abbott government has tried to charge Australians.

First they tried a $7 fee. That did not seem to go over very well with the general public, so they dropped it to $5. You think, 'Maybe this is a bidding war that they are in now.' But now Mr Abbott, if he is successful in getting a rebate freeze through this parliament, will see people slugged with an $8.43 fee. That is, in effect, what he seeks to do. The rebate freeze will rip $1.3 billion out of general practice over the next four years. The Medical Journal of Australia said of it:

Even though the rebate reduction has been retracted, the freeze will have greater impact with time—nearly double the amount of the rebate reduction by 2017-18. For economic reasons the freeze may still force GPs who currently bulk-bill to charge co-payments.

So by 2017-18 the shortfall will leave GPs $8.43 worse off, forcing who knows how many to charge patients who are currently bulk-billed and to increase gap payments for many other patients. Shame on this government because in the past both sides worked tirelessly to ensure that people could have access to affordable medicine, could have access to a GP, could have universal health care, could have a bulk-billing doctor handy to visit. But not this government. This government has continuously pursued its own ideological ideas, its own ideology about attacking Medicare. It goes directly against what the fundamental principles of Medicare are about—making sure that medicine is free and accessible to all Australians. It goes against the principle that your Medicare card, not your credit card, should determine your access to health care in this country.

We have already seen the reports across the country of people, especially in some lower socioeconomic areas, not visiting the doctor for some conditions, which only compounds the problem and, in the end, when it reaches a critical point for patients, becomes a greater cost. So there is also a false saving built into their position. The healthcare system will ultimately bear the cost of this. Any measures which dissuade people from visiting their GP or accessing preventive healthcare options should be opposed, and Labor will continue to stand up against these measures.

The health minister has made it abundantly clear that the Abbott government is committed to forcing more patients to pay to see a doctor in that she said:

... there are a lot of people who attend the doctor, who pay nothing and can afford to pay a bit more and that's where we have to land in this discussion.

That was the health minister, Sussan Ley, on 3AW, 3 March 2015. What an extraordinary thing to say! You might otherwise have thought that it was a slip or misspoken words, but ultimately it is the Liberals speaking from their hearts. It is where their guard is down—they are comfortable on radio talking to their favourite presenter where they can speak their minds. The Assistant Treasurer even declared that he was very proud of last year's disastrous and
unfair budget and lamented that the GP tax was blocked by Labor because 'there would have been big savings, and it is unfortunate.' So you can see that their whole position here is about driving the costs onto the people who can least afford it.

The 2015-16 budget proves that Mr Abbott's promise that the GP tax is dead simply cannot now be believed. The budget attack on health through a backdoor GP tax is short-sighted and unfair and continues to threaten the future of universal health care. I think they abandoned some time ago the view that Australians should have access to universal health care. I think they abandoned some time ago the view that Medicare should remain strong and a viable entity. The Abbott government appears determined to inflict even more pain and chaos on the Australian people. Almost $1 billion will be cut from the programs that focus on preventative health care, drugs and alcohol rehabilitation, mental health and other crucial health programs.

The magnitude of these cuts means that many organisations and service providers will be forced to close their doors, while many others will have to sack their staff and cut service provision.

But this budget does not stop there. The budget also cuts $125 million from the child dental benefits schedule; $140.6 million of cuts from the MBS, including halving the amount paid for child health assessments; $69.6 million cut from DVA dental and allied health; $214.1 million from eHealth; $252.2 million from PBS-listed drugs; $72.5 million cut from health workforce scholarships. This comes after the $1.3 billion increase in the price of medicines. The Australian people simply cannot afford to get sick under a Liberal government, literally. If they do get sick, they will have to find the money; if they cannot find the money, ultimately they will get sicker and sicker. Just today, we have seen a report in *The Australian Financial Review* that states could lose around $18 billion a year of Commonwealth funding for our public hospitals. The leaks from the Australian federation reform white paper show that the government's real objective is to cut money for public health, but it is also about cost shifting. It is also about shifting the cost of health to the states and education to the states and anything else it can push onto the states, but, ultimately, it fails to recognise that we are a Commonwealth—and the Commonwealth has primary responsibility in funding for the wellbeing of Australians.

When you look at what the government are doing to families, the Abbott government and their unfair budget are not content with attacking Australians' healthcare system. They also have their sights on attacking families in this budget. Mr Abbott's second budget lockup is in fact a lock-in. It locks in unfair cuts to family payments while at the same time imposing savage new cuts to paid parental leave. It is clear that the Abbott government have not learnt anything from last year's budget other than what I indicated at the start of my speech: they have learnt to dress it up. They have learnt to put a pink bow with a bit of frill around it, but, ultimately, when you unwrap it, it still remains an unfair budget to the core. Despite promising that this budget would not come at the expense of family budgets, Mr Abbott still wants to cut families off family tax benefit part B when their youngest child turns six. He still wants to freeze family tax benefit rates, eroding the value of these payments. As a result of last year's budget, a single-income family on $65,000 a year will be worse off to the tune of $6,000 a year. Mr Abbott also wants to abolish the large family supplement. He is also pursuing abolishing the low-income supplement and reducing the portability of family tax benefit part A. Mr Abbott's rhetoric on families may have changed—he may look like he has
put his hand out—but, ultimately, it is about whether this budget passes the fairness test. The fundamental unfairness of last year's budget remains in this budget. It simply, on balance, does not pass that test.

The Minister for Social Services, Scott Morrison, refers to parents who receive top-ups to their paid parental leave as people who are rorters or defrauding the system. He uses strong language that I know the government secretly agree with. They might have distanced themselves from him, but they ultimately keep sending him out whacking families as the social services minister. Mr Abbott second budget will leave as many as 80,000 women a year worse off because of his cuts to their paid parental leave, and some women will lose as much as $11,500. Mr Abbott does not even know what he stands for any longer. This was his signature policy in this area, which he jettisoned as needed. In 2010, Mr Abbott referred to:

… 26 weeks which everyone knows is the minimum that should be spent at home by mothers with newborns.

This year, Mr Abbott said, about new mums who receive more than 18 weeks paid parental leave:

It is not right, it should not happen and it will not happen under this government.

This means less time for mothers with their babies in the early years of a baby's life. How quickly Mr Abbott changed his tune in this area.

Mr Abbott and the Liberals and Nationals simply do not care sufficiently in this area. They do not support mums and dads in starting families. They do not support them at the beginning of this journey; they certainly do not want to support them in case anything goes wrong later in life, when people might need to access a universal healthcare system. In fact, they are placing hurdles in front of families. Those opposite are waging a war against the safety net that successive Labor governments have built up over time. Those opposite are attacking our healthcare system, our family support system, which they want to cut, and our education system, at both primary and tertiary level.

I do recognise that we might want to finalise this debate before a dinner break, but I did not want to leave too much time for Senator Cormann to deal with his summing up speech.

Senator CORMANN (Western Australia—Minister for Finance) (18:50): I thank senators who have contributed to the debate on these bills and I commend the bills to the Senate.

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

Question agreed to.

Bills read a second time.

In Committee

APPROPRIATION BILL (No.2) 2015-2016

Bill—by leave—taken as a whole.

Senator LEYONHJELM (New South Wales) (18:51): I move amendment (1) on sheet 7732 standing in my name:

(1) Clause 13, page 8 (line 18), omit "$25,000,000,000", substitute "$11,000,000,000".

The bill sets a debit limit for national partnership payments in 2015-16 of $25 billion, but government budget documents propose only $10.6 billion of national partnership payments in
that year. So the bill provides a blank cheque to the government of $14.4 billion. My amendment changes the debit limit for national partnership payments from $25 billion to $11 billion. The amendment would do nothing to interfere with the $10.6 billion of national partnership payments proposed by the government in budget documents, but, if the amendment were to pass and if the government substantially increased its planned national partnership payments in the months ahead, the government would be required to seek authority for a higher spending limit in follow-up appropriation bills. Such follow-up appropriation bills are not uncommon. The advantage of this approach is that parliament would be able to see any new national partnership payment proposals in updated budget documents before the parliament agrees to a higher limit on national partnership payments. This would represent a very limited exercise of the parliament's responsibility to scrutinise the government and its spending.

Senator CORMANN (Western Australia—Minister for Finance) (18:52): The government will not be supporting this amendment. The debit limit for national partnership payments or drawing-rights limit, as it was previously known, has been around $20 billion for several years. In 2013-14 it was set at $19 billion and in this financial year it is set at $25 billion, as it is proposed to be for next year. The amount is set at this level to ensure that the Commonwealth has appropriate provision to not only deal with existing undertakings to the states but also to deal with any large-scale natural disasters or to fund new programs that may be required between estimates updates or to manage other major unexpected events. There is also a large difference between cash and accrual estimates for natural-disaster relief and recovery-arrangement payments. This is a factor that needs to be taken into account when considering Senator Leyonhjelm's amendment. We do not believe it would be responsible for the Senate to support this amendment and we very strongly recommend the Senate vote against it.

Senator POLLEY (Tasmania) (18:53): We do support the passage of the government's appropriations bill, as we do not block supply. We will not be supporting Senator Leyonhjelm's amendment, although we thank him for consulting with us on the subject of the amendment prior to it being circulated and recognise his genuine interest in this area.

We do see the merit in allowing government the flexibility when it comes to increasing the national partnership payments. While we will not be supporting the amendment there are legitimate questions to ask the government as to why the limit is $25 billion when there is only $10.5 billion budgeted for the national partnership payments as per the Treasurer's portfolio budget statements—that is, the amount budgeted is less than half of the total budget spend. Note that a buffer of this magnitude was in the 2014-15 appropriation bills as well. Is the minister able to explain why the buffer is as large as it is?

Senator CORMANN (Western Australia—Minister for Finance) (18:54): I believe I have just done that and, mindful of the time, I recommend that we now deal with this amendment.

Senator WHISH-WILSON (Tasmania) (18:54): I want to echo the comments made by my fellow Tasmanian senator, Senator Polley. We also will not be supporting the amendment tonight and will register that no to the vote, when it comes through. We will not be going on the voices.

The CHAIRMAN: The question is that the amendment on sheet 7732, moved by Senator Leyonhjelm, be agreed to.
Question negatived.
Bill agreed to.
Bill reported without amendment; report adopted.

Third Reading

Senator CORMANN (Western Australia—Minister for Finance) (18:56): I move:
That these bills be now read a third time.
Question agreed to.
Bills read a third time.

Sitting suspended from 18:57 to 19:30

Renewable Energy (Electricity) Amendment Bill 2015

In Committee

Debate resumed.

The CHAIRMAN (19:30): The committee is considering the Renewable Energy (Electricity) Amendment Bill 2015, and amendment (1) on sheet 7707 moved by Senator Waters. The question is that part 4 of schedule 1 stand as printed.

Senator RICE (Victoria) (19:30): In speaking to our amendment regarding the removal of the ability to burn wood from native forests to be eligible for renewable energy certificates, the issue of what is classified as waste is pertinent and is behind our amendment.

Minister Hunt has claimed repeatedly the biomass that is going to be burnt in forest furnaces is just waste, so we are interested in knowing exactly what is the government’s definition of ‘waste’ or ‘residue’ in relation to the burning of native forest biomass for electricity. As far as we can see, nothing about this proposal to be burning wood from native forests for energy is about waste. Rather, it is about maintaining, entrenching and expanding industrial scale clear-fell logging that would not otherwise have occurred. It is not about branches, bark and treetops, as we have been misled to believe over the last months. If it were it would be restricted to this and would not include whole logs. In contrast, this legislation is all about allowing the burning of whole logs from native forests for electricity—it is so far from being renewable it is not funny.

The statistics on logging in native forests show that in Victoria and New South Wales 70 to 80 per cent of the logs that are coming out of our clear-felled native forests are ending up as pulp logs; they are not being used as sawn timber. In Tasmania, 80 to 90 per cent of the logs are being classed as residual or pulp logs, not as saw logs. Under this legislation all of these logs will be able to be classified as waste. The higher values test would not stop this occurring as you would only have to get a very small amount of revenue from the use of the sawn timber. You could have a massive amount of wood being produced for biomass and that would be acceptable. But we know that in forest operations that are operating for the export woodchipping markets that sometimes the price that has been achieved for woodchips has been down to as low as 7c per tonne. We have discovered that in East Gippsland at times, in sending woodchips to the Eden woodchip mill, that is the price that has been achieved. So you do not have to have a very high-value sawn timber product for the rest of the wood to be considered as waste under this legislation, and hence be eligible to be burnt.
We have been told that we also do not need to worry about this because the last time wood from native forest was eligible to have renewable energy certificates very little of it occurred. We have been told: 'Don’t worry about it. There's only going to be a very small amount. It's only about small amounts of timber.' But the big thing that has changed, compared to the 10 years between 2001 and 2011, when we last had wood from native forests being eligible for renewable energy certificates, is the crash in the export woodchipping market. Between 2001 and 2011 we had very healthy markets for woodchips from Australia, but, in the intervening period since 2011, the export woodchipping market for woodchips from Australian native forests has collapsed. That is because there has been a growth in wood from plantation eucalypts, particularly across South-East Asia, that are not only cheaper but also provide better quality woodchips, so there is very little interest now in woodchips from Australian native forests for paper production. The push behind this, and the push behind defining so much of this wood—the 90 per cent of wood that would be coming from our forest—as waste is to find an alternative market for this bulk of the timber that is coming from our native forests.

The other critical factor as to why there is this push to define this as waste and allowing it to be burnt and generating extra subsidies through the production of renewable energy certificates is that we know that native forestry operations across the country run at massive losses. In the last financial year Forestry Tasmania lost $43 million. We have learnt in the last month that in East Gippsland, in Victoria, the logging operations there ran at a loss of $5 million. We are in a situation where we have got no market for the woodchips and logging operations are running at a massive loss. So what do we do? The obvious answer is not to keep on logging those forest given the value of these forests for so many other purposes; the answer is to open them up for recreation and tourism, to protect them for wildlife, and to continue the push and to continue the transition that has been occurring over the last 20 years to move out of native forests and into plantations.

The wood products statistics for Australia for the last two quarters were released just today, and they showed that the shift away from native forest logging and the shift to plantations are continuing apace. We are now in a situation where 85 per cent of the wood products being produced in Australia are coming from plantations—native forest logging is at its end for large-scale production of low-value products—so you can see where this push is coming from, you can see the reason the pressure is on is to prop up an industry that otherwise would be disappearing into history. We are in a situation in which we should be able to resolve the controversy over forests once and for all, to accept that sustainable logging—with good jobs and providing good quality timber products—from plantations is a reality in Australia and to accelerate that transition to plantation-based wood products. But, no, instead of that the pressure is on to continue the incredibly damaging logging of our forests and continue the destruction and devastation of habitat for endangered species—destroying all that for the sake of producing what is a so-called renewable energy source.

We are at a crossroads in Australia. We could be going down the track of acknowledging that and saying, 'No, we do not need to continue to get low-value products from our native forests;' we could be winding down the amount of logging of our native forests and increasingly produce sawn timber from hardwood plantations as well, or we can continue with this incredibly damaging industry that is going to end up destroying the native forests that
should be protected, that should be allowed to grow old and preserved for their other values: their values for wildlife, their values for carbon stores, their values for tourism and their values for recreation.

Coming back to the question that I began with, Minister: what is the government's definition of 'waste' and are whole logs going to be included in that definition?

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (19:38): Anybody who was following the debate that we had last week on this would have heard me provide ad nauseam the definitions applied in this legislation to make sure that we do have extremely tight safeguards in place. As this is the second attempt to try to amend out of the legislation by one means or another the provisions around native forest wood waste, I will speak very quickly to indicate the government do not support the proposal of the Australian Greens. We are simply seeking to reinstate the effective regulations that were in place pre November 2011 that had been in place for a period of 10 years, that provided good safeguards to ensure that native forest wood waste would in fact be able to be used for renewable energy purposes without having any detrimental impact on the operation of native forests.

To be very brief, the conditions that are in place ensure that the biomass must arise from a harvesting activity where the primary purpose is not energy production. The biomass must be either a by-product or waste product of a harvesting operation approved under relevant planning and approval processes and that meets a high-value test or a by-product of a harvesting operation carried out in accordance with ecologically sustainable forest management principles. The biomass must meet ecologically sustainable forest management principles in a regional forest agreement or, if no such agreement is in place, meet equivalent principles to the satisfaction of the minister.

The Clean Energy Regulator is tasked to undertake a rigorous assessment of applications for power-station accreditation. When it comes to using such waste in determining eligibility for native forest wood waste as a renewable energy source, the regulator will verify that, if a forest management framework under which the harvesting operation is conducted is a regional forest agreement, the harvesting is being carried out in accordance with the ecologically sustainable management principles in that agreement; and if the harvesting operation is not conducted under an RFA, that the harvesting is carried out in accordance with ecologically sustainable forest management principles equivalent to those of an RFA to the satisfaction of the minister.

The power-stations provision of the ecologically sustainable forest management principles statement must be made related to the wood waste. The use of wood waste for energy production is not the primary purpose of the harvesting operation. The regulator will verify the existence of the sawmill and its operating licence and, where applicable, that the high-value test is satisfied and that there is an auditable trail of documentation in place from the source of the wood waste to the power station.

The regulator will be empowered to undertake sample checks, including on the registration number of wood waste trucks and the weighbridge documents for supply of wood waste, and can also conduct spot audits of power stations that use wood waste for energy production. Once the power station is accredited then and only then will they be able to create large-scale generation certificates.
Quite simply, there is a robust framework in place. The robust framework that is in place mirrors what operated successfully for more than a decade which was defended time and time again by the Australian Labor Party, including Senator Wong, during that decade which we are simply seeking to restore such that wood waste is not otherwise potentially left to rot rather than being used for a good purpose such as energy generation.

**Senator RICE** (Victoria) (19:42): Can I clarify then, Minister, that clear-fell logging operations such as those currently occurring in Victoria and Tasmania, where you have 70, 80 and 90 per cent of the timber that is removed from the forests not classified as sawn timber, as saw logs, but would be eligible to be considered as waste and eligible to be burnt as biomass.

**Senator BIRMINGHAM** (South Australia—Assistant Minister for Education and Training) (19:42): No, it would not. The primary purpose of it must be for some purpose other than for energy generation.

**Senator RICE** (Victoria) (19:43): Minister, currently under those operations that are being produced for sawn timber and for woodchipping, sawn timber is considered the primary product. So the scenario that I am outlining would be that, instead of those 80 or 90 per cent of logs going to be chipped to be exported—say, in the case of the east Gippsland forests—they would go off to be burnt as biomass.

**Senator BIRMINGHAM** (South Australia—Assistant Minister for Education and Training) (19:43): I do not believe that in relation to the conditions that are imposed in this regard for the renewable energy target that you could have a primary product definition that saw a scale of wood being used for energy purposes of the volume to which you have suggested.

**Senator SINGH** (Tasmania) (19:44): The opposition will be supporting this amendment. This amendment is effectively the same as the amendment that we moved last week in this place. It removes the native wood waste element from the bill. We made our arguments very clear at that time, that our amendment removed the provision in this bill that seeks to reinsert native wood waste into the renewable energy scheme. As well, it amended the act to prevent any future regulation by the government to reinsert native wood waste into the scheme. Obviously, I was disappointed that that amendment did not pass in this place. Having said that, I note that the Greens amendment is pretty much in line with our amendment, and therefore we will be supporting it.

I do want to highlight, though, that when we were in this place last week and we came back to debating this particular legislation, deliberate filibustering took place on the side of the government. This is their legislation and we have waited for it for some 12 months through a very long process of their creating a lot of uncertainty in the renewable energy industry. There has been so much uncertainty that there has been a massive reduction in investment in this country—investment that we have lost to other parts of the world. In good faith, Labor has tried to bring certainty back to the industry, hence our providing that certainty through support of this legislation that is before us now with, of course, removal of the caveat that was inserted at the 11th hour as a red herring, which was the insertion of native wood waste into the renewable energy scheme.

Last week, at the time this legislation was being debated—and in fact we were then debating Labor's amendment—there was continual filibustering. You would think that on
finally reaching a bipartisan agreement after 12 months—an agreement that had been in place since 2001, but had then been lost directly after the last election when the Prime Minister reneged on that bipartisan agreement that had been in place since the Howard years—the government would do the right thing, that it would act in good faith and progress this legislation through the Senate. But now we know what was going on at that time. I think even Senator Birmingham did not know what was going on that time. We knew that a meeting was going on, Senator Birmingham. While you and I were in this place debating this legislation, a meeting with the minister, Greg Hunt, with Senator Leyonhjelm, with Senator Xenophon and with the crossbench, to appease their request for the creation of a whole new amount of red tape around the creation of a wind farm commissioner.

We have debated that in this place this week. We have seen the draft letter—it has been all over the media and all over social media. It is basically a letter. It may be lacking a signature, but it is pretty much done and dusted as far as being on letterhead. It has got Greg Hunt’s name all over it. It just needs a—

Senator Birmingham: It has got a signature now—I will table it for you in a minute.

Senator SINGH: Oh, it has got a signature too, now? So it is a done deal. You have lost out, Senator Birmingham. Last week you told me you were hoping that we were going to progress this legislation through as per the arrangement that had been put in place to provide the certainty in the industry that Labor had provided. But, no, another red herring was created to appease the crossbench. Despite Senator Brandis leading the government in the Senate today and yesterday and saying that he did not know a deal had been done with the crossbench; he did not know a wind farm commissioner was going to be put in place; he had no idea about it. He was just the leader of the government in the Senate, yet he had no idea. In fact, it had been done whilst you and I were debating this legislation in this place last week—while you were filibustering with your Senate colleagues so the deal could be done. Unbelievable!

At the same time, we know it was not very long ago that millions of dollars were ripped out of the Human Rights Commission in this country, that a full-time disability discrimination commissioner was axed in this country by the same current acting leader of the Senate, Senator Brandis. And now, to appease a couple of crossbenchers, we have the creation of a whole new commissioner, a commissioner for wind farms, to tack on to a renewable energy target scheme. This was never part of what we were debating in this place last week. The way this government operates is absolutely shameful. It shows very clearly its distaste and dislike—as the Prime Minister has said on Alan Jones’ program, and as Joe Hockey has said a number of times—for wind energy, despite wind energy providing an incredible boost to renewable energy jobs, to renewable energy investment, to a clean energy future. In fact, my home state of Tasmania provides 40 per cent of Australia’s renewable energy.

Senator Canavan: Hydro!

Senator SINGH: A lot of that comes from wind, Senator Canavan. You are not allowed to speak unless you are sitting in your seat, so you might want to withdraw that comment. The ignorance is unbelievable! You might want to come to Musselroe or to Woolnorth and visit, and then you might know what you are talking about. Wind energy is a huge part of Tasmania’s contribution to Australia’s renewable energy. The fact that this government continues to attack it and attack it, so much that it is going to set up an entire wind farm
commissioner to appease a couple of crossbenchers to get a couple of votes in this place, shows that it does not care about a clean energy future. It does not care about renewable energy in this country. It does not care about jobs and investment. It cares about protecting probably a few fossil fuel mates and a few crossbenchers to ensure that it gets votes in other areas. Labor will always stand by science. We will stand by jobs, we will stand by investment and we will stand by a clean energy future—unlike those in government, who, unfortunately at the moment, continue to put their heads in the sand and try to ruin this country for the future. It will certainly be an interesting position that Australia finds itself in at the Paris conference this year. I hope it will not be as embarrassing as it has been for Senator Birmingham in this place and will continue to be as this night progresses. The Labor Party will support this amendment as it currently stands.

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (19:52): I, too, hope that the Paris conference will not be as embarrassing as the Copenhagen conference, and—who knows?—it might even get another run on ABC in 40-odd minutes time. In any event, to assist Senator Singh, a copy has been provided to all parties and to the whips while she was on her feet. I am more than happy to table a signed copy of the letter dated today, 23 June, from Minister Hunt to Senators Day, Lambie, Leyonhjelm and Madigan.

Senator RICE (Victoria) (19:53): Senator Birmingham, I am interested in continuing to explore the primary purpose of harvesting. In the scenario that I outlined before of a clear-felling operation where you have got seven, eight or nine out of 10 logs currently, as part of that clear-felling operation, going off as residual logs and being woodchipped, forestry operations in both Victoria and Tasmania have assured people over many years that that is a sawlog driven operation. Can you confirm that that sort of sawlog driven operation that still has 70, 80 or 90 per cent of the timber that comes out of the forest going off to woodchips would not be the same as having a primary purpose of sawn timber under your definition?

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (19:53): I am not entirely sure if Senator Rice is asking me there whether woodchips are a high-value product. You are not? You are asking me if woodchips were substituted.

Senator RICE (Victoria) (19:54): Yes. In a situation where we have the collapse of the export woodchipping markets from both East Gippsland and Tasmania, the logs that have been, over the last decades, exported as woodchips instead end up being burnt as biomass.

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (19:54): The primary purpose of harvesting must be for a defined high-value process. High-value processes, as I understand it, must have higher financial value than other products in the harvesting operation. Clearly, we are talking about products where the maximum financial incentive to harvest is in relation to something other than energy generation, and that energy generation is purely for the residual product at the end of that high-value harvesting exercise.

Senator RICE (Victoria) (19:55): I have two questions about that higher value process. The first question is that, under that scenario where you have 90 per cent of the wood going for woodchips, given that woodchips have been sold in the market for as low as 7¢ a tonne, that sawlog component of the operation in the past—the 10 per cent of the logs coming out—
would, under your definition, still fit a high-value process and, as I read it, would still fit your
definition of being the primary product. Is that, indeed, not the case under this situation? I
could certainly see that, given that woodchips have been sold at as low as 7e a tonne, you
could be selling these residual logs for a very small amount to feed them into a biomass
generator. The second question is about the high-value process. Over what area of land do
you intend to apply that higher values test?

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and
Training) (19:56): It is, as I understand it, very clearly the financial value of the harvested
material. I have been trying to follow your example in relation to woodchips here, Senator
Rice. But you seem to be saying that, as the price of woodchips gets cheaper, the price of
woodchips becomes irrelevant if you are talking about whether it is substituted. It would not
be allowable for income from wood waste, were the income generated from that as a result of
it being used for energy generation, to exceed the income from the primary purpose. That
would not be allowable, because then it would be failing in terms of the high-value test. So
the high-value test is about ensuring that you do have a primary purpose that drives the
decision for harvesting in accordance with all of the other safeguards around the regional
forest agreements and otherwise. That is the primary purpose up front for a given area of
forestry activity, and that energy must be a secondary income source that is very clearly
secondary to that higher value outcome.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (19:58): I
understand that, in the course of doing this dodgy deal to burn native forests and try to claim
that somehow will not incentivise native forest logging when all the evidence is to the
contrary, Minister Hunt on ABC’s PM program on the day that this toxic deal was announced
said:

Essentially, the advice I had from the CEO of the Australian Forest Products Association today is, to the
extent that it has any impact at all, it will mean that we are only using wood waste that would have
otherwise have sat on the floor of the forest, and either rotted and produced methane or sat on the floor
of the forest and burned and produced CO2.

Clearly, the minister has been seeking advice from the Australian Forest Products
Association. Did the minister ask anyone else at all what exactly would be burnt under this
crazy scheme?

The CHAIRMAN: The question is that part 4 of schedule 1 remain in the bill. Senator
Waters?

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (19:59): I
have asked the minister a question. Is he able to provide a response, given that we are in the
committee stage of this bill?

The CHAIRMAN: The question is that part 4 of schedule 1 remain in the bill. Senator
Waters, I cannot give you the call again. Senator Rice?

Senator RICE (Victoria) (19:59): Minister, in my last question I actually asked you two
questions and I want to return to both of them. In answer to the first question, you said that
the higher value test would apply because the level of revenue from the wood being sold for
energy could not exceed the level of revenue from the sawn timber or the higher value
purpose. Of course, this depends on the price that is achieved for that wood that is sold for
energy. As I have said, in the past we have seen woodchips being sold at the rock bottom
price of 7c to 9c a tonne. So even if you are only getting $100 from the sawn timber it would meet the higher value test because of the tiny amount that has been achieved for those woodchips. What is to stop that from occurring in this situation where we are selling the wood for biomass?

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (20:00): In relation to Senator Waters' rather ridiculous question, the minister consults widely and with many people all of the time. To be frank, I did not really think the question deserved the time of the Senate. In relation to Senate Rice's question, we are not talking about a defined geographic area; the test is in the value of a particular parcel of products. That is why the process chain tests are in place that are so tied around what the Clean Energy Regulator is able to audit and able to monitor exactly the location it has come from. Senate Rice seems to be asking: if the price of energy were to be as low as the price of woodchips relative to the other purpose, would that possibly meet the higher value test? Senator Rice, that is a hypothetical. The test is around the value so, yes, the principal purpose of the harvesting activity needs to be of a demonstrably higher value, needs to meet the higher value, compared with any other purpose—in particular, energy generation—in this regard.

Senator RICE (Victoria) (20:01): Given that forestry operations in Tasmania ran at a $43 million loss last year and operations in East Gippsland ran at a $5 billion loss last year, the idea of selling off wood for energy at less than the cost of producing it is not unknown to our state forest agencies. So I think what you are telling me then is that the higher value test could indeed mean that you would have 10 per cent of the logs going off for sawn timber and 90 per cent of the logs going off to be burnt as biomass. Would you agree with that?

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (20:02): No, I do not agree with that hypothetical situation. Ultimately what we are trying to do here is deal with what is genuinely a waste product. There are a number of safeguards that are very clearly put in place here. I think the nature of the questioning and the hypothetical that is being put here is, as I said in the debate the other night, a demonstration that this debate around the use of native forest wood waste is generally used by the Greens—and sadly nowadays it seems by the Labor Party, who back-flipped on where they were a couple of years ago and had consistently been for a decade—as a proxy war over forest activities in general. The government thinks that safe, sustainable and well regulated forestry activities have a place. We also think that waste should be used in the best and most economic manner and that it is very appropriate in this case, with the safeguards that existed successfully for a decade, to encompass the reintroduction of native title wood waste. I do not intend to answer every possible hypothetical pricing scenario during the committee stage tonight.

Senator MILNE (Tasmania) (20:03): I want to take up with the minister the issue of the economic viability of logging a coupe if you do not have the dollars flowing in from the use of the 90 per cent of the coupe that will be used for this particular purpose. Has the minister actually had a look at the fact that, without an export woodchip industry in Tasmania, there is no viability for native forest logging? Without it, there is no market and no logging. This, however, will return viability to the industry by actually creating a subsidy for the logging of native forests. Have you had a look at the modelling and can you now verify that the reason
the logging stopped in Tasmania is that there is no market for the woodchips from the 90 per cent of the forest that comes out as so-called residual waste?

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (20:05): To be clear, the legislation states that 'the primary purpose of a harvesting operation is taken to be a high value process only if the total financial value of the products of the high value process is higher than the financial value of other products of the harvesting operation. The legislation defines 'high value process' as 'the production of sawlogs, veneer, poles, piles, girders, wood for carpentry or craft uses, or oil products'. Senator Milne is inviting me to speculate or comment on the financial viability of forest operations. As I commented before, I appreciate that the Australian Greens and nowadays the Australian Labor Party have a fundamental objection to native forestry activities. The government does not. The government believes that this is an appropriate mechanism that will provide an opportunity for what may otherwise be used as waste or for lower value purposes to be used for the higher value purpose of energy generation—so long as the primary purpose is of a higher value than the actual energy generation revenue that is recorded as a result of the activity.

Senator MILNE (Tasmania) (20:06): I invite the minister to comment with regard to the contract that Brickworks, in Victoria, has signed with VicForests. The wood or pellets that go into the furnace—or, more particularly, the kiln—for Brickworks comes from Victorian native forests. The kiln has been converted from gas to burning wood from native forests as a result of a grant that was made by the Abbott government after the 2013 election when the Clean Energy Grants Scheme was abolished by the Prime Minister. Subsequent to the abolition, a grant was made to Brickworks—a pure subsidy to Brickworks—to convert their kiln from gas to native forest. I ask the minister: what is the higher value of the operation in Victoria that has generated the wood that is going to the kiln at Brickworks at the Australian taxpayers' expense, as a gift to one of the biggest donors and supporters of the Liberal Party in the 2013 election?

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (20:07): That is a pretty grubby question. Senator Milne, I am sure, would have had or may have used the opportunity of Senate estimates or elsewhere to pursue issues of any grants or the like. I am not aware of the grant in question and it is not germane or relevant to the legislation before the chamber.

What I would simply note is that the legislation before the chamber has clear safeguards in place. More than that, it also has proper processes in place for the Clean Energy Regulator to be able to enforce those safeguards, to be able to audit what occurs such that any company that is using native forest wood waste as part of their energy generation activities will have to be able to demonstrate the proper audit trail of where that wood waste has come from and the proper audit trail of the other purposes of use for that native forest wood, and in doing so demonstrate that the higher value purpose test has been met.

Senator MILNE (Tasmania) (20:08): Far from 'grubby', I have pursued this matter at length and in detail. I tried to get an answer from the government as to why Brickworks got a grant after the clean technology grants process was closed down. The document that I got under FOI was redacted. Every page was redacted—so much for any truth and transparency. I have pursued this up hill and down dale. The fact of the matter is that a contract was signed
with VicForests to provide native forest wood to Brickworks, which now advertise their bricks as eco-friendly, having been generated from the burning of native forests. There was a contract with VicForests and nobody can establish at exactly what price the wood from VicForests goes to Brickworks. This is after a campaign of some months when the Prime Minister went to every Brickworks facility in the country, dressed in his high visibility vest and hat, talking about the marvellousness of getting rid of the carbon price. Then, immediately after the election, the person who was so insistent on abandoning a carbon price got the benefit of a grant from the Prime Minister after a grants process was closed, and it was redacted. So far from 'grubby', I am seeking the truth about what operations VicForests is engaged in to provide the wood to Brickworks.

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (20:10): Fortunately, some of the officials here seem to have some recollection of the grant in question and the operations in question. To prove the irrelevance of it to the debate we are having, I am advised that the operation in question is not generating electricity, but rather is internal energy production and therefore will be ineligible under the RET for large-scale certificates. So it is certainly not germane to this debate, but for Senator Milne's further interest, I am advised that in fact the grant was made under the former government's clean technology program, so if she has further questions perhaps she can ask them.

Senator MILNE (Tasmania) (20:11): The grant was made post the 2013 election. That is why I am very interested in the basis on which it was made. I would be very interested, since the officials have the details, to know how much was actually allocated to Brickworks and what was the basis for the grant?

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (20:11): I am interested in what generation capacity the government is expecting this native forest logging and burning will provide and in what region does the government consider that large-scale wood burning to create so-called renewable energy would occur?

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (20:12): Of a very limited capacity, I think is the best way to surmise that, Senator Waters.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (20:12): So does the government agree or disagree with the Australian Forest Products Association, whom the minister himself quoted in a question that I asked earlier, which he chose not to respond to, except in the most casual of manners. The Australian Forest Products Association say that native forest logging could supply 3,000 gigawatt hours by 2020 and up to 5,000 by 2050. Does the government agree with that or not?

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (20:12): I understand that there is some modelling or some suggestion of levels in the Warburton review. That, of course, is a public document, but my understanding is that that indication and analysis suggests that it would be rather negligible in terms of its level.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (20:13): So is that no, you are not accepting the Australian Forest Products Association's estimation of the 2020 and 2050 amounts of native forest logging taking up from the RET?
Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (20:13): No. The government has its own sources of advice. The government, of course, consults widely, but ultimately has its own sources of advice and analysis.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (20:13): On that last point, I am interested in what your evidence base is for claiming that it will be just a very minor part. You have mentioned the Warburton review and you mentioned that you have other sources of advice. What are they?

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (20:14): ACIL consulting group did the modelling that supported the Warburton review, which I am sure the Australian Greens would have had a look at. If they have not, I would commend it to them. It certainly indicates that it is a negligible component of the RET.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (20:14): We have spoken a bit tonight about the fact that we strongly believe, as do many of the experts, that this inclusion of native forest burning in the renewable energy target will throw a lifeline to the native forest logging industry, which was sustainably transitioning away from native forest logging and to plantation logging, with all of the attendant habitat benefits of that. That is precisely why we are so concerned about the inclusion of this in the RET. We have heard that usage of the waste is not economic and that logging itself is not economic without the waste. I would like to know whether the government will rule out providing any further subsidies to the native forest logging industry to incentivise the continuation of native forest logging.

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (20:15): The government has no intentions nor plans nor policies for any further activity in that area.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (20:15): Okay, no intentions or plans—I am pleased to hear you say that, Minister. I hope that that remains the case beyond the next five minutes. Has the minister had any discussions with the big three retailers on whether they will purchase power or renewable energy certificates from native forest furnaces?

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (20:15): That really is a matter for them.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (20:16): No, my question was whether you had had any discussions with them about that issue.

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (20:16): Even if we had, I am not sure I would be revealing the subject of such commercial discussions.

Senator RICE (Victoria) (20:16): I want to return to the high-values issue again and to the question of the area of land that the high-values test will be applied to. In the period between 2001 and 2011, I understand it was applied on a coupe by coupe basis, and I am wondering whether that is the intention again or whether some other geographic area will be used.

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (20:16): I think I outlined before the processes that will be applied, the fact that the
operation will be well regulated by the Clean Energy Regulator and that the regulator, of course, has the opportunity to audit specific areas in relation to the operation of the regulations relating to native forest wood waste. But I think most important to emphasise is that we are reinstalling the regulations that were in place previously. If that is the senator’s understanding of how those regulations operated previously, that is what will be the case in the future.

Senator MILNE (Tasmania) (20:17): I would like to ask the minister on what basis he would argue that burning native forests in a furnace is renewable energy and, therefore, able to be included in a renewable energy target when the scientists indicate quite clearly that the forests are much better carbon stores left standing rather than logged. That is clear in the CO₂ equation. You are much better saving and protecting your native forests rather than logging them and burning them and suggesting it is a net benefit to renewable energy. I ask the minister: why do you believe, or why do you say, that burning native forest—logging a native forest and putting it in a furnace—can be classified as renewable energy?

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (20:18): Because the point here is that we are talking about waste from native forest operations and it makes sense to make the best possible use of waste products.

Senator MILNE (Tasmania) (20:18): Using waste products is one thing; claiming it is renewable energy is another. On what basis are you arguing that logging a native forest and burning it is renewable energy when the CO₂ equation is such that the level of CO₂ to atmosphere is increased rather than reduced?

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (20:19): We are not burning trees; we are burning waste products for the generation of electricity—waste products that sometimes are otherwise burnt at present without getting such benefits as generating electricity. So it is clearly of net benefit compared with what the alternatives frequently are for such waste products.

Senator RICE (Victoria) (20:19): You state that we are not burning trees, but a scenario which is quite consistent with your high-values test could have seven out of the 10 logs coming out of that area of forest ending up being burnt. Surely the emissions from the logging and then the burning of that forest have to be attributable. Even if it is only at 70 per cent, you should be attributing that to the logging of that forest.

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (20:20): I assume the minister was not going to stand up and answer that question, unfortunately—I would have liked him to, but anyway. Has the government looked at the impacts of soil fertility and the ongoing capacity of the logged forest to regenerate if the logging debris is removed from the forest for biomass burning?

The TEMPORARY CHAIRMAN: The question is that part 4—

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (20:20): Are we in the committee stage or not? We are asking these questions because we would like answers.

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (20:20): Senator Waters need not get so indignant, especially when really she is starting to stretch her questions into what we all know is sitting behind this, and that is the
desire of the Greens to have a debate about native forest activity in general. That is perfectly fine; the Greens are entitled to debate the forestry activities in native forests if they like. There are many opportunities in the Senate to debate that. I am attempting to answer the questions of the Greens where I think they clearly relate to the amendments that are before us and the legislation that is before us. I am not going to waste the time of the Senate and of senators by going into broad-ranging assessments of the implications of native forestry activities. This legislation, firstly, is about ensuring that the RET operates successfully into the future and achieves 23 per cent of renewable energy generation by 2020 and, secondly, provides for the reinstatement of native forest wood waste as an eligible source with the safeguards that were in place and operated for more than a decade. I think that has been well debated in the chamber, over many hours, with the previous amendment and now this one. Whilst I will endeavour to help senators where their questions go to the operation of the legislation, I am not going to take up endless time just because the Greens are playing a tag team with questions on a far broader issue that they could raise through other avenues.

Senator MILNE (Tasmania) (20:22): I want to quote Professor Gell, the professor of environmental science at Federation University Australia. He said:

It's a falsehood to claim this type of electricity production as 'renewable'. You can't 'renew' or replace the burnt carbon stored in a 100-600 year old forest in the turnaround time needed to address climate change.

I would like to ask the minister if he disagrees with Professor Gell.

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (20:23): I would make the point—yet again—in the simplest possible language: the tree has already been cut down for a primary purpose. We are now talking about how waste—after that primary purpose—of that timber is utilised in the most efficient way. That is the question here. Do trees provide a valuable carbon storage? Yes, they do, Senator Milne. In this instance, we are not talking about how regional forest agreements are struck, we are not talking about native forest management policies, overall, we are talking about waste products.

Senator MILNE (Tasmania) (20:23): We are talking about regional forest agreements and we are talking about logging forests. The primary purpose would not be possible if you did not provide a place for 90 per cent of what you cut down to go. That is the fact of the matter. That is why the woodchip industry has collapsed. There is no market for woodchips. Therefore, there is no viability in logging native forests for sawlog. That is the whole point here.

You are creating an industry to drive and prop up native forest logging. You are destroying habitat, you are destroying carbon stores and you are behaving in a manner that is contrary to all of the science on what we should be doing about global warming, and you are calling it renewable when it is not renewable. It is driving the destruction of forests. That is the point. It is not about the trees being 'cut down anyway'. They are not being cut down now, because it is not economic to do so. What you are doing here is trying to put a dollar value back into logging to prop up native forest logging because it is an ideological obsession of the Prime Minister. Isn't that exactly what is going on here?

Senator RICE (Victoria) (20:25): Continuing on with that theme, I want to draw the minister's attention to a paper, last year, by Heather Keith and others. It estimated that continued logging in the central highlands region of Australia, under current plans, would
represent a loss in carbon stocks of 5.56 megatons over five years or over one megaton of carbon a year. This takes into account the stored carbon from the wood products produced, which is not much. Only four per cent of the forest was converted to sawn-timber products, yet under this legislation that would be a primary purpose, a higher-value product. Over two-thirds of the forest was made into paper products, which only had a short lifetime of less than three years. Under this scenario, instead of those residual waste woodchips going off to biomass the emissions from burning those trees would be immediate, so the ledger would be even more negative.

I repeat Senator Milne's question: what evidence do you have that by considering the burning of wood from native forests for energy would, by any means, be considered renewable? What will be used as a benchmark to verify that no extra logging will take place as a result of using native forest biomass eligible for renewable energy certificates? Will the benchmark be current 2014-15 logging volumes or is there some other measure that will be used?

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (20:27): There is a rich array of data in this space. You asked what would be used as the benchmark. I imagine people would usually look to the time changes occur as a benchmark, but there is quite a bit of historical data as well. People will choose in their debates—as they often do in this place—whatever benchmark data source they wish at the time of debate. I have no doubt you will do this yourself, Senator Rice.

Senator RICE (Victoria) (20:27): Given the claim has been made that this will not result in any extra logging, does the government have any intention of establishing a benchmark to measure that claim against?

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (20:28): It is all monitored.

The TEMPORARY CHAIRMAN (Senator Williams): The question is that part 4 of schedule 1 stand as printed.

The committee divided. [20:32]

(The Chairman—Senator Marshall)

Ayes .................33
Noes .................29
Majority ..............4

AYES

Bernardi, C
Bushby, DC
Cash, MC
Day, R.J.
Fawcett, DJ (teller)
Fifield, MP
Johnston, D
Leyonhjelm, DE
Macdonald, ID
McGrath, J
Muir, R
O'Sullivan, B

Birmingham, SJ
Canavan, M.J.
Colbeck, R
Edwards, S
Fierravanti-Wells, C
Heffernan, W
Lambie, J
Lindgren, JM
Madigan, JJ
McKenzie, B
Nash, F
Parry, S
Question agreed to.

Senator LAZARUS (Queensland) (20:36): I move amendments (1) and (2) on sheet 7721:

(1) Schedule 1, item 2, page 3 (lines 7 to 9), to be opposed.
(2) Schedule 1, page 3 (after line 9), after item 2, insert:

2A After subsection 40(1)

Insert:

(1AA) For the purposes of subsection (1), the required GWh specified in the table for the year 2020 and each later year must include at least 8000 GWh of renewable source electricity generated using a solar energy source by an accredited power station.

I stand today to oppose item 2 of schedule 1. I am putting forward a few amendments today. I make no apologies for being one of the few senators in this place to stand up for the future of this country. The rest of the world is moving towards renewable energy and so should we. You are quite welcome to leave, Senator Macdonald. I have, on number of occasions, stood
up in this chamber and talked about the types of renewable energy targets which have been put in place by countries across the world. In fact, only last week I also spoke about the G7’s recent commitment to eliminate the use of fossil fuel by the year 2100. Australia currently has a renewable energy target of 41,000 kilowatts by 2020. This target is in sync with the types of targets which are in place across the world.

Our target of 41,000 gigawatts is not a stretched target. It is actually a very feasible target which our country could have easily reached had our government rolled up its sleeves and put in place support and the necessary mechanisms to reach it. Anything is possible in this world if you put your mind to it. But, as we all know, the Abbott government decided to ignore the realities of climate change and instead opted to demonise the renewable energy sector. This, combined with the Abbott government’s decision not to publicly support the RET, resulted in a sharp decline in investment in the renewable energy sector. So here we are today facing the likelihood of our country becoming the first country in the world to reduce a renewable energy target. The United States of America put the first man on the moon. Soon Wikipedia will show Australia as the first nation to reduce a RET. A great leap forward for mankind compliments of the US; a great leap backwards for mankind compliments of Australia.

I am annoyed that Labor and the coalition have done a dirty deal to reduce the RET from 41,000 to 33,000. I believe the people of Australia will never forgive the coalition and Labor for allowing Australia to become the first country in the world to cut a renewable energy target. I certainly will not. My amendments today do several things. Firstly, they retain the 41,000 gigawatts, committing our country to the critical job of growing the renewable energy sector. There should be no excuses. We should just get on with the job of delivering forward-thinking, positive and responsible government. Retaining the RET at 41,000 will do this. I do acknowledge that there is much work to do in light of the damage caused by the Abbott government, but I do believe we can do it. We must do it.

I should also add that the majority of Australians support me in this. The people of Australia want our country to move towards cleaner, greener energy. Everyone knows that dirty coal is bad. Everyone knows renewable energy is not only good for the planet but also good business sense—full stop. Secondly, my amendments carve out a commitment of 8,000 gigawatts to large-scale solar to support the development and the growth of this form of renewable energy. We have an unlimited supply of sunlight. Why wouldn't we support the growth of this sector and put in place measures to enable its advancement and expansion? Thirdly, my amendments also put in place protection measures to save Australia’s native forests from abusive and rogue destruction. I am seeking to ensure minimum protections are put in place by requiring all eligible forests carry a FSC certification—the international benchmark for forest management worldwide, which takes into account the social impact of forest management. Importantly, the FSC is also one of the schemes currently recognised by the Australian Department of Agriculture as an eligible form of third-party certification.

I would also like to put on record that I am not party to the other dirty deal done between the Abbott government and the crossbench which reduces support for the wind industry, puts in place additional layers of compliance and installs a national wind farm commissioner. Why, when wind is considered the most efficient source of renewable energy, would the Abbott government want to stall this important source of renewable energy? It is simple: because wind is cutting into the energy sector, currently dominated by coal. I think we all
understand this. In short, political donations are impacting on decision making and policy development in this country. I urge all Australians not to tolerate it. Why would the Abbott government want to put in place a wind commissioner when Australia desperately needs a commissioner for CSG mining and a resources ombudsman to provide people currently affected by the resources sector with an advocate and source of independent government support, guidance and advice?

CSG mining is known to cause harmful impacts on the earth and on the health of people, and to cause irreversibly damage on our most valuable resource—water. The Abbott government wants to get rid of the wind because there is an issue with audible noise. And yet no scientific evidence exists anywhere across the world regarding this concern. I will take the chamber back to a movie released many years ago—Jerry Maguire. In that movie, Cuba Gooding Junior plays an up-and-coming NFL star who has a player agent. That player agent is played by Tom Cruise. One of the lines in that movie is, 'Show we the money!' Well, I am saying to the crossbench, 'Show me the evidence!' Show me the evidence where this so-called noise is supposed to be harming humans.

If we turn to Europe, much of Europe is powered by the wind. If Europe were to take the same approach as Australia, Europe would just close down. In Europe, the hills are alive with the sound of music, but not turbine noise because there is none. Our Prime Minister is prepared to kill off the wind industry in Australia because of apparent audible noise and set up a national wind farm commissioner. Yet, across Australia, people living in rural and regional areas are screaming out for help because their lives are being destroyed by CSG mining, and the government is doing nothing. CSG mining depletes the earth of underground water. Farmers and land holders across Australia are losing their water. What water is left is being contaminated. Their land is being poisoned by the highly toxic chemicals being used in the intrusive coal seam gas extraction process. Their animals are dying. Their land is being devalued by the hour. Their farming businesses are being annihilated.

Extremely poisonous process water used in CSG extraction is being disposed of across the countryside in a non-safe manner. And yet, in light of all of this, the Prime Minister wants to put in place a wind farm commissioner. What do the people of rural and regional Australia whose lives are being destroyed by CSG mining have to do to get some type of action or response from the government?

I also should point out that CSG mining also creates noise—clear, loud, constant audible noise—in in addition to all the other well-documented and scientifically proven serious life-threatening health impacts and issues. I do not think any of us need to be Einstein to work out the absolute stupidity in all of this. I am an old forward from way back, and even I get it. So I do hope that the Senate, representing the people of Australia, will support my amendments. The RET needs to be retained at 41,000. It must be retained to enable appropriate support for wind, solar and other emerging renewable energy sectors, including geothermal, tidal and improved hydro. I note that while the government has in response to community outcry today made some fluffy motherhood statements around support for solar, R&D and other take-up incentives. This does little to fix the real damage being caused to the RET, the renewable energy sector and our country's reputation internationally.

I would also like to add that there are sceptics who feel that renewable energy is too costly. Well, I disagree. Many studies conclude that renewable energy is cost neutral. The benefits to
our future and sustainability as a race of people are immeasurable. Investment and support in industry creates efficiencies, refinements, cost savings and technological advancements. The first computer ever launched was the size of a house and cost a lot of money. Investment in ICT has delivered us hand-held devices which have changed our way of life. No doubt continuing investment and innovation will continue to change our lives.

There will be casualties along the way. There always are. Typewriters became redundant and, as a result, typewriter manufacturers went out of business. But other businesses emerged that were smart enough to invest in new technology. The renewable energy sector is no different. Putting in place the framework and the necessary support measures for the sector will help it to succeed. Success will harvest clean green energy solutions which are both sustainable and continue to decline in cost. This is the future for energy, and this is where the government needs to be going.

We also need to start taking advantage of the gains being made overseas in the renewable sector and applying these innovative approaches right here in Australia. We need to increase our investment in the sector as well as power storage. I should also note that not only is renewable energy common sense; it is also good public health policy. We know that fossil fuel is bad for human health. Coal mines and CSG mining harm the environment and harm human health. People living near coalmines and coal-fired power stations register higher rates of mortality from lung cancer, chronic heart, respiratory and kidney diseases. They also suffer from increased rates of lung disease, heart attack and stroke.

Transitioning from dirty energy to clean energy reduces the harmful impact on human life and reduces the cost and burden of health related issues on the public health system and the economy in general.

Australia needs to embrace renewable energy for the sake of our planet, our future and the long-term sustainability of our people. I implore you to support my amendments, not only because I would like you to but because the people of Australia want you to—and the planet needs you to as well.

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (20:48): Tempting though it might be to respond to the very wide-ranging contribution Senator Lazarus made just then, much of which was addressed in various forms during the second reading debate, I will stick to the question before the chair. The government does not accept or support the proposition of Senator Lazarus in relation to removing item 2 of schedule 1. That of course would basically negate the primary purpose of the bill before the Senate, which is to ensure that the renewable energy target is successful, that it meets the intention—and indeed exceeds the intention—of having 20 per cent of energy generation from renewable sources by 2020. In fact, we will have around 23 per cent as a result of that with the revised 33,000-gigawatt-hour target, without having the risks of the RET failing or the additional cost implications being passed through to Australian consumers or businesses.

Senator SINGH (Tasmania) (20:49): A lot of what Senator Lazarus just spoke about to the Senate the opposition would agree with, in relation to the importance of renewable energy as part of our future—for our planet, for our children and the like. But as for the amendment that is before us, on item 2 of schedule 1, the opposition will not be supporting this amendment. I do want to just point out to Senator Lazarus, though, that there was a bit of condemning there at the beginning. But it is not Labor that has walked away from a bipartisan
agreement of 41,000 gigawatt hours; that has been the government. When we went to the last election we thought we were in the position we had been in since 2001: bipartisanship when it came to a renewable energy target. It was the government that walked away from that, so I do not think the opposition can take any blame in this at all. In fact, the opposition has tried to ensure that there is a future for renewable energy in this country. That is why we are in the position of debating the legislation before us. Throughout this entire negotiation we have been guided by advice from the industry on what is best for them. We have reached an agreement with government that will see around 20 to 25 per cent of Australia's energy generation from renewable resources by 2020. In fact, the Clean Energy Council predicts that the revised target of 33,000 gigawatt hours will drive around $40 billion in investment and create more than 15,000 jobs. That is a far better position than we were in when the Abbott government ripped up the bipartisan agreement and created the uncertainty over the last 12 months. What we have before us now will see projects start to be built again, and that is exactly what we need: businesses enjoying certainty that will allow them to assure their staff of job security.

So, Labor is on the record as saying that we will use this reduced target of 33,000 gigawatt hours by 2020 as a base to build on into the future. We will take advice on that from the industry, from business and from economists when considering a strengthened target. Because we will need a strengthened target that is beyond 2020. I agree with Senator Lazarus on 'show me the money' or the evidence in relation to our crossbenches and the deal that has been done by government and the crossbench to create this wind farm commissioner, and the 'sound of music' in Europe and the way so much of the world is moving towards supporting wind energy, solar energy and renewable energy.

It is for some of those reasons that the opposition will not support this amendment. This amendment specifically tries to put a cap on wind energy. We do not want to see that. We want to see all forms of renewable energy grow and be part of this new target. I do commend him on his advocacy in this area, though, and also his own advocacy in his own region on coal-seam gas. I know that he has a lot of concern for the environment, especially in the renewable energy space, but the opposition will not be supporting this particular amendment.

Senator LAZARUS (Queensland) (20:53): The mere fact that we are standing here tonight is a result—and correct me if I am wrong—of Labor and the government doing a deal. So for Senator Singh to say that they are not a part of the reason why we are standing here today is utter nonsense. Before the government was elected we were at 41,000 gigawatt hours. They have made their decision because their mates in the mining companies who donate millions of dollars to them have decided that that is a threat to them. They stalled and stalled.

Senator Birmingham: You were elected by a mining magnate.

Senator LAZARUS: There has been no certainty since you have been in government, Senator Birmingham. Now Labor has jumped into bed with you, and now it is 33,000 gigawatt hours. So to say that Labor has no part in this dirty deal is absolute nonsense.

Senator MILNE (Tasmania) (20:54): I just want to add to what has been said. The fact of the matter is everybody was happy with 41,000 gigawatt hours until 2020—everybody. There was no uncertainty. There was absolute certainty that that had occurred.

The people who destroyed the renewable energy target were the government. There is no doubt that the Prime Minister and the energy minister, Mr Macfarlane, set about saying that
they wanted to destroy the 41,000 gigawatt hours target, and they started down this track. I have said previously, and I will say it again: the Clean Energy Council gave cover to the cave-in and it came when the AWU had their annual meeting and decided to exempt the aluminium sector. Then the Clean Energy Council said, 'Why stop at the aluminium sector? Why not just exempt the whole damn lot of them—all of the energy-intensive trade-exposed?' And so it went. And down and down it went, until they got down to their 33,000.

There was no need to remove anything from the 41,000 gigawatt hours. Everybody agreed that that was the target and they were building for it. The only reason the government moved to reduce the renewable energy target was that with a reduction in demand renewable energy was bringing down the wholesale price of power and undermining the business case of the coal-fired generators. That is as simple and straightforward as it is. There were 9,000 megawatt hours too much of electricity in the system. They needed to take it out. They could easily have taken it out if they had closed down some coal-fired generators, but there was no way that the Abbott government was going to close down coal-fired generators. We could have closed down Hazelwood. It could have happened. It would have been fantastic for our greenhouse gas emission target. It would have closed down Hazelwood. It would have led to ongoing construction of renewables around the country and lower wholesale prices of power. That is all good. What is not to love about that? It would have led to jobs and the rollout of renewables—the whole lot. But the one thing the Abbott government did not want was that it undermined coal. It is a simple as that.

That is why we are here tonight, and any nonsense about 33,000 gigawatt hours now providing certainty is nonsense. I say that because the Prime Minister went on radio as recently as two weeks ago to say that 33,000 was the figure not because it delivered certainty but because it was as low as he could get the Senate to go. If he could have got lower he would have. And what is more, his aim was to re-duce, renewable energy—particularly wind energy. That is his ambition. How could you possibly imagine that delivers certainty? All that does is deliver another year of uncertainty, because who in their right mind would invest knowing full well the Prime Minister intends, as soon as he can stitch up the numbers in the Senate, to reduce it even further?

So let us just stop the nonsense. Labor were sucked into this process and has been wedged and done over by a crossbench and, once they woke up to the fact that taking 41,000 down to 33,000 advanced wind at the expense of large-scale solar, they are now into a game of trying to catch up. And now we have this completely nonsensical document, and guess who is being done over here? It is the crossbench. They do not know it yet, but I want to point out that this is classic. The government will write to the Clean Energy Finance Corporation to ensure it adhere to its original purpose, by changing the investment mandate to focus investment in emerging and innovative renewable energy technologies and energy efficiency. This will in turn increase the uptake of emerging technologies such as large-scale solar and energy efficiency, but because this crossbench does not follow this carefully enough, the government has recently given the Clean Energy Finance Corporation a different investment mandate. It has been told it has to increase the return on the money that it invests. This document says, 'No, go and invest in riskier, more expensive technology.' That is completely the reverse of the government's investment mandate to the Clean Energy Finance Corporation.
Does this now mean—and I would like clarity from you, Minister—that you have now decided to dump your legislation to abolish the Australian Renewable Energy Agency and the Clean Energy Finance Corporation? Have you agreed to abolish them, or are you dumping the legislation to abolish them as part of this deal with the crossbench? Or are you just playing with them like a cat with a mouse, not letting on that you have sent out this investment mandate that makes this agreement with them impossible to fulfil? That is question number one.

Secondly, if you have now agreed not to abolish the Clean Energy Finance Corporation because of your deal, are you now going to write to them and change the investment mandate back again, that says, 'You don't have to make that amount of money because we are agreed with the crossbench that we want you to now invest in riskier and therefore more expensive technology?'

Let us stop this con job, this absolute nonsense that has gone on here, where you are backing a deal that is equivalent to witchcraft. Actually, you are back in the days of dunking witches—that is where you have dumped the science. You are going around trying to have this inquiry and wind farm commissioners. You are investigating something that is not real at the same time as people are presenting with respiratory illnesses as a result of small particulate matter pollution from coal fired power stations. You do not give a damn about human health; what you are playing here essentially goes back to the Middle Ages. It is sad.

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (21:00): Firstly, it was all driven, according to Senator Lazarus, by political donations, which is interesting coming from a senator who was elected by a party that was funded largely by mining interests, and, secondly, it is apparently akin to witchcraft. Chair, we are debating a particular piece of legislation and a particular amendment to that piece of legislation. None of the questions Senator Milne asked are relevant to that. She can pursue them in estimates or other fora.

Senator MILNE (Tasmania) (21:01): They are absolutely relevant because this is the deal the government has done to secure the vote of the crossbench to burn native forests for the renewable energy target. This is the letter that covers Senator Bob Day, Senator Jacqui Lambie, Senator David Leyonhjelm, Senator John Madigan. They are in agreement: they will now pass this legislation that will enable the burning of native forest in order that this happens.

One of the things they are promising is in relation to the Clean Energy Finance Corporation and changing the investment mandate. I am asking a direct question to the minister: are you now dropping your legislation to abolish the CEFC and ARENA, and are you going to change the investment mandate back again? Yes or no? It is entirely relevant, and it is the actual deal you have done that I am exposing here for the people who have been foolish enough to enter into it because they do not actually understand it.

The TEMPORARY CHAIRMAN (Senator Whish-Wilson): The question is that item 2 of schedule 1 stand as printed.

The committee divided. [21:06]

(The Chairman—Senator Marshall)

Ayes .......................35
Question agreed to.

The CHAIRMAN (21:08): Senator Lazarus, given that the schedule stands as printed, there is not a requirement for you to move your next amendment. It is redundant. Thank you.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (21:08): I move Australian Greens amendment (1) on sheet 7705:

(1) Schedule 1, Part 1, page 3 (line 2) to page 4 (line 3), to be opposed.

This is similar to the last amendment but drafted slightly differently and more broadly. But it achieves the same outcome of stopping this gutting of our renewable energy target from a very sound 41,000 gigawatt hour target down to a paltry 33,000 gigawatt hour target.

As we have just seen from the vote on the last similar amendment, it looks as though we have very few friends. We can clearly see that both the Liberal Party and the Labor Party have ganged up to slash the renewable energy target, right at this point in human history when the vast majority of climate scientists are begging us to make the transition to a low-carbon economy. Right at this point in history in 2015, both of the big parties in this chamber have just voted to slash the RET from 41 to 33. Here is another chance. I am moving a similar amendment that would achieve the same outcome and I would love it if you could reconsider.
your positions. I severely doubt that that will be the case, but I would urge you to listen to the clear community sentiment on this one.

Last week, we saw the Lowy poll, which canvasses community sentiment across a whole range of issues which found that 63 per cent of Australians want serious action taken on climate change and want us to be global leaders. If that is not a clear statement and if that is not certainly a clear turnaround from recent years then I do not know what is. It is perfectly clear that people can see the danger that climate change is posing to our very way of life, to our economies and to our environment. We have seen more and more extreme weather events buffet our coast, slam our good quality, food-producing land and damage people's homes. The science tells us that those sorts of extreme weather events will become more frequent and more severe. Yet this government is now cutting the renewable energy target and the Labor Party are letting them do it. In fact, they are both voting together on this.

I think it is an incredibly sad day for renewable energy. What I take heart from is the fact that the global momentum towards clean energy is reaching such a pitch that it is unstoppable. I just want Australia to catch up with that. We have such fantastic economic opportunities here out of protecting our environment and protecting our existing industries that need a healthy climate, like tourism and agriculture. We have such great potential to generate the jobs of the future, to generate jobs-rich clean energy. Yet this government is so stuck in the past that it is intent on propping up coal—not just propping up; it wants to double the coal export industry out of Queensland, out through the Great Barrier Reef, a world heritage icon. The World Heritage Committee has been so concerned about its future and scientists say the No. 1 threat to the reef is climate change. This government is in complete denial on the science. It has already abolished the carbon price. It already got rid of the mining tax rather than fixing it up.

Government senators interjecting—

Senator WATERS: I hear the cheers from the government benches. How absolutely pathetic. History will look back on this moment and hang its head in shame. When did science become such a pariah? When did this government decide that science itself was toxic and that they would fire most of the people in the CSIRO, ignore anyone who mentioned climate that had science credentials and decide instead to just listen to the fossil fuel sector? When did the Australian community let that happen? When did we sell our democracy to the big fossil fuel corporates?

Senator Edwards: When they voted for us.

Senator WATERS: I did not vote for that. I do not know any Australian that did. I think it is a criminal shame that tonight we are standing here trying to defend our clean energy target and we have very little company. I note that Senator Lazarus voted with the Greens on that last amendment and I expect his support on this next amendment. Nobody else supported it. So much for a representative democracy.

We have seen a really dirty deal done with the crossbench and now the government have finally coughed up the final letter, which is the proof of the price that they extracted out of the crossbench to support native forest logging and burning. We see quite a lot of inconsistencies in that letter. I think, belatedly, the crossbench have realised: ‘Gee, cutting the renewable energy target might actually prioritise wind. It might actually encourage wind.’ We know
wind has less of a lead time than solar. They suddenly realised: 'Whoops, that's right. We hate wind. We're about to do something that will reduce wind. We'd better do a second dodgy deal to try to fix it up.' So here they are putting a whole lot of extra regulatory infrastructure on wind, an industry which is clean which generates jobs and which does absolutely no damage to human health, while they ignore the health impacts of coal.

We have a wind farm commissioner now. We have an independent scientific committee on wind when all the other independent scientific committees and independent scientists have been sacked and defunded, in the majority. And now we see that the Clean Energy Finance Corporation, which this government wants to abolish—there is a bill on the Notice Paper to abolish the CEFC—are suddenly charged with additional responsibilities. This is a body that this government wished did not exist.

I find it very hard to swallow that the crossbench think they have any sort of good deal out of this. There is no saving grace out of this. We have just voted that this parliament will let native forests be burnt. We have just voted that the clean energy target will be slashed. Now the crossbenches have got a deal to charge an independent body to invest in solar in conflict with their investment mandate that this government changed—a body that this government want to abolish. It will not even answer a question that Senator Milne asked about whether they are going to change their mind and keep that body or abolish it. I am going to come back to that question because we deserve an answer, and it is very germane to this debate.

Instead, we see a program of climate denial and, of course, massive plans to expand the coal industry. But the Prime Minister really belled the cat on this last week when he said, in agreement with the Treasurer, that wind farms are ugly. He does not like them. He thinks they are aesthetically displeasing, like that is some measure of scientific effectiveness—the Prime Minister's perception of what is attractive or not. We know he has 1950s views on women; clearly he has 1950s views on science as well. The Prime Minister thinks wind farms are ugly, and we hear that he wished that John Howard, when he was Prime Minister, had not introduced a renewable energy target at all. How very interesting that the Prime Minister, who had been gallivanting around the countryside trying to claim that all he wanted was certainty for the renewable energy industry, belled the cat. He wants to get rid of the clean energy target altogether. He wishes there was no RET at all.

I am very disappointed that the Labor Party even entered into negotiations with this government, knowing full well that this government has an agenda to completely throw its lot in with the coal industry and not invest in clean energy at all. The Labor Party allowed the government to open the door, they have done a dirty deal with the government and now the crossbench have kicked the door even further in. They are undermining wind power and setting solar up to fail by charging a body which this government wants to abolish with unachievable obligations. This is an absolutely rotten deal, no matter which perspective you look at it from.

As I said, so much for the certainty. Where is the investment certainty? This deal is not going to fix it. The Prime Minister has said that he does not want wind energy. He wants to R-E-D-U-C-E wind power. We always knew that, but he has completely undermined the wind energy industry. We will be moving this amendment tonight, which would stop the cut to the renewable energy target from 41,000 gigawatt hours down to 33,000. What a crying shame that all of the experts acknowledge that we had too much power in the system, and that here
was our opportunity to retire some of those oldest, dirtiest and most polluting coal-fired power stations. Instead of taking that opportunity the government wants to kneecap the renewable energy industry because it thinks wind farms are ugly, and because maybe the solar industry does not donate enough to this government’s re-election coffers. This is an atrocious bill, and we will be moving that amendment in a moment.

I do have some questions for the minister. Minister, we deserve an answer about whether or not this government is going to change its mind and retain the Clean Energy Finance Corporation and ARENA. It is currently on the Notice Paper to abolish them. Given your deal with the crossbench, which charges those bodies with additional obligations, will you now revoke those bills from the Notice Paper?

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (21:17): There are no changes to government policy.

Senator WATERS: Thanks, Minister. I am interested in your discussions with the crossbench. Did you highlight to them that you were actually intending to abolish these bodies that you were happy to give additional responsibility to?

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (21:18): I will not be revealing the nature of private discussions had with the crossbenchers.

Senator MILNE (Tasmania) (21:18): I think it is really important that we get more than a smart alec response from the minister saying the government policy has not changed. The government policy is to abolish the Clean Energy Finance Corporation and the Australian Renewable Energy Agency. That is the policy that has been reiterated by Minister Cormann on several occasions in the estimates most recently. The deal says specifically:

Subject to the passage of the Renewable Energy (Electricity) Amendment Bill 2015 and reinstatement of native forest wood waste as eligible source of renewable energy, I will commit to the following measures in attachments A and B to this letter.

That has been signed by Minister Greg Hunt. It is pretty clear that the deal was that, in order to get the crossbench to agree to burning native forests for energy, he will agree to this particular deal. And there in the deal, in attachment B, it says:

The government will write to the CEFC to ensure it adheres to its original purpose, by changing the investment mandate to focus investment in emerging and innovative renewable technologies and energy efficiency.

And so on. Either the government has lied to the crossbench and intends to abolish the CEFC and ARENA, having got them to agree to support burning native forests, or the government does not intend to abolish them, in which case they should say so and explain to the chamber how they are going to get the CEFC under the existing investment mandate, which the government changed to require them to return a higher rate of return. This is a very important question—no doubt the Clean Energy Finance Corporation would like to know, and so would the Australian Renewable Energy Agency. It is not good enough to say that there is no change to government policy. If there is no change to government policy, then the crossbenchers have been absolutely duded front and centre and made complete fools of, because they have signed up to something where they will tonight deliver logging native forests for the government and they will have got zilch—nothing—in return. In fact, the government will
then dud them by abolishing the very institutions that they said were going to deliver these changes.

Frankly, it is no different from the way that the government duded Mr Palmer, from the Palmer United Party, when he abolished the carbon price in exchange for the Climate Change Authority doing some work on an emissions trading scheme, and the government intends to abolish the Climate Change Authority as well.

This government does not keep its word. Let me tell you, people on the crossbench—it does not keep its word. It will say and do whatever it takes, and then the minute it bags whatever it has got out of the deal it will welch on its part of the deal. That is precisely what is going on here tonight, and anyone who does not believe that just needs to look at their history. I would ask Minister Birmingham again, straight up and down: is the government policy still to abolish the CEFC and ARENA? If so, why have you lied to the crossbench to con them into supporting the logging and burning of native forests?

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (21:22): As I said before, the government policy has not changed. The government is not changing its policy and the government stands by its policy. Equally, the government stands by what it has said to the senators in the letter that is being tabled in the Senate. I am sure that Senator Milne, who has been in this place a long time, can do the arithmetic and can appreciate that, given the numbers in the Senate in relation to some of the government's stated policies, the two issues can, it seems, happily co-exist.

Senator SINGH (Tasmania) (21:23): The opposition will not be supporting this amendment. This amendment, basically, is very similar to the last amendment we just voted on. But I want to make it very clear that, if it were not for the opposition, there would be no certainty for the future of renewable energy in this country. It has only been Labor that has provided that certainty. That has been the foremost principle in our minds in ensuring that we reach the point where we are in this chamber. It is not a point that we initially set out to be part of, as the Greens try to paint. We were not ganging up. There was none of that, and Senator Waters knows very well the history of what has occurred here: the bipartisanship that was walked away from by Tony Abbott and by the government at the last election.

It is only Labor that has provided certainty for the renewable energy industry going forward. I know the Greens have their outlandish views on some of these issues. That is why, to this day, we still are in a position where we could have had a CPRS many years ago and we never did. That is not the position of Labor, because we know that we are an alternative government and we want to ensure there are jobs, there is investment and there is a strong clean energy future for this country. That cannot exist without a strong renewable energy industry, and that is why we have negotiated with the government to provide that certainty. After this has passed this place, there will be jobs created, there will be more wind farms built and there will be more solar projects built because of Labor and because of what Labor has done to ensure that we have certainty back in this industry.

I do not walk away from the fact that the government created this whole mess to start with. But I will make it very clear that it is only the Labor Party that has fixed it, that has ensured that we are in a position where we have reached an agreement with government to see that around 20 to 25 per cent of Australia's energy generation will be from renewable sources by 2020. I know that the government reneged on their bipartisanship, and Senator Birmingham
knows it very well. I am sure he is feeling very uncomfortable about where he finds himself right now, because still labelled there all over his website is his commitment to 41,000 gigawatt hours of renewable energy by 2020. I went to it recently to see a speech that you gave, Senator Birmingham, only a couple of years ago, where you said very clearly:

It has been interesting to note the claims being made about what the Coalition will or won't do. All of it is simply conjecture. The Coalition supports the current system, including the 41,000 gigawatt hour target.

That is the speech that Senator Birmingham gave to the Clean Energy Week Conference in July 2013 in the lead-up to federal election. The bipartisanship commitment that he gave he thought, just like some of his colleagues, they were taking to the election. Little did he know that his leader had other ideas in mind—and some of his now ministers had other ideas in mind—to completely walk away from that after years of certainty and after building such a strong and robust renewable energy industry in this country.

Senator Birmingham, you may want to think about taking that speech down from your website now because it is something that you have completely walked away from. You know it. You have made it very clear in your contributions to this legislation and in your contributions to the Senate on renewable energy and on the environment. I think you are pretty much, at this point in time, in the same boot as Greg Hunt, who has also done a similar thing, when, once upon a time, he supported a price on carbon and, in fact, wrote a thesis on such a thing. He has now completely walked away from that.

That is what you get from this Abbott government: broken promises and a government that continues to walk away from its position and does not know what it stands for, does not believe the science, does not believe economists and certainly does not want to support jobs and investment. Labor does. Labor will always stand by science. We will always stand by jobs and investment. That is why we have entered negotiations to provide that certainty back into the renewable energy industry. That is what the industry wanted, and that is what they will have, and all of our states will benefit from it after this has passed. So I think it is a little bit rich for the Greens to say we have somehow conjured this up or ganged up to create this. We had no play in that. What we have done is the complete opposite. We have ensured there is certainty back in this industry to get jobs and investment and a clean energy future back into this country.

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (21:28): Amongst all that Senator Waters had to say earlier, I had not realised before that the amendment had been moved. For the sake of clarity, I thought I would indicate that the opposition does not support the amendment from the Greens for all of the reasons outlined in the second reading speech, the introduction of the bill, the concluding speech and the earlier remarks in relation to Senator Lazarus's near-identical amendment, all of which canvassed the same topic. Lest anybody listening to this debate be confused, without me wasting or taking up the time of the chamber any further and despite all that Senator Singh just had to say, Labor is supporting the government's position on this.

Senator MILNE (Tasmania) (21:29): Yes, and I am very interested. Senator Singh says there will now be certainty as a result of this 33,000 gigawatt hour deal. Minister, how much new wind energy investment do you expect is going to roll out as a result of this deal given that the government, to satisfy the crossbench in their opposition to wind, has agreed to set up
a national wind farm commissioner to resolve complaints? The government wants to seek agreement from the states to update and implement national wind farm guidelines. It wants to obtain the agreement of the state and territory environment ministers. It wants more transparency on wind farms, including the location and the renewable energy certificates received by them. It wants data on wind farm operators, including operating times, wind speed, power output and sound monitoring. As well, it wants more research published. All of these things are direct attacks on the wind industry and direct attacks on undermining investment in wind. So I specifically ask the minister: do you expect that the certainty that the Labor Party think they are delivering will result in new wind farm investment? If so, what is your modelling or projection for the amount of that new renewable wind energy in the foreseeable future? It will be fascinating because you are telling the crossbenchers there will be no new wind and Senator Singh is telling us this is going to guarantee wind investment. Which bank or financial institution would front up to support wind in Australia with the hostile behaviour of a government that is, as I said before, absolutely anti science and anti any sort of rational behaviour and is setting up a commissioner to look into wind farms?

I want to point out to the minister—and this is extraordinary—that Denmark wants to go to 50 per cent wind in its energy mix by 2020. According to you and the crossbench, that would make Denmark one of the sickest countries in Europe—‘sick’. And what an extraordinary thing it is that wind farm sickness only affects people who speak English. I find this quite fascinating. There is no wind farm sickness in Denmark, there is no wind farm sickness in Germany and there is no wind farm sickness in Spain. In fact, you can go all over Europe and not find wind farm sickness. But where does wind farm sickness occur? In Australia, America and the UK. Why? Because the anti wind farm lobby is driven by the fossil fuel industry. The Waubra Foundation started it here, and they shared a post office box with the resource based industries. The fact of the matter is that this is another anti-renewables campaign, run by the fossil fuel industry, designed to suck people into stopping wind while not asking a single question about the proven health impacts of coal, particulate matter et cetera. Minister, exactly how much new wind do you expect as a result of your so-called certainty deal which is directed at killing wind at every opportunity?

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (21:33): Of the 33,000 gigawatt hour total—which, according to the modelling, will see 23 per cent of renewable energy generated in Australia by 2020, comfortably exceeding the 20 per cent target,—the modelling undertaken by ACIL as part of the Warburton review suggests that 750 megawatt hours of new large scale solar capacity would be generated and 4,910 megawatt hours of new wind capacity would be generated. We do note that, elsewhere, there are other estimates. Bloomberg, for example, have suggested that at least one-third of the target may be met by solar, which, of course, would potentially reduce the extent of wind. We know that the modelling in this area is not perfect. We know that because we are here debating this tonight because, when the 41,000 gigawatt hour target was set, that was expected to be 20 per cent of Australia's energy demand. Of course, we have since learnt that it was going to far overshoot the 20 per cent figure and hence we are back here debating a lower target that will still exceed the 20 per cent target but without some of the pressures that would otherwise have occurred.
Senator MILNE (Tasmania) (21:35): Thank you, Minister. You quote the ACIL modelling for the Warburton review. That was done way before you entered into this agreement with the crossbench to set up your wind farm commissioner and all your new restrictions on wind energy. Do you still stand by that figure? That modelling was done well in advance of this new rear-guard attack from the crossbench undermining wind energy. Will you confirm that that modelling was done a long time ago—well before this discussion that we are having and well before the deal that you stitched up to give the crossbench their wind farm commissioner to investigate a sickness that does not exist?

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (21:35): I confirm that the modelling was done well before today. I confirm that the government believes the modelling remains credible nonetheless. I would emphasise to anybody who wants to have a look at the documents tabled tonight in relation to the commitments given to the crossbench that, overwhelmingly, those commitments are about making sure that there is appropriate scientific information provided to governments and to the community in relation to wind farms, that there is an appropriate mechanism to resolve concerns or complaints from communities in relation to wind farms, that there is appropriate transparency in relation to all of those measures and that there is encouragement in relation to support for large-scale solar or solar technologies in general. I do not think any of those matters, generally speaking, would be of concern. While I appreciate that the Greens in particular and Senator Lazarus are eager to fly every furphy they possibly can in relation to the impact of this bill, or this deal, we believe this bill will deliver 33,000 megawatt hours. I outlined before the ACIL figures in relation to the anticipated new wind capacity and the anticipated new large-scale solar capacity, and I have just summarised that the deal will largely provide, hopefully, greater community confidence in relation to how wind farms are regulated and managed and will hopefully provide a little extra assistance, incentive and support in relation to solar.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (21:37): Minister, you have just referred extensively to the Warburton review. Even that review, despite being led by your hand-picked climate sceptic, found that having a strong renewable energy target actually reduces the wholesale price of power for everyone. Yet your figures in the explanatory memorandum leave out the higher costs that will be imposed on households and customers because big polluters will now get a free ride. Can you clarify whether you have in fact even quantified the lost savings to consumers which will be caused by slashing the target?

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (21:38): We are confident that the 33,000 gigawatt hour target is achievable and that in being achieved it will avoid the risk of failure for the RET and the possible cost factors that would flow through were failure to occur. We are also confident that in doing so we are ensuring that households and businesses do not have to wear higher electricity prices than are necessary, but that we can stand by, deliver and exceed the 20 per cent target that the RET has been intended to deliver since it was last amended.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (21:39): With respect, Minister, that did not really answer my question. I am interested in whether you have quantified the forgone savings to households from cutting the RET?
Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (21:39): We do not agree with the premise of the question. We believe that this action is prudent and sensible and, indeed, will deliver savings to households compared with what could have occurred had the RET failed.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (21:39): Minister, just on free rides to the big end of town: this bill also expands the exemptions for emissions-intensive trade-exposed industries—the EITEIs, as they are known. It gives them a 100 per cent exemption from liability under the RET—as if they needed any more perks, but you have found one and you are giving it to them anyway. I would like to know whether the Clean Energy Regulator will continue to publish the dollar value of that exemption. We know that AGL just received $8.3 million under the existing scheme. Will you continue to track the financial quantity of that exemption?

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (21:40): If some clarity on that matter can be brought back to you, Senator Waters, during the course of the debate, I will ensure that it is. Otherwise, we will let you know later on.

Senator MILNE (Tasmania) (21:42): Could the minister clarify that, by giving a 100 per cent exemption to the energy-intensive trade-exposed industries, he is actually increasing the cost to everybody else, to every other consumer whom the Prime Minister told he intended to bring power prices down; that by letting his big end of town polluters off the hook, everybody else will pay more?

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (21:42): The reduction from 41,000 to 33,000 gigawatt hours for the total target more than offsets that.

Senator MILNE (Tasmania) (21:42): But nevertheless I can confirm, I think, from the minister's answer, that the decision to let off the aluminium smelters and the big end of town means that everybody else pays more to meet the 33,000 gigawatt hour target.

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (21:42): What we are ensuring here is that all Australian households and all Australian businesses have the certainty that the RET will operate effectively, that it will not go into default and that, as a result of that, energy prices will be lower over the next few years than would otherwise have been the case, particularly if a default had occurred. In relation to emissions-intensive trade-exposed industries, we are providing certainty that they will be able to continue to trade and compete with their international competitors on a footing that does not risk jobs, economic activity and the viability of those businesses in Australia.

The TEMPORARY CHAIRMAN (Senator Whish-Wilson): The question is that part 1 of schedule 1 stand as printed.

The committee divided. [21:48]

(The Temporary Chairman—Senator Whish-Wilson)

Ayes ......................32
Noes ......................11
Majority .................21
Question agreed to.

Senator LAZARUS (Queensland) (21:50): I move amendment (1) on sheet 7726:

(1) Schedule 1, Division 1, page 13 (line 2) to page 14 (line 29), omit the Division, substitute:

Division 1—Amendments

Renewable Energy (Electricity) Act 2000

47 Subsection 5(1)

Insert:

biomass means organic matter other than fossilised biomass.

Note: Examples of fossilised biomass include coal and lignite.

wood waste has the meaning given by section 5A.

48 After section 5

Insert:

5A Wood waste

(1) For the purposes of this Act, wood waste means:

(a) biomass:

(i) produced from non-native environmental weed species; and

(ii) harvested for the control or eradication of the species, from a harvesting operation that is approved under relevant Commonwealth, State or Territory planning and approval processes; and

(b) a manufactured wood by-product from a manufacturing process; and
(c) waste products from the construction of buildings or furniture, including timber off-cuts and timber from demolished buildings; and

(d) sawmill residue; and

(e) biomass from a native forest that meets all the requirements in subsection (2).

(2) Biomass from a native forest must be:

(a) harvested primarily for a purpose other than biomass for energy production; and

(b) harvested from a forest that has been certified, or becomes certified before 30 June 2016, by the Forest Stewardship Council to a forest management standard; and

(c) either:

(i) a by-product or waste product of a harvesting operation, approved under relevant Commonwealth, State or Territory planning and approval processes, for which a high-value process is the primary purpose of the harvesting; or

(ii) a by-product (including thinnings and coppicing) of a harvesting operation that is carried out in accordance with ecologically sustainable forest management principles; and

(d) either:

(i) if it is from an area where a regional forest agreement is in force—produced in accordance with any ecologically sustainable forest management principles required by the agreement; or

(ii) if it is from an area where no regional forest agreement is in force—produced from harvesting that is carried out in accordance with ecologically sustainable forest management principles that the Minister is satisfied are consistent with those required by a regional forest agreement.

(3) For subparagraph (2)(c)(i), the primary purpose of a harvesting operation is taken to be a high-value process only if the total financial value of the products of the high-value process is higher than the financial value of other products of the harvesting operation.

(4) In this section:

**ecologically sustainable forest management principles** means the following principles that meet the requirements of ecologically sustainable development for forests:

(a) maintenance of the ecological processes within forests, including the formation of soil, energy flows, and the carbon, nutrient and water cycles;

(b) maintenance of the biological diversity of forests;

(c) optimisation of the benefits to the community from all uses of forests within ecological constraints.

**high-value process** means the production of sawlogs, veneer, poles, piles, girders, wood for carpentry or craft uses, or oil products.

**native forest** means a local indigenous plant community:

(a) the dominant species of which are trees; and

(b) containing throughout its growth the complement of native species and habitats normally associated with that forest type or having the potential to develop those characteristics; and

(c) including a forest with those characteristics that has been regenerated with human assistance following disturbance; and

(d) excluding a plantation of native species or previously logged native forest that has been regenerated with non-endemic native species.

Renewable Energy (Electricity) Regulations 2001

49 Subregulation 3(1) (definition of native forest)
Repeal the definition.

50 Regulation 8
Repeal the regulation.

I touched on this amendment earlier, but I will go over what it involves. The amendment incorporates the requirements that any biomass from a native forest must come from a forest that has been certified by the Forest Stewardship Council. This amendment states that a forest must have FSC accreditation or become certified by 30 June 2016.

I am taking the stance that we do not want to see trees cut for energy production; however, if there is leftover wood which has come from wood which was used for other primary purposes—namely, manufacturing furniture—then this leftover wood should be eligible. The FSC is recognised by the Australian government as an international standard for the sustainable and responsible management of forests. This is a compromise position to take into account the needs of the industry. We are not preventing the sawmill industry from using the offcuts for energy production. It also puts in place protection mechanisms to ensure we take care of our precious forests and do not encourage the cutting down of trees for the primary purpose of burning them for credits.

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (21:51): Very briefly, the government does not support this amendment. Legislating the need for certification specifically by the Forest Stewardship Council would require those forests currently accredited to other schemes to be additionally accredited to the Forest Stewardship Council at significant cost to forest owners. The Australian government supports all internationally creditable timber-certification schemes. There are two international creditable certifications currently operating in Australia: the Australian Forest Certification Scheme and the Forest Stewardship Council scheme.

Senator SINGH (Tasmania) (21:52): The opposition will not be supporting this amendment. Labor is committed to a strong and robust forestry industry. In that sense, ideas about the industry need to be debated and decided with the industry. Therefore, what we are legislating now is to implement a bipartisan agreement, which is specific in its nature and it would be wrong to change that negotiated outcome and conclusion at this time. In that context, Labor will not be supporting this redefinition inclusion of this amendment into the bill.

Senator RICE (Victoria) (21:53): The Greens will not be supporting this amendment, because there is no current FSC set standard in Australia, as the FSC is only an interim phase here. For example, in Tasmania all the time lines for final certification have passed without any action. Therefore, agreeing to any amendments that include FSC is signing up to something that is not finalised. It just adds to the uncertainty, because the FSC is very much a shifting concern.

The TEMPORARY CHAIRMAN (Senator Whish-Wilson): The question is that amendment (1) by Senator Lazarus on sheet 7726 be agreed to.

Question negatived.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (21:54): I move amendment (2) on sheet 7705:

(2) Schedule 1, Part 4, page 13 (line 1), to page 15 (line 2), omit the Part, substitute:
Part 4—Wood waste

Renewable Energy (Electricity) Act 2000

47 Subsection 5(1)

Insert:

*biomass* means organic matter other than fossilised biomass.

Note: Examples of fossilised biomass include coal and lignite.

*native forest* means an indigenous plant community that:

(a) is dominated by trees that are located within their natural range; and

(b) contains throughout its growth a complement of native species and habitats normally associated with those trees, or has the potential to develop those characteristics; and

(c) is not:

(i) a plantation of native species; or

(ii) a previously logged native forest that has been regenerated with non-endemic native species.

It is immaterial whether any of the trees or native species have been re-established or regenerated with human assistance following:

(d) flood;

(e) bushfire;

(f) drought;

(g) pest attack;

(h) disease.

*wood waste* means:

(a) biomass:

(i) produced from non-native environmental weed species; and

(ii) harvested for the control or eradication of the species, from a harvesting operation that is approved under relevant Commonwealth, State or Territory planning and approval processes; and

(b) a manufactured wood product or a by-product from a manufacturing process, other than a product or a by-product that is derived from biomass from a native forest; and

(c) waste products from the construction of buildings or furniture, including timber off-cuts and timber from demolished buildings; and

(d) sawmill residue, other than sawmill residue derived from biomass from a native forest.

Renewable Energy (Electricity) Regulations 2001

48 Subregulation 3(1) (definition of native forest)

Repeal the definition.

49 Regulation 8

Repeal the regulation.

This similarly relates to the burning of native-forest logging and would move the prohibition on native-forest logging and burning for RET out of the regulations and into the act. The minister has infinitely more power to wantonly change these sorts of rules. What we would have liked to have been a prohibition—but we lost that fight—belongs in the act rather than the regulations. I do not need to speak at length on this. It is a procedural amendment but an
important one and it goes to the importance and significance of the fact that we should not be burning native forests and throwing a lifeline to the native-forest logging industry.

**Senator BIRMINGHAM** (South Australia—Assistant Minister for Education and Training) (21:55): The government does not support this amendment. We regard the amendment as unnecessary. There is no need to change any of the provisions and arrangements at that were previously in place, for a decade, in relation to biomass from native forests wood waste, which worked quite effectively and clearly, previously.

I would add information in relation to a previous question regarding entities. In accordance with section 38C of the act, the following information must be published on the Clean Energy Regulator website before 1 October each year: the name of each liable entity; the value in dollars estimated by the regulator of the entity's partial exemption for that year. This provision will continue to be in operation.

**Senator SINGH** (Tasmania) (21:55): The opposition will be supporting this amendment. This amendment is effectively the same as the amendment moved by the opposition. Labor has been opposed to the burning of native forests for energy, because we see it as neither clean nor renewable. We opposed this in government and we oppose it in opposition. The definition of waste is not what those opposite would have you believe, and that needs to be made very clear. We are not just talking about the bits that are left on the ground after logging. Waste can be large parts of trees and, in some cases, entire trees that are not up to scratch for other uses. We simply do not see a case for its inclusion in the renewable energy target and we will oppose it. We have highlighted that this was never part of the negotiated outcome with the opposition and the government. This is a red herring that has been raised at the eleventh hour by the government, and Labor will not support its inclusion. Therefore, we will support the current amendment being moved.

**Senator RICE** (Victoria) (21:56): As part of this regulation is the higher-values test, which I want to return to for a bit more clarification. In particular, the higher-value's test would apply to a clear-felled forest where, as we have already been discussing, you have perhaps 20 to 30 per cent of the logs being used for sawn timber. Up until now, the other 70 or so per cent—being so-called residual logs—have been sold as pulp logs. Minister, do you have any estimate of the price you would expect the wood, currently being sold as a pulp log, would yield being sold for biomass? How would that compare with the price of selling that log as a pulp log?

**Senator BIRMINGHAM** (South Australia—Assistant Minister for Education and Training) (21:57): Essentially, the senator is asking me to draw estimates of what the price of certificates under the RET would be and then extrapolate that back to what the value of the wood waste would be, where it is used to generate electricity that could generate certificates. There are a few too many assumptions built into that. I would simply reiterate— as we have done numerous times during this debate—that there is a primary-purpose test, as such, in place, as there was for a decade previously. That primary purpose test has, at its core, the requirement that there is a higher-value use that is the primary purpose for the logging activities to be undertaken.

**Senator RICE** (Victoria) (21:58): To clarify that, minister, would you agree that if it meets your primary-purpose test of the higher-value use coming from sawn timber that the logs currently being sold for pulp logs could be sold for biomass?
Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (21:59): If it is consistent with the regulations, consistent with the safeguards put in place, and found to be consistent by the Clean Energy Regulator, then actions would be within the law.

Senator RICE (Victoria) (21:59): I would like to share some statistics with you that I have obtained about revenue from sawlog sales compared with pulp log sales in the East Gippsland region. The revenue from sawlog sales in 2013-14 was $5.2 million; the revenue from pulp log sales was $12.5 million. In terms of volume, we had 2½ times as much pulp log being removed from this forest as sawlog, which is part of the reason why you have more value coming from pulp log sales than sawlog sales. In fact, the price achieved for a metre cube of sawlog compared to a metre cube of pulp log in East Gippsland was the same. It was $67 per cubic metre, whether it was for sawlog or whether it was for pulp log. So what I want to know is: would this meet your higher values test? If not, can you give an unequivocal guarantee that forestry operations with revenue ratios like this would in fact fail the higher values test and so-called waste wood from these operations would not be eligible for renewable energy certificates?

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (22:01): I said before at an earlier stage in the debate when Senator Rice was attempting to outline various hypothetical scenarios that I was not going to attempt to deal with every possible hypothetical scenario. Ultimately, we are putting in place laws that provide a framework with clear tests that the Clean Energy Regulator will, I have no doubt—and I have complete confidence—enforce appropriately.

Senator RICE (Victoria) (22:01): I ask again. This scenario is not a hypothetical scenario. These are the figures for VicForests revenue from East Gippsland in 2013-14, where $5.2 million was generated from sawlogs and $12.5 million was generated from pulp logs. I am asking you to give an unequivocal guarantee that this would fail the higher value test and therefore, in a logging operation that had a similar revenue stream, the residual logs or waste logs would not be eligible for renewable energy certificates.

Senator MILNE (Tasmania) (22:02): It is important that the minister answer that question because this goes to the heart of the con job that is going on here. We have said all along that this is a way of propping up native forest logging. The figures that Senator Rice has just given the Senate are the actual figures from logging in Victoria. There was $5 million from sawlogs and $12 million from pulp logs, which are, under the definition the government wants to use, waste logs. On that basis, if the minister is to be taken at his word on this legislation, then he would have no problem standing up and saying that, on that basis, that would not qualify for renewable energy certificates because of the primary purpose et cetera. So let's hear it from the minister that they would not qualify for renewable energy certificates given that primary purpose sawlog was $5 million and pulp wood was $12 million.

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (22:03): Is $5 million less than $12 million? Yes, it is. As I have emphasised on numerous occasions during the debate, it is a higher value test. It requires the principal purpose to be of higher value, that the total financial value of the products of the high-value process is higher than the financial value of other products in the harvesting operation—in
particularly, the generation of renewable energy. But, if it helps the Senate, $5 million is less than $12 million.

Senator MILNE (Tasmania) (22:04): Five million dollars is less than $12 million. Five million dollars is for the primary purpose for logging the forests—that is, sawlog. Five million dollars is less than $12 million and the minister has said that, if the so-called waste exceeds the value of the primary purpose, it would not qualify to generate renewable energy. So, on that basis, Minister, will you rule out any logging operation in East Gippsland getting renewable energy certificates from its logging operations?

Senator Colbeck: Just say no.

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (22:04): No, because I do not know how much a logging operation in East Gippsland in future might, for the primary purpose of their operations, actually sell the logs for. It is a test that is supplied at a point in time. This is why I said I am not dealing with hypothetical situations.

Senator MILNE (Tasmania) (22:05): This is not hypothetical. These are the actual figures and this goes to the heart of what Senator Rice said earlier in terms of: what area are we talking about that is covered by your assessment of high-value versus the rest? Are we going coupe by coupe or are we going district by district? How are we actually going here? We have had Senator Colbeck interjecting from the back of the chamber saying to Minister Birmingham, ‘Just say no’ to the question ‘Will you rule out this getting renewable energy certificates?’ Senator Colbeck is saying no because he knows as well as I do that the whole purpose of renewable energy certificates for logging native forests is to put value back into logging native forests. There is no way that this is viable unless you create some value from the 90 per cent of the coupe that is left after you have taken the 10 per cent for sawlog. That is the whole point here. This is about propping up native forest logging, it is about undermining wind in the deal with the crossbench and it is about propping up the big polluters by exempting the energy-intensive trade exposed. This is a disaster and it is also a disaster for nature because, if you are serious about renewable energy, if you are serious about reducing greenhouse gas emissions and if you are serious about the extinction crisis we are now facing, the best thing you can possibly do is protect native forests. Stop the logging of native forests, maintain the carbon stores and maintain the biodiversity. The best thing you can do to upgrade your economy is to require your industries to become efficient—that means energy efficient—not to give them more exemptions to be able to carry on with less-efficient practices and subsidise them from the state, because that is what leads to inefficiency and industries being forced to close down.

We all know that the energy-intensive trade-exposed have had the biggest windfall gain from the change in the exchange rate in recent times. That has been a massive gain for them. This is just the icing on the cake to prop up those jobs in the aluminium smelters at the cost of new jobs in renewable energy. If you are serious about innovation, if you are serious about science, if you are serious about upgrading the economy to a low-carbon economy then you would be investing in new jobs, new innovation and new industries, not subsidising the efficiency of the old economy. That is exactly what is going on and why this is so bad and out of step entirely with the rest of the world.
I think this Senate does not actually realise how far behind the eight ball Australia is becoming. You just step out of the country and you find that everyone else is gearing up for the major climate talks in Paris at the end of the year. Australia is pretending that we can act as if we are living on another planet. Well, we are not. And this is going to cost us dearly in the future because the slower we take it now the more disruptive it is going to be when we have to accelerate the transition. What is going on here in this Senate tonight is absolutely stupid—that we would even consider slashing the renewable energy target, propping up coal, exempting the inefficiency of the trade-exposed and creating a witch-hunt after wind energy. It is unbelievable and people in other countries must be watching and wondering what on earth has gone wrong in Australia.

The TEMPORARY CHAIRMAN (Senator Lines): The question is that the amendment be agreed to.

The committee divided. [22:13]

(Temporary Chairman—Senator Lines)

Ayes .................30
Noes ..................33
Majority.............3

AYES

Brown, CL        Bullock, J.W.
Cameron, DN      Carr, KJ
Conroy, SM       Dastyari, S
Di Natale, R     Gallacher, AM
Gallagher, KR    Hanson-Young, SC
Ketter, CR       Lazarus, GP
Lines, S         Ludlam, S
McAllister, J    McEwen, A
McLucas, J       Milne, C
Moore, CM        Peris, N
Polley, H        Rhiannon, L
Rice, J          Siewert, R
Singh, LM        Steele, G
Urquhart, AE (teller) Waters, LJ
Whish-Wilson, PS Wright, PL

NOES

Back, CJ         Bernardi, C
Birmingham, SJ   Bushby, DC
Canavan, M.J.    Cash, MC
Colbeck, R       Day, R.J.
Edwards, S       Fieravanti-Wells, C
Fifield, MP      Heffernan, W
Johnston, D      Lambie, J
Leyonhjelm, DE   Lindgren, JM
Macdonald, ID    Madigan, JJ
McGrath, J       McKenzie, B
Muir, R          Nash, F
O'Sullivan, B    Parry, S
Payne, MA        Ronaldson, M

CHAMBER
I move Australian Greens amendment (3) on sheet 7705:

(3) Schedule 1, page 15 (after line 2), at the end of the Schedule, add:

Part 5—Concurrent operation of State or Territory laws

Renewable Energy (Electricity) Act 2000

53 Section 7C

Repeal the section, substitute:

7C Concurrent operation intended

(1) This Act is not intended to exclude or limit the concurrent operation of any law of a State or Territory.

(2) This section does not apply to a law of a State or Territory if there is direct inconsistency between that law and this Act.

This is the amendment that would delete section 7C from the renewable energy target act, which would allow state governments to have their own renewable energy targets within their own state borders. We know that the Prime Minister has absolutely no ambition for clean energy. We know he wishes there was never a renewable energy target in the first place. And we know this chamber has just voted to slash the RET from 41,000 gigawatt hours down to 33,000.

Yet there are state governments that want higher clean energy ambition. In Queensland, the incoming state government has said that it wants its own renewable energy target. In Victoria, Premier Andrews has written to Victorian Senators begging them to support this amendment and to repeal 7C. At the moment the dead hand of Prime Minister Abbott is stopping the states from investing in clean energy over and above the pathetically weak RET that this parliament just slashed it down to. I just want to quote from that letter: ‘The Victorian government is calling on all Victorian senators to support the repeal of section 7C when the RET legislation comes before the Senate. If it is repealed, we have committed to reinstating the Victorian renewable energy target, VRET, to top up the national RET.’

So, here we have a Labor premier urging his colleagues in this place to support this amendment and allow states to have clean energy ambition and to try to undo the dirty work...
of Prime Minister Abbott and this government in cutting the federal RET. I urge Labor senators in particular to support this amendment and not let Prime Minister Tony Abbott kill clean energy across the whole nation just because he is trying to tell the states what to do.

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (22:18): The government does not support this amendment. We maintain that a federal scheme is more efficient and reduces the regulatory burden on participants.

Senator SINGH (Tasmania) (22:18): The opposition does not support this amendment. The purpose of 7C is to ensure that a national approach is taken to driving investment in renewable energy in this country, and that is why we will continue to support a national approach, not this amendment.

Senator MILNE (Tasmania) (22:19): I will just note that the minister has said that he does not want to allow state governments to have their own renewable energy targets after the federal government has demonstrated that they want to smash renewable energy because of the regulatory burden. And the deal with the crossbench loads up regulation—unbelievable regulation. Talk about more regulation from a government that says it wants to get rid of it—except when it wants to kill an industry; then they are full of enthusiasm. This whole deal—two pages of attachments of new regulation for the wind industry—demonstrates what utter hypocrites the government are: this nonsense of saying you are against regulation. You are for regulation if you think you can tie up and destroy an industry in cahoots with the crossbench. That is precisely what you are doing on wind. I think we should be supporting state governments having more renewable energy, not less.

The TEMPORARY CHAIRMAN: The question is that the amendment be agreed to.

The committee divided. [22:24]

(Temporary Chairman—Senator Lines)

Ayes......................11
Noes......................40
Majority..............29

AYES

Di Natale, R
Lazarus, GP
Milne, C
Rice, J
Waters, LJ
Wright, PL

Hanson-Young, SC
Ludlam, S
Rhiannon, L
Siewert, R (teller)
Whish-Wilson, PS

NOES

Back, CJ
Birmingham, SJ
Bullock, J.W.
Canavan, M.J.
Cash, MC
Day, R.J.
Fawcett, DJ
Fifield, MP
Johnston, D

Bernardi, C
Brown, CL
Bushby, DC
Carr, KJ
Colbeck, R
Edwards, S
Fierravanti-Wells, C
Heffernan, W
Ketter, CR
Question negatived.
Progress reported.

BUSINESS

Rearrangement

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (22:27): I move:

That the Senate shall continue to sit until it has finally considered the Renewable Energy (Electricity) Amendment Bill 2015, or a motion for the adjournment is moved by a minister, whichever is the earlier.

Question agreed.

BILLS

Renewable Energy (Electricity) Amendment Bill 2015
In Committee

Debate resumed.

Senator WANG (Western Australia) (22:29): I move Palmer United Party amendment (1) on sheet 7719 revised:

(1) Schedule 1, page 15 (after line 2), at the end of the Schedule, add:

Part 5—Self-generation

Renewable Energy (Electricity) Act 2000

53 Subparagraph 31(2)(b)(ii)

Omit "used solely", substitute "used predominantly".

54 After subsection 31(2)

Insert:

(2A) For the purposes of subparagraph (2)(b)(ii), electricity that is transmitted or distributed is used predominantly for the transmission or distribution of electricity if:

(a) the primary purpose of generating the electricity is for the use of the end user who generated the electricity; and

(b) an amount of that electricity, no greater than the threshold amount determined under subsection (2B), is made available for use in relation to one or more services in the public interest.
For the purposes of paragraph (2A)(b), the Minister must, by legislative instrument, determine a threshold amount of electricity which can be made available for use in relation to one or more services in the public interest.

The Minister must:

(a) make a determination under subsection (2B) within 3 months of the commencement of this subsection; and

(b) as far as is practicable, ensure that a determination under that subsection is in force at all times after that determination comes into force.

I am concerned that the Renewable Energy (Electricity) Amendment Bill 2015 does not include provisions to overcome a potentially serious flaw in the RET legislation. The problem arises due to the consequences of incidental uses of electricity under the existing legislation, and has potentially serious impacts in my home state of Western Australia. And I note that comments made by shadow minister Gray in the House debate also asked the government to address this matter.

The issue arises because the concessions available to self-generators of electricity from RET liability only apply where such self-generated electricity is used solely by that person. That said, the law must make provisions for the situation where a small amount of electricity is used by third parties to provide vital community services. The Alcoa facilities in Western Australia provide this incidental power for police communication services, telephone services and for the local government. It is ludicrous that Alcoa should face a substantial penalty for making the electricity available to enable these public services.

The Warburton review also recommended that the issue be addressed. It said:

… the Panel recommends that self-generators should be permitted to supply incidental amounts of electricity to third parties for community services on an otherwise dedicated line while still being eligible for the exemption.

My amendment simply asks the minister that within three months, by a legislative instrument, he must determine a threshold amount of electricity that can be made available for use in relation to one or more services in the public interest.

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (22:31): I thank Senator Wang. The government appreciate the intent of Senator Wang's amendment, but we do not agree with the amendment. We believe that implementing full exemptions for emissions-intensive trade-exposed entities addresses, through alternative means, most of the concerns raised about the self-generator provisions and that there is a risk the amendment could lead to some unintended consequences for some businesses. It is the government's view that the entities that generate and use their own electricity can seek exemption from RET liability under strict eligibility conditions to target genuine self-generation. To be exempted, electricity must currently be used within one kilometre of the point of generation or supplied via a dedicated line. The proposed amendment seeks to extend these exemptions by diluting the dedicated line test to allow third parties to be supplied under certain circumstances without voiding the self-generation exemption.

The issue this amendment attempts to deal with tends to be confined to large development projects on remote grids where the self-generator is undertaking an ET activity. Increasing the partial exemptions under the scheme for ET activities to a 100 per cent exemption, as proposed in the government's bill, will provide significant additional relief to these ET
Senator SINGH (Tasmania) (22:32): I thank Senator Wang for his contribution and for putting forward his amendment on the concept of reviewing obligations under the current self-generator exemption arrangements of the RET scheme. While it does have some merit to it, this is really neither the time nor the place to throw new and untested changes into the RET as it currently has been negotiated and agreed upon. I do take on board the contribution he has made with his amendment, specifically in relation to the self-generator exemption arrangements, but at this point in time, with what we are debating right now, the opposition will not be supporting the amendment.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (22:33): I am just rising to note that the Australian Greens will not be supporting this amendment either. We do not support further exemptions from the renewable energy target and, as the minister has just explained, most of these operators are being exempted by the government expanding the emissions-intensive trade-exposed exemptions anyway because, hey, they love fossil fuels.

Question negatived.

Senator XENOPHON (South Australia) (22:34): I move amendment (1) standing in my name on sheet 7728:

(1) Schedule 1, page 15 (after line 2), at the end of the Schedule, add:

Part 5—Injunctions

Renewable Energy (Electricity) Act 2000

53 Subsections 154S(1), (2) and (3)

Repeal the subsections, substitute:

(1) If a person (the first person) has engaged, is engaging, or is about to engage in any conduct that is or would be:

(a) an offence against this Act or the regulations; or

(b) a contravention of a civil penalty provision;

the Federal Court may, on the application of the Regulator or any other person, grant an injunction restraining the first person from engaging in the conduct.

(2) If:

(a) a person (the first person) has refused or failed, is refusing or failing, or is about to refuse or fail, to do a thing; and

(b) the refusal or failure is, or would be:

(i) an offence against this Act or the regulations; or

(ii) a contravention of a civil penalty provision;

the Federal Court may, on the application of the Regulator or any other person, grant an injunction requiring the first person to do the thing.

(3) The power of the Federal Court to grant an injunction may be exercised:

(a) whether or not it appears to the Court that the first person intends to engage, or to continue to engage, in conduct of that kind; and

(b) whether or not the first person has previously engaged in conduct of that kind.
The aim of this amendment is to allow the Clean Energy Regulator or any other person to seek an injunction in certain circumstances—that is, if the person, and that includes the Clean Energy Regulator, believes that someone is about to engage in or is engaging in any conduct that would be an offence against this act or the regulations or a contravention of the civil penalty provisions. It allows an application to be made to the Federal Court, on the application of the regulator or any other person, to grant an injunction restraining the first person from engaging in the conduct.

The purpose of this is to ensure that the regulator has that injunctive power to seek an injunction, and, indeed, any other persons, in the event that it appears that a breach is about to be committed. In order to seek an injunction, you need to be able to give an undertaking as to damages. This is not something that will be used lightly. Giving an undertaking as to damages is a very serious undertaking in order to obtain an injunction. Significant damages can flow if you get it wrong, if the injunction is subsequently lifted and there is economic loss to the party that had the injunction lifted against them. But if there is a strong case, if the regulator thinks it is appropriate—or, indeed, any other person who may have an interest in this or who has a concern about an activity that appears, on the face of it, to be a strong prima facie case that there is going to be an offence against the act or the regulations—then there can be action taken. These circumstances also apply where a person has refused or failed or is refusing or failing to do a thing and that thing would be a breach of the act or regulations or a contravention of the civil penalty provision.

In essence, this amendment allows the regulator or a third party to take action where a civil penalty provision has been contravened or there has been a breach of regulations of the act. If we look at other regulatory regimes such as the ACCC with our competition consumer law, the ACCC does have the power to seek an injunction. As I understand it, ASIC has the power to seek an injunction. Why shouldn't the Clean Energy Regulator, at the very least, have the power to seek an injunction? This is not whether you agree or disagree with what is being proposed on biomass. Under the rules that are being proposed that are likely to pass tonight, if there is a likely breach of those rules, what is wrong with giving the Clean Energy Regulator, or indeed any other person, the right to pursue an injunction, to pursue a remedy? To me, this is a fundamental issue of the rule of law. To emasculate the Clean Energy Regulator, to prevent community groups, individuals or indeed any person to seek an injunction is, to me, quite inadequate.

If all the Clean Energy Regulator can do after the event, when it appears as though there could well have been a serious breach, under the rules proposed by the government if there has been a serious breach the only remedy is to suspend the issuing of the renewable energy certificates. I do not think that is an appropriate remedy and I think this is a fundamental issue in respect of ensuring that the legislation will be enforced. It is another layer of protection if a state regulator—if a state EPA, for instance—does not do so. That is why I would urge my colleagues to seriously consider this amendment.

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (22:38): As with Senator Wong before, I thank Senator Xenophon for the amendment. The government appreciates the intent behind the amendment but does not agree with it. The RET already has a robust enforcement framework with a very wide range of tools for the Clean Energy Regulator to bring entities into compliance with the act and regulations.
There are robust market entry criteria, including the fit-and-proper person test. There are powers to suspend registration of participants. There are powers to have enforceable undertakings made. There are civil and criminal penalties.

The framework already includes an injunction power in the form proposed both for the Clean Energy Regulator and another person aggrieved by conduct in breach of the act to enable the Federal Court to grant injunctions, either restraining a person from committing an offence against the RET act or contravening a civil penalty provision, and requiring a person who refuses or fails to do something required by a civil or criminal offence provision of the act or regulations to do whatever they were required to do.

This amendment would expand the range of persons who can seek these injunctions under section 154S to include any person not just aggrieved persons. The term ‘aggrieved persons’ is not defined by the act. It is used in a range of contexts in legislation. Its purpose is to provide a filter. It is meant to require that someone who brings an action has a grievance beyond that experienced by an ordinary member of the public. I am advised that it is also interpreted rather broadly by the courts.

Generally speaking, this standing requirement is designed to ensure that people seeking injunctions have some connection with the conduct complained of. For example, in relation to administrative law, it concerns people affected by a decision. In the context of the RET, it would include people affected by the conduct alleged to be or likely to be in contravention of the renewable energy act.

The amendment’s purpose would be to enable anyone to take action. It would require the courts to consider the standing of people bringing actions. The obligations currently in the renewable energy act and regulations have not been designed with the idea of enforcement by unrelated third parties in mind. It would also mean that people with no connection with the conduct could take action. It could encourage speculative, strategic or mischievous litigation by people with no connection with or who are not affected by a renewable energy project. This change could add regulatory risk to renewable energy projects and ultimately increase the cost of the RET to consumers.

I would also point out to Senator Xenophon that obviously we have had some discussion tonight in relation to the undertakings that Minister Hunt has made with some of the crossbench colleagues. These include establishing a wind farm commissioner, who would be able to help communities to resolve complaints and deal with certain issues and work with relevant state authorities where complaints need to be addressed, which I suspect would provide further assistance in relation to all the existing protections with regard to some of the issues or incidences that you are probably seeking to target through this amendment.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (22:42): I rise to support this amendment. This amendment effectively would allow public interest enforcement of our laws, which is a principle the Greens and, prior to tonight, this parliament have championed for about 30 years. Given that we have these spurious rules around native forest logging that depend on interpretations of high value, that depend on interpretations of primary purpose and that depend on compliance with RFAs, all of which are very subject to debate, it is crucial that we allow members of the public to apply those tests and hold the government to account in applying those tests. The existing drafting merely allows aggrieved
persons to take action. That is an affront to open standing, as I say, a principle I thought we had fought for for 30 years—certainly the Greens have.

In relation to your contention that there would be frivolous litigation, it is the Federal Court which is a cost jurisdiction. No-one in their right mind takes on that level of risk, as the last 30 years of court transcripts will show. There are no flood gates. There are very rarely frivolous actions taken, certainly not in the public interest to protect the environment. People have better things to do with their time and money, like protect the environment. We will be supporting this amendment and look forward to its passing.

**Senator SINGH** (Tasmania) (22:43): I thank Senator Xenophon for contributing to this legislation in moving his amendment and I acknowledge the contributions made by other senators to this particular amendment and this debate. But based on the agreement that has been reached between the government and the opposition, the opposition will not be supporting this amendment.

**Senator XENOPHON** (South Australia) (22:43): Could I just get some clarification from the minister in respect of this? Is the minister saying that the Clean Energy Regulator has the power to seek an injunction already and that what I am proposing in this amendment is superfluous?

**Senator BIRMINGHAM** (South Australia—Assistant Minister for Education and Training) (22:43): I draw Senator Xenophon's attention to section 154S and division 2 of the act headed 'Injunctions', which provides for certain powers for the regulator and indeed for other aggrieved persons. It is defined as, 'On the application of the regulator or any other aggrieved person, the Federal Court may grant an injunction restraining the person from engaging in certain conduct or requiring the person to undertake certain action.' As I outlined before, there are clear provisions there for the regulator to seek injunctions or aggrieved persons to seek injunctions. Certainly, the government believes that these provisions are appropriate and sufficient at this time, and that there are risks with broadening that definition in the manner in which your amendments would do.

**Senator XENOPHON** (South Australia) (22:45): I am digging up that section of the act now. My understanding is that in the circumstances that are prescribed in this amendment—for instance, if there were about to be logging of a particular coupe and there was a concern that, under the rules set by this parliament, there would be a breach, can there be an injunction in the circumstances anticipated by this particular amendment? My understanding is that that section 154—subsections (1) and (2)—does not allow for that. Could the minister clarify that?

**Senator BIRMINGHAM** (South Australia—Assistant Minister for Education and Training) (22:46): To quote from the existing act:

(1) If a person has engaged, is engaging, or is about to engage in any conduct that is or would be:

(a) an offence against this Act or the regulations; or

(b) a contravention of a civil penalty provision;

the Federal Court, on the application of the Regulator or any other aggrieved person, grant an injunction restraining the person from engaging in the conduct.

So, if it were the belief of a party that a logging activity were in some way going to be in breach of the regulations, then either the regulator or an aggrieved person—which, as I identified before, I understand is interpreted relatively widely by the courts—would be able to
seek an injunction against an activity that they believe to be in breach of the regulations or the act.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (22:47): Minister, I beg to differ on your interpretation of what the courts have found 'aggrieved' to mean. Usually it means a direct proprietary or financial interest, which I am sure a forest logging campaigner would not have. This amendment would ensure that, for example, those who are trying to protect forests would have the ability to enforce the rules that you have been assuring us all night are going to mean that native forest logging is going to be just fine. If you are so confident in that assertion, then let people enforce those rules. Given that you also say, 'Leave it to the regulator,' because unfortunately you seem to believe there is a good track record of enforcing environmental law, where the Auditor-General says there is not, my question for you is: how many enforcement officers does the Clean Energy Regulator have?

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (22:48): If officials can turn up that exact figure, I will happily provide it. I am surprised that Senator Waters has such low regard for the Clean Energy Regulator as seems to be apparent from her question. I think the Clean Energy—

Senator Waters: Do not verbal me. Just answer the question!

Senator BIRMINGHAM: Senator Waters, your question seemed to be suggesting that they were incapable of upholding this environmental law, like many other regulators are incapable of upholding environmental laws, according to you.

Senator Waters interjecting—

The TEMPORARY CHAIRMAN (Senator Back): We will just have one conversation at a time, if we can.

Senator BIRMINGHAM: Through you, Chair, I hear the interjections, and I know that there is virtually no area where the Australian Greens would not like to see more public servants in place. But, ultimately, it is about providing effective regulation, and the Clean Energy Regulator does provide effective regulation. The capacity is there, Senator Waters, for a party who may not believe they have standing before the court to petition the Clean Energy Regulator to seek an injunction to bring the matter forward in many other ways that would likely see such action taken, if indeed there were potentially going to be a breach of the regulations or the act.

Senator XENOPHON (South Australia) (22:49): I do not think it is at all fair for the minister to characterise Senator Waters’ statements as having low regard for the regulator. She did not say that at all. What she said was that there is a distinct lack of resources on the part of the regulator, and that the regulator cannot be everywhere at all times. It is just a resources issue. I will stand corrected, and I am embarrassed that I have to do this, but I think it is fair to say that the regulator does have the power to seek an injunction. It is the question in this amendment to broaden it to allow someone other than an aggrieved person, as narrowly defined in the case law, to seek an injunction. I apologise for that—I think that puts it in context—and I want to correct that and put it on the record. It is just that this amendment was rolled up with the existing provisions but expanded it, hence the confusion on my part. I want to clear that up and to be accurate in respect of that.
Really, the nub of this amendment is: do you restrict this to the regulator or a narrowly-defined group of persons with a direct commercial interest? Or if a citizen believes that the law is about to be broken then they take the very serious step of seeking an injunction with undertaking as to damages, which can be very, very significant, as well as being hit with a massive costs order, because justice is not cheap in this country. We have a legal system, not a justice system. So there are very significant disincentives. There will not be floodgates of litigation opened, but this enshrines the principle that if, as a citizen, you believe there is going to be a breach of the law, you should be able to enforce it. This would also cut to the issue of any breaches with respect to wind turbines. So it cuts both ways—it is not just about waste, about biomass, but it would also go to the issue of wind farms. So if a citizen believes that there has been a breach, they make an undertaking against the damages—and I would imagine in wind turbines it would be a very significant undertaking against the damages—and if they are sure of their case, then they should not be constrained from taking a case on. I cannot take it any higher than that. But, to me, there is an important principle here of the power of the individual to bring a matter to court to ensure that the law is enforced.

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (22:52): To address, at least in part, Senator Waters’ question before, I understand there are 330 staff employed by the Clean Energy Regulator. If Senator Waters wants to know the exact breakdown of the roles of those staff, that is something that can be pursued at estimates or elsewhere. But it is a significant statutory body, with a significant resource allocation, able to ensure that it undertakes its functions and upholds the act and regulations that it is charged to uphold.

In relation to Senator Xenophon’s points, I suspect we will have to agree to disagree this evening. The government does not believe that, in the context of this legislation, it would be appropriate to open it up for any person or any party who did not necessarily have some connection or some grievance beyond that of an ordinary member of the public to pursue injunctions in this regard. We have a well-funded, well-staffed, well-resourced, well-intentioned and well-legislated regulator in place that is able to take that action. Of course, aggrieved persons are also able to take that action. We think that is the appropriate balance to ensure that, if there a risk of the law being broken or if the law is being broken or has been broken, appropriate action is taken by the appropriate parties.

The TEMPORARY CHAIRMAN (Senator Back): The question is that the amendment on sheet 7728 be agreed to.

The committee divided. [22:58]

(Temporary Chairman—Senator Back)

Ayes ....................15
Noes ....................39
Majority ...............24

AYES

Day, R.J.
Hanson-Young, SC
Leyonhjelm, DE
Madigan, JJ
Rhinemon, L

Di Natale, R
Lazarus, GP
Ludlam, S
Milne, C
Rice, J
Question negatived.
Bill agreed to.
Bill reported without amendment; report adopted.

Third Reading

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (23:02): I move:

That this bill be now read a third time.

The PRESIDENT: The question is that this bill be now read a third time.

The Senate divided. [23:03]

(The President—Senator Parry)

Ayes .................41
Noes .................14
Majority ..............27

AYES

Back, CJ
Bilyk, CL
Bullock, J.W.
Canavan, M.J.
Colbeck, R

Bernardi, C
Birmingham, SJ
Bushby, DC
Carr, KJ
Edwards, S

NOES

Back, CJ
Bilyk, CL (teller)
Bullock, J.W.
Canavan, M.J.
Colbeck, R
Fawcett, DJ
Fifield, MP
Gallagher, KR
Ketter, CR
Lindgren, JM
Macdonald, ID
McEwen, A
McKenzie, B
Moore, CM
Nash, F
Peris, N
Ruston, A
Singh, LM
Sterle, G
Williams, JR

Bernardi, C
Birmingham, SJ
Bushby, DC
Carr, KJ
Edwards, S
Fierravanti-Wells, C
Gallacher, AM
Heffernan, W
Lambie, J
Lines, S
McAllister, J
McGrath, J
McLucas, J
Muir, R
O’Sullivan, B
Polley, H
Ryan, SM
Sinodinos, A
Wang, Z
Tuesday, 23 June 2015

AYES

Fawcett, DJ
Fifield, MP
Gallagher, KR
Ketter, CR
Lindgren, JM
Macdonald, ID
McAllister, J
McGrath, J
McLucas, J
Muir, R
O'Sullivan, B
Peris, N
Ryan, SM
Sinodinos, A
Williams, JR
Xenophon, N

Ferravanti-Wells, C
Gallacher, AM
Heffernan, W
Lambie, J
Lines, S
Madigan, JJ
McEwen, A
McKenzie, B
Moore, CM
Nash, F
Parry, S
Ruston, A (teller)
Singh, LM
Sterle, G
Wong, P

NOES

Day, R.J.
Hanson-Young, SC
Leyonhjelm, DE
Milne, C
Rice, J
Wang, Z
Whish-Wilson, PS

Di Natale, R
Lazarus, GP
Ludlam, S
Rhiannon, L
Siewert, R (teller)
Waters, LJ
Wright, PL

Question agreed to.

Bill read a third time.

ADJOURNMENT

The PRESIDENT (23:06): Order! It being well past 10.30 pm, I propose the question:

That the Senate do now adjourn.

Western Australia: Broadband

Senator BULLOCK (Western Australia) (23:06): Tonight, I rise to speak about an issue that resonates right across my home state of Western Australia. Once again, the Liberal government has neglected our community and failed to build the infrastructure that we need for the future. In this, they are perhaps following in the footsteps of history. Western Australia only agreed to join the Federation if the Commonwealth constructed a railway line to connect us to the eastern states. When the train arrived 70 years late, WA picked up most of the cost.

More recently, Canberra—under a federal Liberal government and with the acquiescence of state Liberals—devised a GST formula that now sees my state lose 63c in every dollar. Perhaps it is with an eye to tradition that the current federal Liberal government has decided to shaft Western Australians on the provision of the infrastructure that is integral to our future prosperity: the National Broadband Network. I appreciate tradition, but not all traditions are worth preserving. The tradition of Canberra ignoring the concerns of Western Australians is one we can do without.
To give one example, my office conducted a survey in the seat of Cowan in Perth's northern suburbs. From just three suburbs—Landsdale, Madeley and Darch—over 500 households contacted me to say that their internet service was substandard. This is revealing, because until the current federal Liberal government came to power, these three suburbs were on the list to have the NBN rolled out. More than 14,000 homes and businesses in this area were slated to get the superfast, fibre-to-the-premises NBN by the end of June 2016 under the former Labor government. However, the residents in these areas were cruelly ripped off the map by Minister Turnbull and the latest version of the NBN rollout plan sent to internet service providers shows that construction will not even commence in the suburbs until the third quarter of 2016 at the earliest. Rubbing salt into the wound, these residents and businesses will miss out on the real NBN and will instead have to rely on a second-rate, old copper system.

Last fortnight, it was my pleasure to host a community meeting of residents of Landsdale, Madeley and Darch. We had a big turn out, despite the rain. Labor's communications spokesman, Jason Clare, gave a fantastic presentation of the NBN, took questions from residents and committed to fixing the Liberal mess. Local councillors from the City of Wanneroo, Hugh Nguyen and Domenic Zappa, organised the meeting and have been superb in taking up residents' concerns. It was a great night. Local Liberal member Luke Simpkins even sent someone to keep an eye on us! He was not able to attend himself, of course. He was on a taxpayer funded trip overseas at the time.

Regrettably, apart from keeping an eye on our meeting, Mr Simpkins has not shown any previous interest in the issue on behalf the electorate. In fact, a Hansard search reveals that from day 1 of the Liberal government in 2013 right up to our forum on 11 June 2015 not a single mention was made by Mr Simpkins of the NBN nor was there any mention by Mr Simpkins of internet access for his Cowan constituents. His conscience may have pricked him last week when he jumped up in the other place to regale the chamber with tales of his apparent work on the issue of internet connectivity and high-speed broadband. He claimed: For six years our opponents talked about the NBN and did not deliver for Cowan. But then, two sentences later, he said:

Already nearly 10,000 premises in Cowan have been listed on NBN's national rollout plan, which serves as a good starting point for more work to be done.

Mr Simpkins might be trying to fool himself about who was responsible for delivering the NBN to Cowan and yes, the rollout has been underway for some time now, but he cannot fool the people of Cowan.

Perhaps Mr Simpkins thinks that many of his constituents will not google the truth about the NBN rollout in Cowan. After all, they do not have decent internet access. The government's own myBroadband website shows that large areas of Cowan are rated E for overall fixed broadband internet quality. That is not E for excellent but the lowest possible rating.

The government has promised to prioritise the connection of the NBN in areas currently experiencing the worst internet quality. Tonight I call on the government to honour its promise to the residents of Landsdale, Madeley and Darch. Quality, affordable internet access is no longer a luxury but a necessity. In the 21st century, families, businesses and schools need the NBN to create opportunity and to participate in the new economy. My staff
constantly comment on my lack of technological familiarity. Anyone who knows me will attest that I am not exactly at the cutting edge of telecommunications. So if I can understand why this is important, why can't the Liberal government?

**Budget**

_Senator WANG_ (Western Australia) (23:11): Under the heading 'Outlook for the GST distribution—Budget Review 2015-16', the parliamentary website states:

Making estimates or projections of the anticipated GST relativity of each state or territory appears to be a fraught task. Not only does it appear technically difficult, but small variations will inevitably have a significant impact upon the portion that each state or territory will receive of the GST revenue pool. The technical projection indicates that WA's GST relativity would fall to 0.18064 in 2017-18 before recovering a little in 2018-19. Embedded within these technical projections, however, is an assumption of an iron ore price above $100 per tonne. So in the 2015-16 budget year Western Australia's share of GST revenue decreases from 4.2 per cent to 3.4 per cent, with $1.92 billion set to benefit Western Australia—less than any other state.

As something of a sop to assuage the WA state government and public, the federal government is hyper-touting $5.48 billion in additional payments for state projects—though this is down from $5.82 billion in 2014-15. In the same vein, WA is to be one of the main beneficiaries of the $5 billion Northern Australia Infrastructure Facility investment. Based on Treasury forecasts, in 2018-19 the GST amount to be received by WA is $4.1 billion, placing the state in the fourth lowest income position, immediately below South Australia at $6.6 billion, Victoria at $14.3 billion, Queensland at $16.8 billion and NSW—top of the list at $19.3 billion.

Project top-ups are no substitute for a fair distribution of GST. Look at the population growth projections. Perth is the fastest growing capital city in Australia, the fourth to hit two million people. Perth's population grew by 2.5 per cent in the 12 months to June 2014, an extra 48,400 people. Many have moved to the state from other parts of Australia and from overseas, bringing their skills, creative talents and their hopes for the future.

The resources boom was not squandered, contrary to popular rhetoric. We brought together and enhanced the capabilities of our resident families, businesses and workers—established and new. We created and continue to explore new ways of doing things. We set the pattern for growth in both numbers and productivity. Above all, now is a time for innovative measures to ensure that Australia as a whole will make economic gains from the powerhouse that WA has become. It is a state that more than justifies bold investment.

Sadly, in this place not so long ago when I attempted through a Senate motion to encourage new ways of thinking, notably introducing the novel approach of a not-for-profit education provider and suggesting that we should closely examine the options put forward, this was rejected by some senators who evidently had not read the motion, or—and I pose this as a question rather than a statement—was it a case of blind political dogma blocking innovative thinking? Daily the visitors to my office are confirming my worst suspicions. We appear to be losing Australia’s long time-honoured can-do mindset. We are undermining our own intellectual capabilities, sticking to systems that have outlived their true value and falling short on promising opportunities to do things differently. The GST distribution process and
the overdue education revolution are just two of several examples where innovation is missing in action.

Marriage Equality

Senator LEYONHJELM (New South Wales) (23:16): My support for same sex marriage applies regardless of who introduces the bill that achieves it, but I want to comment on the different approaches to it that are currently before the parliament. The bills introduced by Labor and the Greens are very similar. They would make marriage a union between two people, rather than a union between a man and a woman. And they would retain the current ability of certain people to exercise freedom of conscience by choosing not to solemnise same sex marriages. I agree with these aspects, and they are included in my Freedom to Marry Bill.

We should be clear about who would be allowed to exercise freedom of conscience under the bills of Labor and the Greens. Their bills will simply retain the existing provision, which says you must be an 'an authorised celebrant, being a Minister of Religion'. This does not include all ministers of religion. A minister of religion may be a chaplain in the Defence Force, authorised under the Marriage Act to solemnise marriages in an overseas country involving a member of the Defence Force. Under the Labor and Greens approach, such ministers of religion would not have freedom of conscience with respect to solemnising a marriage between a same-sex couple. My Freedom to Marry Bill specifically addresses the issue of chaplains in the Defence Force, including chaplains who are ministers of religion. My bill extends freedom of conscience to chaplains via the following words:

If a chaplain refuses to solemnise a marriage because the marriage is not the marriage of a man and a woman, the chaplain must, if possible, substitute another chaplain who is willing to solemnise the marriage.

This approach would ensure that no minister of religion who is authorised to solemnise marriages under the Marriage Act would be required to solemnise a same-sex marriage. The Marriage Act currently authorises a range of groups to solemnise marriages. The category of 'Authorised celebrants' includes ministers of religion, certain state and territory public servants, and marriage celebrants. The Greens and Labor bills will leave this unchanged, so celebrants who are state and/or territory public servants will be required to solemnise same sex marriages. This is good because the state should not discriminate. My bill has the same requirement.

However, the third category of authorised celebrants comprises civil celebrants. The Greens and Labor bills will require civil celebrants to solemnise same sex marriages. This is bad. My bill allows civil celebrants to exercise freedom of conscience by choosing not to solemnise same sex marriages. I realise that the number of civil celebrants opposed to marriage equality is likely to be small. However, I think it is wrong to pretend that religious people are the only ones with claims of conscience. I realise it is natural for many people to limit claims of conscience because they oppose discrimination But I would note that discrimination between individuals has far fewer implications for liberty than discrimination by the state. And discrimination is not the only lens through which to view this issue. Allowing claims of conscience can just as readily be viewed as freedom from state interference.

When I entered this debate, marriage equality in Australia had reached a political and religious impasse for many members of the coalition, and for some members of Labor. My
approach has been to bring around those members by appealing to their interest in reducing state interference in personal choices. I believe that we need to continue with this approach.

After all, is it so very difficult to ask the state to leave people alone, to let them make up their own minds?

**Family Court of Australia**

**Senator MADIGAN** (Victoria) (23:20): I rise tonight to speak about a matter of great importance. This is an issue that directly impacts on Australian families. In 1975, the Whitlam government introduced the Family Law Act. This revolutionised family law in this country by introducing the concept of no-fault divorce. This new concept replaced various grounds for divorce with a single basis: irreconcilable differences established by 12 months' separation. The impact on our society has been profound. Within the first year of the act's operation there were 76,564 divorces—a staggering figure. After this initial flood, the divorce rate settled at a rate approximately three times what it had been prior to the act coming into effect. Personally, I am saddened by the breakdown in the traditional social values reflected in these figures. I am saddened by the continuing atomisation of our society. I am saddened by the disintegration of community progressively replaced by the cult of the individual. I am saddened by the impact on people, and most particularly on children.

But the issue I rise to speak about is far more discreet. In addition to fundamentally reforming divorce law, the Family Law Act established the Family Court. This court was tasked with dealing with the numerous property, maintenance and custody disputes that inevitably arise between warring spouses. The relatively brief history of this court has not been a happy one. Over time, proceedings in this jurisdiction have become, like other forms of litigation, complex, rule-bound and extremely expensive. This has been to no-one's benefit, except the lawyers. While there have been various attempts at reform over the years, the need for change remains pressing and self-evident.

Recently, I began the first steps in what I anticipate will be a long journey. In this place last week I began a process of community consultations to identify why Australians are so unhappy with the way this area of the law operates and why the level of suffering and dissatisfaction is so extreme. This process will be ongoing and will continue for some time. In coming weeks and months I will hold a series of community meetings and public forums. My aim is to listen and report back to the Senate. I hope to formulate an agenda for reform. I will seek to work with the government to bring about the legislative change necessary.

Sadly, even at this early stage, I have heard numerous stories of everyday Australians confronted by appalling circumstances in the Family Court. Good people, when faced with the breakdown of the most important relationship in their lives, are then forced to navigate the court's arcane and often brutal procedures. With striking consistency these people have told me the legal process exacerbates conflict with their former partners. The court's adversarial nature encourages division, and promotes conflict rather than healing. This is not an issue of gender; men and women both suffer through this process. And of course, perhaps most acutely, it is often the children who suffer the most. I do not pretend to have the answers, but something must be done. There is too much pain, too much damage, done to too many people.
Victoria: Cattle Grazing in National Parks

Senator McKENZIE (Victoria) (23:24): I recently described the Victorian Labor's government's permanent ban on cattle grazing in Victoria's national parks as the equivalent of banning the Scots from wearing kilts. I did this because Victorian Labor's draconian decision, which has the backing of the federal Labor Party team—and I use the word 'team' loosely after watching tonight's instalment of The Killing Season—seeks to destroy an important part of Victoria's culture and heritage, and indeed our national heritage. It is a decision which fails to recognise the importance Victoria's mountain cattlemen played in shaping our high country and building the narrative of what it means to be a regional Victorian and indeed a regional Australian.

The modern-day 'Man from Snowy River' Charlie Lovick, who I recently had the pleasure to visit with in Merrijig and ride with him through our iconic high country, sums up the importance of the high country; I quote from that great man:

From as far back as 1834, Mountain Cattlemen and their families have grazed cattle in the Victorian High Country.

They were an early and an integral component of the pioneering types that melded into the iconic image of the Australian bushman: much celebrated in our nation's verse, prose, art, music and drama.

They remain as the only living link to our pioneering origins; theirs is the only prevailing culture that traces back to our nation's origins.

Outside, obviously, of our Indigenous Australians:

They are the only group of Australians who go about their work in precisely the same fashion as their forefathers...

What enables them to do this is precisely what sustains them as a culture: their profound love of the bush, their unequalled knowledge of it and their commitment to its welfare …

All of this is passed down through the generations.

Taking the cattle out into the bush each year, attending to them and the country itself, mustering them out again before the snows: this is not regarded as a job of work.

It is not an economic proposition. It is a deeply felt obligation, a ritual imbued with spiritual significance.

The intergenerational knowledge held by the Cattlemen about the Victorian High Country is on the verge of being lost forever as a result of Labor's attack on our mountain cattlemen...

If the Cattlemen are swept aside, nothing will replace them but bureaucrats, tourists and visitors: people who create no culture, have no heritage and will leave no mark on history.

They are truly great words from an iconic Victorian who cares more for this region than the so-called environmental warriors whose solution for everything is to lock the gate!

Courtesy of successive Labor administrations at both the state and federal level, we now have a situation where nearly one million hectares of land in Alpine National Park is locked up off limits to our cattlemen. With one million hectares of land available, surely we could find solutions to accommodate the environmentalists' need to lock the gate, while still maintaining our rich history of high-country grazing. After all, looking after our high country has been one of the core cultural values of the mountain cattlemen for over 180 years. Even when Labor and the environmental movement had reduced grazed areas to the park to less than five per cent of the total land, our cattlemen took this on the chin, abided by the decision...
and continued to ply their trade in this small portion of the park left to them. Thanks to the
mindless and cynical decision by the Daniel Andrews led Labor government in Victoria, these
small pieces of our high country—these important links to our history and heritage—are now
completely off limits.

Might I add that this decision was supported by the Greens in Victoria, as well as the Sex
Party's Fiona Patten and—surprisingly, given this party's former position on this issue—
Democratic Labour Party MP Rachel Carling-Jenkins. While my good friend Senator John
Madigan is no longer with the DLP, I would have thought Ms Carling-Jenkins could have
picked up the phone and sought advice from the good senator, who is on the record as
supporting cattle grazing in the Alpine National Park. Any logical person would scratch their
heads and ask, 'Why has Labor banned something so historic and so important to the character
and history of our high country?'

Victoria's Labor minister for the environment, Lisa Neville, who represents the seat of
Bellarine many hundreds of kilometres from our high country, claims that the rationale behind
the decision is to protect the natural environment for everyone. I would respond to that by
saying, 'Isn't 95 per cent of the Alpine National Park enough for you, Minister?' But, if we
look deeper at Ms Neville's rationale, we can see it is just a red herring, because she is doing
nothing to rid the high country of the wild brumbies, deer and other feral pests that roam
unchecked, which as we speak are doing more so-called damage than what responsibly
managed cattle in a small section of the park would ever do under the close supervision of
experienced cattlemen. Ms Neville also rationalised her decision by claiming that cattle do not
mitigate the risk of fire in the high country.

Returning our cattle has always been about protecting our important cultural heritage.
Labor has permanently banned cattle grazing in our high country purely for political reasons,
and that is it. It is certainly not based on science. The trial was cancelled without the results
even being collated. When we have a lack of data in any situation, we should always return to
first principles. We know Labor has not spoken to locals, has not sought community input,
has not consulted with those with a vested interest, and its MPs have not even jumped on a
horse and seen the work of our mountain cattlemen firsthand. Labor has done this to sandbag
inner-city votes, which are under very real threat from the Greens—a threat it faces at both
state and federal elections. So we have the Labor Party out there pandering to the inner-city
voting bloc and using regional communities as its whipping boy to achieve this end. In
making this political point, Victorian Labor has wiped away a part of Victoria's heritage that
will be lost forever if we as federal parliamentarians do not seek to overturn this decision.
Why must we be ashamed of our past? Why can't we celebrate it? Isn't protecting and
celebrating our history just as important as protecting a few shrubs in a small section of the
Alpine National Park?

As federal parliamentarians and coalition members and senators, we must always look to
ways we can protect the valuable knowledge and the iconic symbolism represented by the
cattlemen. I will be seeking to protect their legacy by putting forward a plan to improve and
strengthen the EPBC Act as well as the National Heritage listing to ensure groups with an
association to particular land, such as the mountain cattlemen's connection to the Victorian
high country, are identified and consulted and that their opinions are given appropriate weight
before any significant decisions on land management which affect their heritage and culture are made.

This is not unprecedented. We have the example of muttonbirding in Tasmania, where Indigenous communities are able to harvest baby muttonbirds to maintain their culture, heritage and connection to the land. In recent decades many countries, including Australia, have shared a concern about the loss of place, landscape, oral tradition, traditional knowledge and cultural practice in the face of growing globalisation and development. In response to these concerns, the idea of heritage has evolved to include such concepts as 'cultural landscapes' and 'intangible cultural heritage'. These concepts are recognised by the UNESCO, the body responsible for international agreements for World Heritage sites and promoting international best practice for heritage management. According to the International Council on Monuments and Sites, the concept of cultural significance is used in Australian heritage practice and legislation to encompass all the cultural values and meanings that might be recognised in a place. If we look at some of the criteria for recognising cultural values and connection to the land, we notice that attachment to place, sense of place, social value, cultural landscapes, and ideas around stewardship and custodianship are all concepts identified under these mechanisms. I would argue that all of these would describe our mountain cattlemen's attachment to the land.

I would like to go into much more detail about attachment to place. In settler societies such as Australia, close knowledge of a particular landscape, combined with a family history of resilience, is likely to manifest in a powerful sense of attachment and entitlement. For many, those in regional Australia, the family farm embodies their livelihood, their family history and their sense of cultural identity. Settler Australians have profound spiritual attachments to their land, regardless of longevity or type of association. After almost 200 years of mountain cattlemen working the high country, I would argue this is very real for them.

Some may argue that the best social value for the Alpine National Park would be to lock out the mountain cattlemen for all. But we are only talking about a small section of the park. For men like Charlie Lovick, Graeme Stoney and cattlemen on both the southern and northern side of that mountain, the cultural landscape that they practise their heritage in is very important. I would call on members and senators to look at the recent submission by the Mountain Cattlemen's Association of Victoria in support of the Alpine grazing trials in Wonnangatta. It articulates that connection.

Over the coming months I will be returning to the high country, and I am sending out an open invitation for senators and members to join me to see firsthand what is at risk of being lost forever following this outrageous decision by the Victorian Labor government to permanently ban cattle in the high country. I call on senators from Labor, the Greens, the cross benches and indeed the coalition to join me and Charlie Lovick. Take a ride in this special place. Watch our mountain cattlemen practise their culture and join me in supporting them.

Middle East

Senator SINGH (Tasmania) (23:35): Last year was the United Nations International Year of Solidarity with the Palestinian People. It put the spotlight on the lives of the Palestinian people, creating international awareness of the challenges they have faced since the partition of Palestine and the occupation. Nearly 68 years on, the ongoing impacts of the occupation
have been devastating and demoralising for all. One of the most fundamental requirements for life has been too often damaged in the ongoing conflict—water. Australians know all too well water is not limitless, so policies that govern its distribution and use need to be fair and equitable. In considering allocations of water, the water needs of all need to be considered, including balancing water needs of agriculture, business and households. It is through this lens of water that I wish to talk about Palestine and Israel, where the allocation and distribution of water has been of major international concern.

Like Australia, the lands containing both Israel and Palestine have areas which have high and low rainfall and seasonal rains and, therefore, rely on both surface water and underground aquifers. Whilst there is not unlimited water, there is not an overall water scarcity problem. However, the UN Committee on Economic, Social and Cultural Rights have repeatedly expressed concerns that Palestinians living under Israeli occupation:

… do not have access to sufficient and safe drinking water and adequate sanitation.

In Gaza the situation is horrendous, with 90 per cent of the water determined as unfit for human consumption, and raw sewage being pumped into the sea.

In 2009, two major reports documented in detail the challenges in accessing adequate and safe water and sanitation for Palestinians living under the occupation. One report was by the World Bank and the second by Amnesty International. These reports both acknowledged improvements to be made with both the Palestinian Authority and international donors, but focused the majority of the attention on Israel as the occupying power. Four out of six of Amnesty’s recommendations are directed towards the Israeli authorities. The most significant factor leading to this situation is the grave disparity in water access between Palestinians and Israelis, with Israelis having access to four times as much water as Palestinians. The Amnesty report states:

Israel controls and restricts Palestinian access to water in the OPT to a level which neither meets their needs nor constitutes a fair distribution of shared water resources Israel uses 80 per cent or more of the water from the Mountain Aquifer, the Palestinians’ sole remaining water resource, which is replenished almost entirely by the rainfall over the West Bank. Israel has entirely appropriated the Palestinians’ share of the Jordan River. It also has additional water resources which are not shared with the Palestinians.

The Oslo peace accords included an interim agreement on water, allocating a set amount per year of water that could be extracted by both parties from the three underground aquifers. Palestinians were granted one-quarter of the water allocation assigned to Israel. Palestinians remain constrained by these restrictions; however, Israelis do not. The World Bank estimates that Israel overpumps 390 million cubic metres of water from shared aquifers, amounting to about 80 per cent above Israel’s Oslo allocation of 483 million cubic metres a year. Israel has raised concerns about Palestinians drilling their own wells or accessing piped water without Israeli permission and damaging the water infrastructure.

During the conflict in Gaza last year, some 60 per cent of water storage tanks were destroyed or damaged, 38 per cent of water pumping stations were destroyed and half of the water distribution centres were either destroyed or damaged. The destruction of water treatment plants in this and earlier conflicts, combined with the Israeli blockade, has led to UN estimates that 50 to 80 million litres of untreated and partially treated sewage is
discharged daily into the Mediterranean Sea. This has resulted in the pollution of seawater and marine life and has exposed residents to direct health hazards of waterborne diseases.

The UN Committee on Economic, Social and Cultural Rights explicitly raises concerns about:

... the continuing destruction of the water infrastructure in Gaza and in the West Bank ...

It urges Israel to:

... take urgent steps to facilitate the restoration of the water infrastructure of the West Bank ...

The situation of water in Israel and Palestine is a microcosm of the wider conflict. The Israeli and Palestinian people face a shared future on shared land. There needs to be a sense of shared humanity, understanding and peace. In his message for the International Day of Solidarity with the Palestinian People, UN Secretary-General Ban Ki-moon called on both parties to:

... to step back from the brink. The mindless cycle of destruction must end. The virtuous circle of peace must begin.

Violence and conflict is no solution and has led to the disparity in water resources, which is harming the most vulnerable in the community. Philip Gordon, the White House Coordinator for the Middle East, commented that Israel:

... cannot maintain military control of another people indefinitely. Doing so is not only wrong but a recipe for resentment and recurring instability.

Australia has an ongoing role to play to multilaterally bring an end to this conflict through a negotiated and just solution for both parties based on UN resolutions and international law. This is not about a contest between pro-Israelis and pro-Palestinians, but about seeking a lasting resolution based on peace and international law. As a modern democratic nation, we should be joining the 132 other nations who have conferred diplomatic recognition to the Palestinian National Authority. Australia should be pledging to support the rights of the Palestinian people. As my colleague in the other place, the member for Fremantle, has eloquently said:

It is now time for the Australian government to show genuine support for the two-state solution and recognise the state of Palestine.

A lasting and genuine path to peace must be embarked upon to end this conflict. I very much look forward to when that day will come.

**Australian Greens**

**Senator SIEWERT** (Western Australia—Australian Greens Whip) (23:42): Next week, I have been in this place for 10 years, fighting for people and the planet. For me, it has always been about people and the planet, the environment that sustains us and how we live on our earth and in communities. In 10 years, I have seen four, or technically five, Prime Ministers. When I first came into this place, it was into a situation where then Prime Minister John Howard had control of both houses. Then there was shared balance of power, then balance of power and then shared balance of power again. Under all of these arrangements, myself and the Greens have achieved outcomes. We have had highs and lows.

I must admit, it was a baptism of fire with the Howard government. Mr Howard, at the time, used his control of both houses of parliament to bring in punitive laws such as Welfare
to Work, WorkChoices and the Northern Territory intervention—all areas that I felt passionate about. You learn a lot about parliamentary process very quickly and working with stakeholders when you are handling legislation—those were all pieces of legislation that I had portfolio responsibility for—that has such a massive social change and is so damaging to so many people. While WorkChoices has largely been overturned—I am pleased I was able to play a part in that—I continue to campaign to reverse Welfare to Work and the Northern Territory intervention, as these continue to harm many Australians.

Parliament is not just about the legislation we deal with in this chamber; it is about the important issues that we bring here, the forums that we have here in Parliament House, the parliamentary friendship groups, the committee process, the committee inquiries, the debates, giving voice to those struggling to get issues on the agenda and encouraging community engagement with this place and its decision making processes. All of this make up what the parliament is.

One of the first issues that I campaigned on as a senator was petrol sniffing. I was stoked, I have got to say, when the Howard government at the time listened to the evidence and increased funding for the rollout of Opal fuel—although now we generally refer to it as non-sniffable fuel. I have campaigned on this issue ever since, to the point where many of my colleagues think that I am a broken record on the issue. We also managed to achieve a private member's bill on this issue, which managed to get through both houses of parliament, to handle those recalcitrant roadhouses who refused to stock non-sniffable fuel. I notice that the minister actually is in the chamber now, and I continue to nag the government to use that legislation.

One of my loves of this place, which I have loved from the start, is the Senate committee process. I have been a very active member of many committees and have seen firsthand what a difference the recommendations of the committee process can make. The Senate Community Affairs References Committee's Hear us: inquiry into hearing health in Australia report is a good example. This was an inquiry into Australian hearing services. It resulted in a number of changes, including increasing the age that someone can continue to access hearing support services from the age of 21 to 26. In fact, that report is still regularly quoted.

There are privileges that go with this job, and one of those was attending the apology to the Stolen Generations. I remember that day for the rest of my life, as I think everybody in this place and other people around Australia will. Our treatment of Aboriginal and Torres Strait Islander peoples is, unfortunately, one of a number of dark parts of our history where we have treated Aboriginal and Torres Strait Islander peoples and other groups very badly. Forgotten Australians and former child migrants were another of these groups. Again, it was a privilege to be involved with the last of the three Senate Community Affairs References Committee inquiries on this issue and to have attended that apology.

It shows that this place does make a real difference to people's lives and it is not just the legislation that we deal with. The Senate Community Affairs References Committee inquiry helped those who have been campaigning on forced adoptions for many years to achieve their call for an apology. When we tabled the report in the Senate, all of us senators stood up and clapped the mothers, the adoptees and the families affected who were sitting in the galleries; it made us realise and come face-to-face with the difference we can make to people's lives.
Again, it was a big privilege to have attended the apology to those people affected by those appalling policies.

I do not have enough time tonight to go through everything and all the issues that myself and the office team have handled over the years. Some of those include issues like: income management, Aboriginal and Torres Strait Islander health, closing the gap, the inadequacy of the income-support system, marine protected areas, knocking off the development James Price Point, dialysis funding, disability issues, sharks, the Murray-Darling, remote communities, Aboriginal hearing, the Montara oil spill, natural resource management and climate change, in particular focusing on the impact climate change has on agriculture and our marine environment. Those are just some of the issues that I have personally worked on. I could not possibly list all of the work of my colleagues who I have worked with over these years.

Sadly, the challenges facing Australia and the world are becoming increasingly more urgent. CSIRO's megatrends report that was just recently released shows there are massive forces shaping our future. They name seven megatrends and some of them are self-evident: more from less; going, going, gone, which talks about the extinction crisis and climate change; the silk highway, which is about our engagement with Asia; forever young, which is on ageing demographics; virtually here, which is about the change to the way that we access services and the digital economy; great expectations, which is about the rising expectations for people wanting experiential goods as opposed to material goods; and the innovation imperative, where human innovation makes just about anything is possible. All these are shaping our future. It is imperative that we plan for the long term to deal with them, particularly regarding the impact that climate change will have across the board. A global view is more important than ever before. The Greens get this. In fact, we are the only global political party. Greens are here, and we intend to stay, to try to change things for the better and to ensure that we are planning for the long term.

My time in parliament has been tough at times. Family and friends are integral to keeping me going in this place. I have also received consistent and incredible support from the Greens—both the Australian Greens and the Greens WA. I would like to acknowledge how much a part of my life both the party and my friends in the party have been.

The strength of the Greens has been about bringing both our brain and our heart. I get to bring my heart with me to my workplace—and I have to say that it makes me extremely happy that I can do that. Our other strength is the people who support us: my colleagues of course; the staff who provide so much support; our party members; our campaigners; the activists we welcome to this place; the experts; the not-for-profit organisations; and the non-government organisations that provide so much support and advice. There are so many people who have helped us develop our policy positions—because, as a grassroots party, we encourage that input. They help us whenever possible. I get excited that I can work on a vision for a better Australia.

I have always tried to open up this parliament up to others, to make sure that the community has access to this place—because there is such access for lobbyists and industry influence. It is extremely important that the community gets a voice and that the not-for-profit sector gets a voice. One of the true absolute pleasures of this job is the people you meet and the fact that we get, particularly as part of the committee process, to see so many places in this
country, to see what a beautiful country we have—and how important it is that we work to protect the environment and peoples of this planet and this country. You get to meet people from all walks of life.

Together in this place we are all making a difference. I believe everybody here wants to make a difference. The Greens, in particular, have a vision for the future, a vision that will both help the people of our country and our planet and protect our environment. We will continue to campaign for a more caring society. I commit the rest of the time I spend in this place to helping to generate a more caring place and a better environment.

Brideoake, Mr Allan

Senator WILLIAMS (New South Wales) (23:52): Tonight I begin with the words of George Lancaster of the 4th Anti-Tank Regiment. He said:

Those who were in Japanese captivity are an elite group, for those who were not there are unable, even in their wildest imaginings, to understand what happened to us physically, mentally and above all else, emotionally. Does one forget the pain, the degradation and the loss of comrades who would never have died if our treatment by our captors had been half-way civilised?

I forgive grudgingly, but forget? How ridiculous! How ludicrous!

Tonight I pay tribute to Allan Brideoake, a man who endured the horrors of a prisoner-of-war camp and a man I came to know over the years as a thorough gentleman.

Allan was born in 1920 in Cootamundra, the son of a farmer who later became a butcher. He did not know it at the time, but a young daughter of family friends, Ruth Watt, was later to become his wife. After the Dunkirk evacuation in May 1940, Allan again asked his father if he would let him join the call-up. Mr Brideoake senior said he would not stop him, but he also would not sign anything to allow him to join. Like many young men, he fudged his birthdate, putting down 6 June, 1919, one year earlier than the date he was born. He enlisted in the AIF on 1 July 1940 in the 2nd/19th Battalion. In February the following year he and thousands of other young Australians sailed from Sydney bound for Singapore.

The first few months were spent in Malaya, getting ready for what they knew would be a sustained Japanese attack. In an early battle Allan received a bullet wound and the bullet was not removed until much later, when he was a POW. He recalled that life was tough—one of his mates became so dehydrated he tried to drink the ink from a fountain pen. He was in Singapore when news of the surrender came through on 15 February 1942. In Allan's words:

It was the beginning of the toughest period of my life. I'd just lost a lot of good mates in battle and I was about to lose many more, as well as witness some of the most barbaric acts of savagery by members of the Japanese army.

Following the surrender, the Australians were marched 15 miles to Selarang barracks, near Changi. Allan soon got a taste of what was to come, having to sleep on a cement floor, although he found a six-inch piece of timber that he tried to lie on.

The prisoners were sent to work constructing a road that would lead to a shrine, and one Australian was given the job of driving a steamroller. Each morning, he would get the petrol ration for the machine but would either trade the petrol for food or store the petrol overnight in the firebox of the steamroller—not a good place to put petrol, Senator Scullion. One morning the Japanese announced they were not happy with his work and decided they would operate the steamroller themselves. This presented a problem, because there was a tin of
petrol in the firebox. The Aussies kept well away that morning. There was an almighty explosion and the front end of the steamroller flew off. All the Japanese soldiers bolted, while the diggers had a good laugh. It took them a while to fix it, and meanwhile the driver was called over. He guessed the game was up, so he said his goodbyes and went to the Japanese. They told him they were putting him back on as the driver as he obviously knew how to operate the machine properly!

Allan suffered the first of his beatings in August that year when he was savagely beaten with a pick handle; as he tried to protect himself, his wrist was broken.

In March 1942, D Force were herded into steel railway trucks and told they were leaving Singapore, bound for Thailand. They eventually arrived at Tansao camp, and work started on the railway line, doing embankments and cuttings. From this time until the end of June 1944, it was just hard slog, moving from camp to camp and eventually to Konyu at Hellfire Pass and up to Hintok and Rin Tin camps. I take up Allan's words again:

This was the hardest time of our lives. The work we had to do was heavy and included digging, carting away rock and moving heavy timber around for bridge construction. Where a cutting was needed for the railway, gangs of two were given a 16 lb (7kg) sledgehammer and a long chisel. It was called the 'hammer and tap', where one man held the chisel while the other swung the hammer 100 times to drill the blasting holes for the Jap engineers. After 100 swings you would swap places. Many of the blokes ended up with broken hands and arms, until we fashioned a bit of timber to hold the 'tap'. We had to drive the blasting-hole one metre in depth into solid rock, and then the Jap engineers would give us charges to ram. After the blast, we would then have to return and clear out the rock. This is how the cutting at 'Hellfire Pass' was made …

The workday started at 8 am and often finished at midnight. Starved men suffering from malaria, tropical ulcers, dysentery, beri-beri and cholera, bashed within an inch of their lives, virtually used their bare hands to build what we now know as Hellfire Pass. The men were looked after by Doc. Hinder; Allan Brideoake, being a butcher, had the job of sharpening his instruments.

The line construction was finished in 1943, and in June 1944 the POWs were shipped south to Singapore and then on to Japan to work in the mines. Allan said there were already Pommy POWs working in the mine and they were a great help to the Aussies in telling them what they should and should not do to avoid a beating. The winter was horrific and the warmest place was down in the mines.

This brought new challenges to stay alive. Once, Allan and others were trapped for 28 hours underground by rising water, with a solitary lamp for company. Nearly all the guards at both the mine and the camp were civilians, and a lot of them were trying to outdo each other, bashing prisoners. A good mate of Allan's, Doug Craig, was carrying a bucket of ash on a cinder pole and, when he went to salute a guard, he dropped the pole. For this accident, Doug was made to kneel in the snow all night and literally froze to death. Allan was so incensed he provided evidence to the war crimes commission about the guard, but nothing ever came of it.

In late July 1945, the POWs heard Allied planes more frequently and in the following months they were given the news that atomic bombs had been dropped on Hiroshima and Nagasaki. When the end did come, the POWs were wary of the fate they faced. But, surprisingly, the gates were opened and the POW officers took control of the camp. It was
over. American planes flew over and dropped food packages and newspapers. One cannot imagine the thoughts of these men, knowing they were the lucky ones who had survived.

And they still had their sense of humour. A group including Allan commandeered an old truck with solid rubber wheels and headed off down the road to find a brewery they had been told about. By this time, some of these blokes had revolvers on their hips and they looked like they were in a Western. When they found the brewery, they were not allowed to take the beer and whisky until they signed for it. So, that day, Bob Menzies, Don Bradman and Ned Kelly signed for most of it! Off they went.

The men were asked to send a simple telegram—'Safe and well, in Allied hands'—which would go to their family. By chance, Allan Brideoake's brother Bob was serving as a telegram officer north of Darwin, and a colleague reached across and gave him the telegram Allan had sent and said, 'You might like to be the one to send this through to your mum and dad.'

Allan Brideoake arrived back in Australia on 18 October 1945. He was met by his mum and dad, his sister and also Ruth Watt, who had also worked for the war effort in various ways. Allan and Ruth were married in April 1946 and had two children, Bruce and Beryl. In the post-war years, they were involved in butcher shops, farming and the accommodation industry. In 1997, Allan and Ruth retired to Scone. Ruth passed away in 2007, and I am sad to say Allan passed away early last week at the age of 95.

I was honoured to have met Allan Brideoake and enjoyed chatting to him about his time as a prisoner of war. I extend my sincere sympathies to his family.

I conclude with the words of George Lancaster of the 4th Anti Tank Regiment:

When I arrived home, I received two one-pound sterling canteen orders, a handshake and a ride home. No counselling or other forms of assistance, so readily available today. Go home and be 'normal' we were told; we did it, each to his own principles.

Allan Brideoake, you are a great Australian.

**Greece: Economy**

**Government Spending**

Senator McGrath (Queensland) (00:01): Halfway across the world, an ancient civilisation finds itself teetering at the edge of the abyss. Through lax spending and an engorged government sector, Greece has racked up €320 billion in debt, a staggering 177 per cent of its domestic product. Unemployment stands at 26 per cent. Families struggle to make ends meet, and the country faces total financial ruin. Economic Armageddon awaits the Greeks. The economic crisis in Greece is a warning to all nations about the perils of high, prolonged, unaccountable government spending. Big government is the enemy of economic liberty. Big government spending is the enemy of personal liberty. Big government debt is the enemy of national liberty.

Last week, I called for bold tax reform with the decrease of productivity taxes, with a shift and a reduction to a tax system based on consumption. Today, I am calling for boldness when it comes to transparency on government spending. Today, I am calling for the introduction of transparency portals for government spending. All government spending is money that has been taken as taxes today or debt to be paid for by the taxes of tomorrow. As the custodian of taxpayer funds, government has a strict obligation to spend those funds wisely and openly.
As believers in small government, the coalition understands this requirement, in stark contrast to those in the Labor Party. It is worth remembering the blow-out in spending that occurred under the Rudd/Gillard/Rudd governments with the support of the Greens. While this parliament has been obsessed by The Killing Season and the political intrigue of Labor infighting, those political crimes provide cover for the economic thuggery and quite spectacular incompetence of the former Labor Green government.

Despite his protestations of being an economic conservative, Kevin Rudd turned John Howard's $20 billion surplus into a string of record deficits. Under the previous government, Labor never delivered a surplus, despite promising to do so over 500 times. In fact, Labor delivered a total of $240 billion in deficits over their six years in power. This represented the fastest budget deterioration in modern Australian history, going from $44.8 billion in net assets to $202.5 billion in net debt.

Under Labor, spending as a proportion of GDP increased from 23.1 per cent to 25.6 per cent. What the taxpayers of Australia have to show for this Labor/Greens legacy is a $1 billion a month interest bill. Thankfully, this coalition government is taking measured, reasonable and fair decisions to bring Australia's finances back under control. Because of the coalition's plan, the deficit reduces each and every year, and the cumulative deficits will be over $40 billion lower than those we inherited from Labor. Real spending growth will be 1.5 per cent per annum, on average, compared to Labor's real spending growth of 3.6 per cent per annum. More importantly, the size of government as a share of the economy is shrinking.

At the macro level, these actions represent a sizeable shift towards smaller government in Australia, and should be commended as such. The challenge at the micro level is ensuring that government spending is accountable, transparent and achieves value for money for taxpayers.

To support the ideal of low, open and accountable government spending in Australia, it is my view that all government payment details should be made publicly available online. We have started on this journey, as the budget papers and department annual reports are already accessible online. Also, the coalition has already introduced annual tax receipts to break down how income taxes are spent at a portfolio level. The transparency portal approach, which is used overseas and has been advocated for in Australia by interest groups such as the Australian Taxpayers' Alliance, would allow taxpayers to find details down to the payment level—how much, to whom, for what, and where—in a format that would be simple and universal across government departments.

Different models for 'transparency portals' have been adopted overseas. The examples of the United Kingdom and the United States provide valuable insights into how such a system could work and the benefits to government accountability, government transparency and value for money for the taxpayer. Upon coming to government in 2010, the Conservative-Liberal Democrat coalition government in Britain faced the reality of high government spending, a deteriorating budget position and rising national debt. The inheritance of another failed Labour government.

The new British government commissioned a report by the Cabinet Office and the Efficiency and Reform Group on practical steps to improve the availability and use of management information. The goal was to improve the operational efficiency of government departments and enable greater public accountability. The Read report recommended the implementation of common data and reporting standards for all government department spending, and the publication of department finances in a consistent and public format. The result is the Government Interrogating Spending Tool, or GIST. The GIST is an online visualisation tool that allows individuals to analyse government financial information as well as internal government management information. Charts are presented in area, bar, pie or doughnut form, with a colour-coded representation of each department and area of spending. By clicking through a department, a further breakdown of expenditure can be viewed that
uses consistent accounts across agencies, such as staff costs, grants, purchases of goods and services, income, pensions, and depreciation.

Such an approach in Australia would be a significant step forward, enabling greater scrutiny of departmental expenditure. But the model in the United States goes even further. The Federal Funding Accountability and Transparency Act 2006 requires all federal spending on contracts, grants, loans and other financial assistance greater than $25,000 to be made publicly available. USAspending.gov, administered by the Department of the Treasury, collates the data in a visual format similar to GIST, and provides for data downloads. To meet their requirements, federal agencies are required to report information, including the name of the entity receiving the funds, the amount received, the recipient's location, and the place of performance. This provides extensive ability for analysis by agency, recipient and state and territory. The Spending Map allows further breakdowns to the county, congressional district, and ZIP code level.

In conclusion, greater data is the key to greater public accountability for government expenditure. Australia should implement a model similar to the United States, for amounts over $50,000 to begin with, and then with all receipted expenditure, which should be online. Obviously most defence and security expenditure should be excluded. It is by bringing in a system of online transparency for government expenditure that we can achieve greater accountability for taxpayers. Equally importantly, we can achieve reductions in government expenditure by highlighting online the how, what, why and when of government spending.

With easily accessible information, every Australian taxpayer will become an auditor of government spending. Every Australian taxpayer will be a judge of how the government spends their money—the taxpayers money. As a result of this transparency, and the resulting accountability, a reduction in wasteful government spending will see a fall in government expenditure. We should not forget that big government is the enemy of economic liberty, big government spending is the enemy of personal liberty, and big government debt is the enemy of national liberty. Only by reducing taxes and reducing government spending, through transparency portals, will we be able to free Australians from the economic imprisonment of Labor and the Greens.

**Workplace Relations**

**Senator EDWARDS** (South Australia) (00:09): I rise to speak on certain aspects of the Labor Party's recently-released policy platform that relate to fairness for Australian workers. Labor claims in its platform that it is committed to preventing companies from using business arrangements to avoid their obligations to pay employees their proper entitlements. Labor says it is going to make changes to help employees recover their entitlements. There is just one word needed to describe these proposals—hypocritical. Let me explain.

One way in which Labor claims it will prevent companies from avoiding their obligations to properly pay their employees is by preventing phoenix operations. Phoenix operations involve companies going into liquidation and then reforming as new entities, often with the same directors, in order to avoid paying their proper liabilities. Some companies have been known to do this in order to deliberately avoid paying entitlements to their employees. We on this side of the chamber absolutely agree with the need to protect employees from this kind of activity, through both prevention and cure. On the side of a cure, this is why we introduced the General Employee Entitlements Redundancy Scheme and have maintained the Fair
Entitlements Guarantee to ensure that employees ripped off by corporate malpractice are not left in the lurch.

On the side of prevention, this is one reason why we established the Royal Commission into Trade Union Governance and Corruption. The royal commission is in the process of examining several companies that appear to be involved in very serious cases of phoenixing. These are companies propped up by none other than the militant construction union, the Construction, Forestry, Mining and Energy Union. The interim report of the royal commission uncovered a disturbing string of negotiations between the CFMEU New South Wales and a series of companies that were formed in dubious circumstances, fell behind in their entitlements payments and ultimately went bust. On at least one occasion the CFMEU entered a fresh enterprise agreement with a company, trading as Active Labour, that it knew still owed entitlements to its workers. The deal was signed for the company by senior Rebels bikie Abuzar Sultani, who was identified as a director of Active Labour. This alone exposes the CFMEU lie that it does not do business with bikies. Other directors of Active Labour include the sister of dubious business identity George Alex, the murdered standover man Joe Antoun, and Mazen Hourani, who was also the director of other companies involved in dodgy dealings with the CFMEU.

These matters have been the subject of hearings at the royal commission over the past two weeks. At the same time, the Senate Economics References Committee, on which I serve, has been conducting an inquiry into phoenix activity in the building industry. I find it not only amazing but also unconscionable that anyone could act as if the royal commission revelations were not happening during this time. Yet that is exactly what the CFMEU and its chief defence counsel, Senator Cameron, attempted to do during the hearing of the committee. CFMEU National Secretary Dave Noonan told the committee at its hearing on 12 June that the allegations against the CFMEU in relation to some of these issues had 'not so far been borne out' by the royal commission. Notwithstanding this, Mr Noonan went on to admit that the CFMEU officials in New South Wales dealt directly with criminal identity George Alex and his associates in relation to these highly questionable phoenix deals. He further pretended to play dumb by claiming he did not think it was 'controversial' that Mr Alex associated with so-called 'colourful' characters. Mr Noonan again tried to play dumb when he claimed he had 'no idea' whether senior Rebels bikie Abuzar Sultani was involved in the negotiations for the deal with Active Labour. Has Mr Noonan forgotten that the CFMEU's own internal investigation reveals that CFMEU officials spent nearly two years recovering four months worth of employee payments from various companies trading as Active Labour?

It also shows that shortly after the CFMEU started making claims against these companies, the union inexplicably entered into a new enterprise agreement with— you guessed it! — Active Labour. It signed itself up to more work with the same company, putting its own members in the firing line and risking their livelihoods.

The CFMEU report also shows that the union discovered that one company, Elite Access Scaffolding, was eight months behind in payments of entitlements to its employees. Yet, while it was still seeking recovery of these funds, New South Wales CFMEU official Darren Greenfield started negotiations with Elite Access Scaffolding, which led to the signing of another enterprise agreement with this rogue company. Greenfield gives no explanation of why he started negotiations when payments were outstanding. The directors of Elite Access
Scaffolding included Doug Westaway and Joe Antoun. Mr Antoun infamously beat Westaway to the point of perforating his eardrums when Westaway tried to stop him withdrawing money that was needed to pay workers from the company. Antoun was later shot outside his home.

The royal commission interim report recounts the treatment of one CFMEU official who was brave enough to question the wisdom of the union's dealings with such companies. This whistleblower asked why the CFMEU was proposing to enter yet another enterprise agreement with a company that appeared to be linked to one with outstanding worker entitlements—a classic phoenixing scenario. He raised his concerns with New South Wales Secretary, Brian Parker. Parker immediately contacted the company in question, a company controlled by George Alex. Later the same day, the whistleblowing official received a threatening phone call from George Alex, who has recently been sentenced to 16 months imprisonment for making threats to kill. He told the whistleblower he was 'running out of patience'. Mr Parker, the highest official in the New South Wales branch of the CFMEU then told a colleague he had to stop himself from bashing the official and that he would 'unleash'.

He did just that in an expletive-laden phone call to his daughter a few days later, where he referred to the whistleblower as an 'expletive dog', an 'expletive imbecile' and worse, and attacked his loyalty to the union movement. I will spare you the exact quotes, but the report gives the full and horrible detail. When rightly brought before the royal commissioner, Parker proceeded to deny any of this had happened—until he was confronted with transcripts and recordings. The commissioner found that he had given false evidence. He found his conduct 'scandalous' and that it was not the conduct of a person suitable to hold his office.

So whose side has Dave Noonan taken now that these issues have been aired? That of the brave whistleblower who warned the union against associating with the likes of George Alex, or the side of the thuggish and discredited Brian Parker? We all know the answer to that question. This CFMEU hypocrisy cannot be overstated. This is CFMEU hypocrisy writ large. The union that is meant to be defending workers is in fact orchestrating deals that destroy the lives and livelihoods of its very own members—and the responsibility for this rests squarely at the feet of Dave Noonan.

Dave Noonan and the senior leadership of the CFMEU have deliberately and systematically threatened whistleblowers who have tried to put workers first and have them driven out of the union. A despicable abuse of power! This is the union that bankrolls the Labor Party and the Greens. The Labor Party and the Greens are standing on the shoulders of a union whose highest leaders, such as Mr Noonan, choose to abandon their members, attack members of their own staff, and, in the case of Mr Parker, lie to the highest form of judicial inquiry in this country.

The Labor Party is totally disingenuous when it claims to be committed to preventing phoenixing. If the Labor Party was serious about protecting workers, then it would immediately stop accepting funds from the CFMEU until this matter is resolved. If it was truly the party of working Australians, it would use CFMEU donations to pay back the entitlements owing to those hardworking members who have been ripped off by rogue companies acting in concert with CFMEU officials. Instead of disassociating itself from the tainted union and its tainted money, the Labor Party does everything it can do to protect the CFMEU from scrutiny.
Despite the very serious nature of the allegations against the CFMEU, Senator Cameron spent the recent committee hearing shielding Mr Noonan from questions on these matters. Mr Noonan knows that it was under his watch that whistleblowers were pushed out of the CFMEU and that he himself led the campaign of victimisation and vilification of those whistleblowers who had sought to protect their members against phoenixing. And yet Mr Noonan has the gall to turn up in front of a Senate committee, on which I sat, and, on oath, pretend he is genuinely concerned about phoenixing.

I can assure fellow senators that the inquiry currently underway into phoenix activity in the construction industry will be looking very closely at how the CFMEU responds to legitimate concerns about phoenixing and how Dave Noonan and Michael O'Connor—and Senator Cameron, for that matter—play along with this crooked farce.

**New South Wales State Election: Tamil Community**

**Local Government**

**Indigenous Communities**

**Senator RHIANNON** (New South Wales) (00:24): The Greens campaign in the New South Wales state seat of Prospect in the March 2015 election involved considerable work with the Sri Lankan Tamil community. Prospect is a new seat created in the 2013 redistributions. It covers much of the previous seat of Smithfield, along with the elements of the former seat of Toongabbie. It was a marginal Liberal seat in the March New South Wales state election. The present electorate ranges from Bossley Park and Prairiewood in the south through to Pendle Hill, Toongabbie and Huntingwood in the north. It is the state seat with the most Tamil speakers in New South Wales.

The Greens New South Wales multicultural strategy identified the Tamil community as a priority for the New South Wales state election. Parramatta Greens member Sujan Selven, a young Tamil Australian, was preselected by the Greens to be the candidate for Prospect. Sujan came to Australia in 2000 as a refugee. He is a small business owner and runs a function centre in Pendle Hill. He is actively involved in the Australian Tamil community and co-founded the Voice of Tamils in 2008. Sujan is a keen cricketer with the Voice of Tamils Cricket Club in Parramatta. Over the years Sujan has been a frequent visitor to detention centres and he spends a significant amount of time advocating on behalf of asylum seekers and refugees. Sujan first started working with the Greens in the 2010 election as part of the newly formed Tamils for Greens community group, a network of primarily Tamil youth.

The Prospect Greens campaign strategy in the 2015 election was twofold. It was to engage with the wider Prospect community on issues such as public transport, public education and health. Sujan attended and spoke at local community forums such as Unions New South Wales events and forums on local council amalgamations. The second part of the strategy involved working closely with Tamils for Greens to both increase the vote in the Tamil-speaking areas of Prospect and advance the Sri Lankan Tamil community's needs politically. The budget was intentionally kept to a minimum. For the Greens campaign team, it was also to understand and test an intense organising strategy with a multicultural community.

With regard to increasing the Greens vote in areas where the Tamil community resides the results are very significant. Booths located in areas with a large Tamil community received significant boosts, such as a 13 per cent swing at Toongabbie Public School, an 11 per cent
swing at The Hills Sports High School, a 10 per cent swing at Girraween Public School and an 8 per cent swing at Pendle Hill. Although there was a small, 0.4 per cent, swing against the Greens in Prospect, this was well below the average swing of 1.5 per cent against the Greens across Western Sydney. The Greens polled an unprecedented 15 per cent at Girraween High School, which may now be the most Green voting booth of its size in Western Sydney. On election day, Sujan and his campaign team were able to mobilise 133 volunteers and staff at every booth in Prospect and a number of booths outside the electorate. On the Sunday before the election, 10 Prospect volunteers phone banked about 500 people in one evening. The overwhelming majority of volunteers had never previously helped the Greens in an election, and indeed many had previously volunteered for the Labor Party. The group was almost entirely young people.

With regard to advancing the Sri Lankan Tamil community's needs politically, the campaign team were able to put the issue of an international independent investigation into war crimes committed in Sri Lanka and the growing number of asylum seekers and refugees in Prospect on the political agenda in the electorate. I congratulate Hugh McDermott, the new MP for Prospect, and note that he has given his support to a war crimes investigation. In his first speech Mr McDermott said:

I look forward to working with you to support the Tamil community and reconciliation between all the peoples of Sri Lanka, which must include the establishment by the United Nations Human Rights Commission of an international investigation into wartime violations against the Tamil population during the civil war.

Sujan, his campaign team, volunteers and Tamils for Greens ran an amazing campaign. I warmly congratulate them, and I enjoyed joining them at some of their meetings. The Prospect campaign was vibrant and dynamic, and it was an absolute delight to see the Tamil community rally behind someone like Sujan and support the Greens. I hope that Sujan and everyone who was a part of the campaign continue to be involved in Australian politics.

I have worked closely with the Sri Lankan Tamil community in NSW for more than five years. I first met the community when I attended one of their protests at Martin Place during the 2009 war in Sri Lanka. The cries of anguish at the massacre going on in their homeland was met with deaf ears at the time by the then Labor government. Even after the war ended—it is estimated more than 100,000 Tamils in the north were killed and more than 330,000 Tamils incarcerated—and with horrific evidence of sexual abuse by government officials emerging, both Labor and the Liberals refused to acknowledge the very serious human rights emergency in Sri Lanka and suffering of the Tamils at the hands of the brutal government at that time.

Tamils for Greens were formed on the back of this by a group of young Tamils in Australia who felt betrayed by the silence of the then Labor government, the party that they as a community had largely supported. They lobbied their community through Tamil radio, social media and Tamil websites. They attended senior citizens' meetings and Tamil community gatherings to assert that the community had political capital as voters and that they needed to use it. No longer could Labor assume they had the vote of the Australian Tamil community.

The Tamil community has had to work very hard and consistently to convince Australians and the wider international community that war crimes and crimes against humanity were committed by the government of Sri Lanka. I congratulate the community, that despite all the
stigma and difficulties, their hard work in building this international campaign is winning broad-based support.

The deep pain and sadness of the 26-year-long civil war in Sri Lanka continues. The Australian Tamil community continues to be a strong voice of justice for both the Tamils in Sri Lanka and for those fleeing to Australia as asylum seekers.

A continuing distress for the Sri Lankan community, apart from the ongoing structural genocide in their homeland, is the response of the Labor and Liberal party to the situation in Sri Lanka and to Tamil asylum seekers in Australia, which is largely aligned with the government of Sri Lanka. I acknowledge that some federal and state MPs have publicly supported their campaign for justice, but there have been far too few, and far too many have been silent. The official policy of Labor and the Liberals is quite different from the sympathetic voice of those MPs. Many in the community have told me that this campaign has shown that they can organise to hold the Labor and Liberal parties to account and that they are looking forward to the next federal election.

For the New South Wales Greens, the success of the Prospect campaign bodes well for a future strategy of working closely with multicultural communities. Our message has broadened and we continue to express solidarity with the oppressed, while taking issues of importance here in Australia: opposing racism and advocating for public education, public health and decent jobs. Working closely with a targeted community and pre-selecting someone with Greens values and a significant community profile delivers an opportunity to deliver Greens messages to non-traditional Greens voters and increase the vote. The campaign coordinator’s evaluation of the campaign shows deep demographic analysis and microtargeting, and is an excellent template for organising into the next federal election.

For the Sri Lankan Tamil community in New South Wales there is significance in the federal seats of Greenway and Reid, which are both marginal seats with very high Tamil populations. Reid is held by the Liberal MP Craig Laundy and Greenway by Labor MP Michelle Rowland. The Tamils for Greens have already started planning their strategy for the upcoming federal election and future state elections. I wish them all the best and will continue to work closely with them.

I will also continue to campaign for an end to the structural genocide in the Tamil homeland and for an international independent investigation into war crimes and crimes against humanity committed in Sri Lanka.

Now, on another matter. The ghost of the corrupt former New South Wales Premier again haunts Macquarie Street in Sydney. I spoke last week of about breakdown in standards and decency in the New South Wales Liberal-National government, and how in many areas they mirror the reign of the disgraced Liberal leader, Robert Askin.

The latest area where we see this is the Baird government's local government amalgamation push. This is a story of manipulation and dishonesty, with the fancy PR title of 'Fit for the Future'. At the heart of this plan is the removal of residents' rights to have a say in their community. The winners here, like with so much this government undertakes, are corporate businesses.

Amalgamations by choice are not what I am talking about. The problem is the forced amalgamations and the amalgamations by trickery. If the mass amalgamations of local
councils that the Baird government is pushing do eventuate, New South Wales will become even more of a developers' paradise, where approvals are given with little input from locals, building certification is so poor lives can be put at risk and worker on-the-job safety is weakened, all to assist construction companies to cut corners to increase their profits.

Rather than the government's heavy-handed scare tactics of 'amalgamate or suffer', we should be assisting our local councils to deliver quality services, democratic consultation and needed infrastructure. Local government is where our decision makers are most closely connected to the community. Together, they should be well placed to make decisions on services, planning and development. Forced amalgamations stand to alienate this level of government from local communities.

Size matters and the average size of councils in New South Wales is already well above the global standard. The council average in New South Wales is 48,490. In OECD countries, the average population size per local government in metropolitan areas is just over 27,000. New South Wales councils are already well above this average size. An increase in the size of councils would result in the communities in these local government areas having a reduced voice due to the reduced representation that comes with amalgamated councils. The Greens support reforms that improve the financial sustainability of local councils, but there is no justification for forcing amalgamations on financially struggling councils. Merging two or even three councils that are in financial difficulties only expands the problem.

Liberal dirty tactics on amalgamations are on display at the Hills Shire Council, where misleading information is being used to effectively push poll a dodgy survey. The Liberal council is distributing highly misleading material to its residents to support the pro-amalgamation agenda. This material, which directs residents to a biased online survey, presents participants with three options—but all of the options are for one form of amalgamation or another. Residents are not given the option of a stand-alone council remaining in its current borders. Not only does the online survey not provide residents with the option to select to retain their council; there is also no requirement for the person filling in the survey to identify themselves and so it is not possible to determine if there are repeat votes. The survey is clearly open to manipulation. What a waste of public money and ratepayers' money.

For the record, this is in Liberal Party heartland. Hills Shire Council is solidly controlled by the Liberals, with nine out of 12 councillors being Liberal. Alex Hawke is the federal MP. The state MP and, interestingly, the Minister for Finance, Services and Property, is Dominic Perrottet.

I introduced this speech tonight by equating the current New South Wales Liberal government with its forerunner, the corrupt Askin government. I am not accusing any minister of picking up brown paper bags of money, but the level of dishonesty to get their favoured outcome of larger, less-democratic councils where residents have fewer options to have a say in their community is a clear example of corrupt practice, as certain corporate interests will benefit.

The government's amalgamation campaign is also another example of the 'Get Clover' obsession that has become an unhealthy occupation of the Baird government. First off, the Liberal-National government engineered the voting system for Sydney City Council to give corporations two votes. That is two votes for a corporation, not for a person. Now they are
looking to merge Sydney City Council with surrounding councils in the east. This would give local Liberals a leg up and an even better chance of taking control of the jewel in the city crown—the Lord Mayor's position.

Despite the heavy hand of the 'amalgamate now or else' approach from this conservative government, most local government councils in New South Wales, of all political persuasions, are successfully resisting the New South Wales government's Fit for the Future forced amalgamations agenda.

Interestingly, there is an odd exception. Labor and Liberal councillors on Leichhardt council voted together for amalgamation with Ashfield and Canada Bay councils, despite growing concern about what this will mean. Greens mayor, Rochelle Porteous, has set out how this Labor-Liberal unity ticket betrays the community, which has expressed a strong wish to stay separate. The outcome of the Fit for the Future plan is in the balance as communities organise to save their local councils. Meanwhile, Liberal concern about the future of local government in NSW has been further exposed by their federal colleagues: it was last year's budget that delivered a $1 billion cut in infrastructure funding for local government.

On another matter, when I visited Alice Springs earlier this year I witnessed apartheid. The first time was outside a local bottle shop. I was with colleagues from the Alice Springs Greens; we were walking across town to the venue for our evening event. As we cut through a shopping centre we saw the Northern Territory apartheid laws in action: two men were stopped by police just as they came out of the shopping centre's bottle shop. I was with my colleague, Greens member and former federal candidate Barbara Shaw. Quite an argument ensued between the men and the police. The officer told the men that they knew the rules. The men objected to how they were being treated and said how it was unfair. The police officer told one of the men who had bought the alcohol that if he could bring back proof of where he lived, and if it complied, he would give him back his drinks. While this exchange played out many non-Aboriginal customers left the bottle shop with numerous alcoholic purchases. These people were not stopped or questioned.

There are 11 bottle shops in Alice and a police officer is stationed outside each one while these shops are open for business. If an Aboriginal person comes out with alcoholic drinks the officer asks them for identification. If the Aboriginal person cannot show proof of who they are and that they live in a location where they can drink alcohol, then their purchases are taken from them. Barbara Shaw told me how people are put on APOs—alcohol protection orders—and how, if they are caught three times with alcohol that the law deems they should not have, they have to go for mandatory treatment.

Many locals I met called Alice a police town. The police activities outside bottle shops occur as part of Operation Leyland, which comes under Stronger Futures legislation—a successor to the Northern Territory National Emergency Response. The legislation allows police to stop and search people and confiscate their alcohol if there is a reasonable suspicion that alcohol will be taken to a restricted area. Operation Leyland bases its 'reasonable suspicion' on the colour of the purchaser's skin—racial profiling—and Aboriginal people are routinely stopped. Aboriginal people I met spoke of their concerns that these actions are not about reducing harm and providing a safe environment. The NTER gave police powers to enter Aboriginal homes without a warrant on the suspicion that there was alcohol inside. This resulted in police raids on town camps, terrifying residents and compounding feelings of
social alienation. Many Aboriginal people I met in Alice told me they see these police activities as a means of disempowering Aboriginal communities. They told me how the authorities consistently refuse to seriously engage with Aboriginal leaders to empower communities to drive their own solutions. Stronger Futures actually allows for the development of alcohol management plans by individual communities; however, despite extensive efforts from Aboriginal people to negotiate such plans, there has been little movement.

Barbara Shaw said:
Aboriginal people can come up with their own solutions for their own problems, that's why we— referring to the Mt Nancy town camp— worked on our alcohol management plan. This has never been supported by the NT government and it has never been supported by the federal government. Our time and effort has been wasted, money has been wasted to recreate the wheel.

I congratulate the Intervention Rollback Action Group, the Northern Territory Greens and the many other organisations working to end the abuse and discrimination of Aboriginal people as well as working to promote self-determination so that communities can deal with the social problems they face.

Senate adjourned at 00:44

DOCUMENTS

Tabling

The following documents were tabled by the Clerk pursuant to statute:

[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.]


Commissioner of Taxation—Public Rulings—


Product Rulings PR 2015/6 and PR 2015/7.

Defence Act 1903—Section 58B—Approved summer schools, overseas club membership and operational area—amendment—Defence Determination 2015/24.

Defence Home Ownership Assistance Scheme Act 2008—Defence Home Ownership Assistance Scheme (Average House Price and Median Interest Rate) Amendment Determination 2015 [F2015L00848].


Quarantine Act 1908—
Quarantine (Christmas Island) Proclamation 2015 [F2015L00847].
Quarantine (Cocos Islands) Proclamation 2015 [F2015L00849].


Tabling

The following documents were tabled pursuant to standing order 61(1)(b):

Australian parliamentary delegation to southern Africa (Zimbabwe, South Africa and the Seychelles), 3 to 16 August 2014—Report, dated June 2015.

Environment—Climate change policy—Letter to the President of the Senate from the Minister for the Environment (Mr Hunt), dated 16 June 2015, responding to the resolution of the Senate of 25 March 2015.

Parliament Act 1974—Parliamentary Zone—Proposals, together with supporting documentation, relating to—

Construction of a memorial to the victims of the MH17 disaster.

John Gorton Building car park enhancement.