INTERNET

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SITTING DAYS—2016

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FORTY-FOURTH PARLIAMENT
SECOND SESSION—FIRST 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. George Henry Brandis QC
Deputy Leader of the Government in the Senate—Senator Hon. Mathias Cormann
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. George Henry Brandis QC
Deputy Leader of the Liberal Party in the Senate—Senator Hon. Mathias Cormann
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—Senators Scott Ludlam and Larissa Joy Waters
Chief Government Whip—Senator David Christopher Bushby
Deputy Government Whips—Senators David Julian Fawcett and Dean Anthony Smith
The Nationals Whip—Senator Matthew James Canavan
Chief Opposition Whip—Senator Anne McEwen
Deputy Opposition Whips—Senators Catryna Louise Bilyk and Anne Elizabeth Urquhart
Australian Greens Whip—Senator Rachel Siewert

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

<table>
<thead>
<tr>
<th>Senator</th>
<th>State or Territory</th>
<th>Term expires</th>
<th>Party</th>
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<tbody>
<tr>
<td>Abetz, Hon. Eric</td>
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<td>Brown, Carol Louise</td>
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## Senate Members

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

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

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

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

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

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

(6) Chosen by the Parliament of South Australia to fill a casual vacancy (vice P Wright), pursuant to section 15 of the Constitution.

(7) Chosen by the Parliament of Victoria to fill a casual vacancy (vice M Ronaldson), pursuant to section 15 of the Constitution.
(8) Chosen by the Parliament of Western Australia to fill a casual vacancy (vice J Bullock), 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
Secretary, Department of Parliamentary Services—R Stefanie
Parliamentary Budget Officer—P Bowen
<table>
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<tr>
<td>Prime Minister</td>
<td>The Hon Malcolm Turnbull MP</td>
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<tr>
<td>Minister for Indigenous Affairs</td>
<td>Senator the Hon Nigel Scullion</td>
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<tr>
<td>Minister for Women</td>
<td>Senator the Hon Michaelia Cash</td>
</tr>
<tr>
<td>Cabinet Secretary</td>
<td>Senator the Hon Arthur Sinodinos AO</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for the Public Service</td>
<td>The Hon Michaelia Cash</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for Counter-Terrorism</td>
<td>The Hon Michael Keenan MP</td>
</tr>
<tr>
<td>Assistant Minister to the Prime Minister</td>
<td>Senator the Hon James McGrath</td>
</tr>
<tr>
<td>Assistant Minister for Cities and Digital Transformation</td>
<td>The Hon Angus Taylor MP</td>
</tr>
<tr>
<td>Assistant Cabinet Secretary</td>
<td>The Hon Dr Peter Hendy MP</td>
</tr>
<tr>
<td>Deputy Prime Minister and Minister for Agriculture and Water Resources</td>
<td>The Hon Barnaby Joyce MP</td>
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<tr>
<td>Assistant Minister for Agriculture and Water Resources</td>
<td>Senator the Hon Anne Ruston</td>
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<tr>
<td>Assistant Minister to the Deputy Prime Minister</td>
<td>The Hon Keith Pitt MP</td>
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<tr>
<td>Minister for Foreign Affairs</td>
<td>The Hon Julie Bishop MP</td>
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<tr>
<td>Minister for Trade and Investment</td>
<td>The Hon Steve Ciobo MP</td>
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<tr>
<td>Minister for International Development and the Pacific</td>
<td>Senator the Hon Concetta Fierravanti-Wells</td>
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<tr>
<td>Minister for Tourism and International Education</td>
<td>Senator the Hon Richard Colbeck</td>
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<tr>
<td>Attorney-General</td>
<td>Senator the Hon George Brandis QC</td>
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<tr>
<td>(Vice-President of the Executive Council)</td>
<td>The Hon Michael Keenan MP</td>
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<tr>
<td>(Leader of the Government in the Senate)</td>
<td>The Hon Michael Keenan MP</td>
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<tr>
<td>Minister for Justice</td>
<td>The Hon Scott Morrison MP</td>
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<tr>
<td>Treasurer</td>
<td>The Hon Kelly O’Dwyer MP</td>
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<td>Minister for Small Business</td>
<td>The Hon Kelly O’Dwyer MP</td>
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<td>Assistant Treasurer</td>
<td>The Hon Alex Hawke MP</td>
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<td>Minister for Finance</td>
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<td>(Deputy Leader of Government in the Senate)</td>
<td>The Hon Dr Peter Hendy MP</td>
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<td>Special Minister of State</td>
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<tr>
<td>Minister for Infrastructure and Transport</td>
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<tr>
<td>(Deputy Leader of the House)</td>
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<tr>
<td>Minister for Major Projects, Territories and Local Government</td>
<td>The Hon Paul Fletcher MP</td>
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<tr>
<td>Minister for Industry, Innovation and Science</td>
<td>The Hon Christopher Pyne MP</td>
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<tr>
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<tr>
<td>Minister for Resources, Energy and Northern Australia</td>
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<tr>
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<td>Minister for Health</td>
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<tr>
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<td>Shadow Minister for Infrastructure and Transport</td>
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<td>Shadow Minister for Cities</td>
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<td>Shadow Assistant Treasurer</td>
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</table>
Shadow Cabinet Ministers are shown in bold type.

* Senator Katy Gallagher’s appointment to the Shadow Ministry is effective from 1 November 2015. Senator the Hon. Jan McLucas will serve as Shadow Minister for Housing and Homelessness and Shadow Minister for Mental Health, and represent the Shadow Minister for Northern Australia, the Shadow Minister for Health, the Shadow Assistant Minister for Health, the Shadow Minister for Sport and the Shadow Minister for Indigenous Affairs in the Senate until 31 October 2015.
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CHAMBER
Tuesday, 3 May 2016

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 and returns to order. Details will be recorded in the Journals of the Senate and on the Dynamic Red.

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

COMMITTEES
Meeting

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

Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity—private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate today, from 4 pm.

Parliamentary Joint Committee on Corporations and Financial Services—private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate today, from 3 pm.

Finance and Public Administration References Committee—private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate today, from 1.45 pm, for the committee's inquiries into Commonwealth legislative provisions relating to oversight of associated entities of political parties and into the outcomes of the 42nd meeting of the Council of Australian Governments held on 1 April 2016.

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 4.30 pm.

Select Committee on Health—private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate today, from 3 pm.

Legal and Constitutional Affairs References Committee—private meetings otherwise than in accordance with standing order 33(1) during the sittings of the Senate—today, from 3.05 pm

Wednesday, 4 May 2016, from 1 pm.

Select Committee on Unconventional Gas Mining—private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate today, from 5 pm.

Question agreed to.

BILLS

Supply Bill (No. 1) 2016-2017
Supply Bill (No. 2) 2016-2017
Supply (Parliamentary Departments) Bill (No. 1) 2016-2017

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) (12:32): I rise to speak on Supply Bill (No. 1) 2016-17, Supply Bill (No. 2) 2016-17 and Supply (Parliamentary Departments) Bill (No. 1) 2016-17. At the outset I make clear that the opposition will be supporting these bills; Labor will not block supply. But let us remember that the only reason these bills are necessary is the chaos and dysfunction of the Turnbull government—a government without a plan and without a clue, a government that had the Governor-General prorogue this parliament between elections for the first time in 40 years in order to bring us back here two weeks ago to fulfil its desire to create a trigger for a simultaneous dissolution. Yet instead of using that time to make progress on a range of legislation the government had us sit here for just two days, and now we find ourselves back here having to deal with a large number of bills that the government could easily have brought on two weeks ago. The truth is that when it comes to handling parliamentary business this government is at sea and adrift, and this has been their position in the Senate for the past two years.

But, of all the bills coming into the Senate this week, these supply bills are the greatest sign of a government in panic and a government that has hit the emergency button—not because it is running out of money but because the Prime Minister, Mr Turnbull, is running out of credibility with the Australian people. An election cannot come soon enough for Mr Turnbull. But to have an election before August this year he has to call a double dissolution. Well, we know he has the trigger he needs—and thanks to the support of the Australian Greens for his Senate voting changes he has the keys in the ignition. However, the timing set down in the Constitution stipulates that the writs cannot be issued less than six months before the expiry of the House, and, as such, as we all know, there is a deadline for Mr Turnbull of Wednesday 11 May.

There was, of course, one big problem: the budget was scheduled to be presented on Tuesday 10 May. Now, of course it is the government that sets the date of the budget. They propose the timing for the parliamentary sittings, and the chambers concur. That is what happened this year. But the unfortunate collision of dates, which has been known for 2½ years, is something that was apparently overlooked when the government proposed a sitting pattern in October of last year. Anyone who thinks this is part of a grand strategy: think again. This parliament would not have passed the appropriation bills in under a day, so here we are, faced with temporary supply bills to ensure the essential functions of government can continue. This package of bills is required to ensure the ordinary functions of government continue in the context of a double dissolution election, and funding is being provided to see the ordinary functions of government through to November, by which time, I hope, we will see a federal Labor government.

At the same time as the Prime Minister, Mr Turnbull, announced that he would be asking the Governor-General to prorogue parliament, he also announced he would be bringing the date of the budget forward one week from Tuesday, 10 May to Tuesday, 3 May. He made this announcement on Monday, 21 March 2016. We know this because the answer to my question on notice No. 3319 said this was the same day that the Secretary to the Treasury was informed that the budget would be delivered on 3 May; the same day he was told that the budget would be delivered a week earlier. I have been through a budget process a number of times and I
know that the Secretary to the Treasury is a pretty integral person to the budget process, so I was most surprised to learn that the Secretary to the Treasury found out on the same day that the Prime Minister announced publicly that the budget would be brought forward a week from 10 May to 3 May 2016.

However, I was even more surprised when I read the second part of the response of the Minister representing the Treasurer to my question on notice. I asked:

(1) On what date, and at what time, was the Secretary to the Treasury first informed that the Budget would be delivered on 3 May 2016 and not 10 May 2016 as originally planned?

(2) Who advised the Secretary to the Treasury?

In response to the second question—that is, who advised the Secretary?—the answer was:

(3) The Secretary was advised through the Prime Minister's public statement on 21 March 2016. The secretary was advised through the Prime Minister's public statement on 21 March 2016. It is one thing to be out of the loop, as the Treasurer himself was when he went on radio the morning of the announcement and confirmed, contrary to what the Prime Minister said later in the day, that the budget would be delivered on 10 May. He confirmed that just a few minutes before Mr Turnbull walked into the Prime Minister's courtyard and announced it would in fact be a week earlier. What the answer to my question on notice also suggests is that the Secretary to the Treasurer, Mr Fraser, was not even in the loop; there was not a loop to be in. We were told—the media was backgrounded—that this elaborate strategy had been in train for months; that the decision to prorogue parliament and bring the budget forward was a master stroke of Mr Turnbull's genius. But this answer tells us all we need to know: the budget timing was cooked up in the Prime Minister's office when Mr Turnbull, desperate to change the narrative away from his flailing government, made the desperate move to set up a double dissolution trigger that included shifting the budget, without even telling the Treasurer or the Secretary to the Treasury.

I will now return to the contents of the bill. As I mentioned, the continuation of supply in these bills is being provided to see the ordinary functions of government through to November. They provide five-twelfths of the year's appropriation, approximately, for government entities, a standard equation based on the 12 months of the fiscal year. The exceptions to this are the Australian Electoral Commission and the Australian Bureau of Statistics. They have to conduct, obviously, the federal election and the census respectively.

It is important to note that the appropriations in these bills do not contain any 2016-17 budget measures, and I thank the Minister for Finance for that fact and for communicating this to us. As these bills presume the rolling forward of the budget bottom line from this financial year to the next, they also assume the budget bottom line as it currently stands at the 2015-16 MYEFO. The MYEFO includes the impacts of measures which have not passed the parliament but still remain on the books. These include cutting $30 billion from schools, a plan to increase the cost of medicine for everybody by increasing the co-payments as part of the PBS, a plan to have the world's oldest pension age by increasing the pension age to 70, calling parents rorters and double-dippers through changes to the PPL scheme, cutting bulk-billing incentives for diagnostic imaging and pathology services, making young jobseekers wait four weeks before receiving income support, cutting the pension to 190,000 pensioners through the plan to limit overseas travel for pensioners—something that will hit migrant pensioners the hardest—and to not mention the fact that, under this government and under
this government alone, the deficit doubled between the 2014 and 2015 budgets and increased again in the 2015-16 Midyear Economic and Fiscal Outlook.

Next financial year, net debt is estimated to be $100 billion higher than it was at the 2013 federal election. Net debt increased from $217.3 billion in the 2013 pre-election fiscal outlook, prepared by Finance and Treasury, to $316.5 billion in the Midyear Economic and Fiscal Outlook presented in 2015-16 for the 2016-17 financial year. Spending today is at the levels it was during the GFC and, under the Minister for Finance, who we must remember has held the portfolio since day 1 of the Abbott government, spending has hit 25.9 per cent of GDP and spending as a percentage of GDP is, on average, higher under the Abbott-Turnbull government than it was under Labor. I will say that again: spending as a percentage of GDP, on average, is higher under this government, the Abbott-Turnbull government, than it was under the Labor government. So, when the government seeks to lecture the Senate about fiscal responsibility, bear in mind that they have presided over a doubling of the deficit, higher spending on average than Labor in government and higher levels of net debt.

The scrutiny of the nation will not be on these bills today. That is because today is budget day, with the appropriation bills to be presented to the parliament later tonight. We already know that this budget will look after high-income earners and big business while costing Australian families more with cuts to schools and hospitals. Mr Turnbull and Mr Morrison have choice in this budget, and we know they will always choose the top end of town over Australian families. Rather than consider Labor’s sensible policies, Mr Turnbull is giving a double tax cut to people who earn the most whilst cutting services to every family who relies on schools and hospitals. The Prime Minister would rather provide tax support for property speculators buying their 10th investment property than backing reforms to make housing more affordable. The difference between the Labor Party and the Liberal Party could not be starker. We will put people first. The Liberals will look after high-income earners and the big end of town.

We are dealing with the supply bills to enable essential government services to continue whilst Australians go to the polls. Make no mistake: this election will be a contest between the Labor Party, which puts people first, and the Liberal Party, which will always look to vested interests. The Liberal government has and will increase the cost of everything with its cuts to family payments, cuts to Medicare and cuts to penalty rates. Labor will be supporting the bills because we will not block supply, but the Australian people know that, when it comes to the election, it is only Labor which will stand up for middle- and working-class families and it is only Labor which will put people first.

Senator WHISH-WILSON (Tasmania) (12:44): I would like to indicate today that the Greens will also be supporting these bills because we will not block supply, but it is extraordinary that we are in this Senate chamber debating supply bills before we have even seen the budget. That may be tabled later this evening, but it will no doubt immediately follow the Treasurer’s budget speech, which we will also have no time to consider. Let us talk about what an extraordinary time in Australian politics this is. It is extraordinary because we are about to go into a double dissolution in the week that a budget has been delivered. We are doing that because of the political ambitions of Mr Malcolm Turnbull, our Prime Minister. He is forcing this country to go to an early election, taking the extraordinary measure of dissolving both houses of the parliament, to save his own political skin. He is not doing this
for the Australian people; he is doing this for the Liberal Party and his leadership. The Australian people are not stupid—they are going to see through this. They know this has been a pantomime for weeks, including the very expensive proroguing and recalling of the parliament so we can come back here while this pantomime plays out. They will judge the Prime Minister and the Liberal Party on election day. I certainly hope that they vote for a change of government.

In recent days we have heard that today's budget will be about 'substantial reform'. Those two words are very important. What we have heard about in the media so far is not substantial reform. Raising the thresholds of tax brackets to provide a very small amount of money in the hip pockets of some Australians is not substantial tax reform. I must say, Mr President, while you are in the chair, that very few Tasmanians will benefit from that; nearly 82 per cent of Tasmanians earn less than $80,000 and only 12 per cent of Tasmanian women who work earn $80,000 or more. That is quite a remarkable statistic. Multinational tax avoidance measures, while welcome in principle, are baby steps towards what we need to do to eradicate tax dodging by big companies. While welcomed, I would not classify that as substantial tax reform. Spending $50 million for a study into infrastructure and how we can generate more revenue for bankers when we could have an infrastructure revolution around this country is not substantial reform.

Let me tell you what substantial reform is. Substantial reform is reducing inequality in Australia and making this country fairer. Budgets are not just about raising revenue or reining in spending to meet some arbitrary figures—it is about making our country fairer for all Australians. We have the chance to pull levers in budgets to make Australia a better place to live—a more prosperous place for all Australians. Substantial tax reform is removing perverse incentives like negative gearing and some capital gains tax provisions. It is the wealthiest in this country who benefit from those incentives, and they have been in place for too long. We need to look at making housing more affordable for Australians. We need superannuation tax concessions so that wealthy Australians can no longer use superannuation as a rort to reduce their tax. We are looking for leadership in this budget, and so far no detail has been provided on that. Substantial tax reform is putting in place hard policies to stop the wealthy dodging tax; putting in a Buffett rule, a floor on wealthy income earners, so that they pay 30 per cent guaranteed in tax over $300,000 income. That is substantial tax reform. That not only helps makes our tax system more progressive and fairer; it would also raise $7 billion in revenue. Removing subsidies for dirty polluters—the diesel fuel rebate for the big miners—would raise another $4 billion. Taking action on climate change—putting a price on carbon that actually will have an impact on emissions—is substantial tax reform.

The Greens have led on all these issues for years and we are confident that we have the courage and the vision as a political party that the Australian people want to see this election. That is what they want for their leaders—they want courage and they want vision. Because we are having a budget the same week as we are having a double dissolution, I challenge the Prime Minister and the Liberal Party, when they release their budget documents today, to show us what their courage and their vision is for this country's future. Do not just play a small target, a low-risk strategy. You are about to force the Australian people to an early election and you are dissolving both houses of parliament—an extraordinary step on the back of an ideological piece of legislation, the ABCC. We have actually passed some good
legislation in the Senate in the last three years but we are being forced to go to an early election because of the leadership ambitions of our Prime Minister, because he rules over a divided party. That is why we are going to an early election. Tonight is your chance to show your vision and leadership for the Australian people. If substantial tax reform is what you have said it is going to be then we look forward to seeing the details of how you are actually going to reduce inequality and make Australia a fairer place.

There are little memories for me in this place. During the reply speech to the Governor-General when Prime Minister Tony Abbott first started, I was sitting next to Kevin Rudd, because everybody had to come into the chamber and there were not many seats. He sat there throughout the reply speech and he kept muttering to me: 'This man has no vision. He has no ideas.' We know what ex-Prime Minister Tony Abbott's ideas were: they were to rip up the carbon price and the mining tax and to stop the boats. That clean energy package showed courage and vision in tackling a problem that is now on everyone's radar screen. Everyone in my home state of Tasmania has seen this summer. They have seen the dams dry up. They have seen fires in places we have never seen them before. They have seen the fish dying because water temperatures are 4½ degrees above the average, nearly 30 per cent above the long-term average—salmon farms with fish dying, the oyster industry devastated by viruses because of warming waters and yesterday the abalone industry ringing the bell on the damage that they have received from dangerous runaway climate change and global warming. These things are happening every day around us now. In Greenland there is a massive spike in the ice melting and of course we have heard in recent days from my colleagues the deep and profound sadness of going to the Great Barrier Reef last week and seeing that nearly 70 per cent of the reef now suffers from massive coral bleaching. If the penny has not dropped for Australians and for parliamentarians I really do not know when it will. The budget that is to be delivered tonight must address global warming and take every possible avenue we can to impact on this problem. This is about intergenerational equity. We have to take the strongest possible actions and measure and manage these risks.

The cuts to the CSIRO, which the committee I have been chairing has spent so much time scrutinising, are totally unacceptable. We should be investing more funds and research into climate change and into how we are going to mitigate and adapt to climate change. Never has there been a more important time to invest in the science that helps us better understand global warming and how we are going to deal with it. Never has there been a more important time. I hope that in tonight's budget we see some real action from this government on what I think will be the most important issue at this federal election in the next couple of months: action on climate change. I have no doubt after listening to the Tasmanians I have spoken to—and my colleagues are providing similar feedback from farmers and people all around the country—that they have never seen a summer like this. The science and the data tell us exactly the same thing: we have never seen a warmer year. We have never seen bigger storms in the northern or southern hemispheres than those we have seen in the last 12 months. We have never seen a bleaching episode like this on the Great Barrier Reef. We have just signed COP21, the Paris agreement to reduce emissions, yet we continue to play the politics of whether we have met our 2020 targets or how we are going to achieve them. It is not enough. It is not making a difference. Tonight is a chance for the government to show leadership and courage.
So, while we are standing here today debating supply bills before we have even seen the budget, at this extraordinary time in Australian politics I say to the Prime Minister on behalf of the Australian Greens: tonight is your chance to show some courage and leadership on the issues that actually matter to the Australian people—on reducing inequality in this country and tackling the biggest threat that we currently face, which is global warming.

Senator CORMANN (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (12:55): I thank senators for their contributions to this debate on the supply bills. In particular I thank Senator Wong, in her position, and Senator Whish-Wilson and the Greens for their support for the bills. These bills seek appropriations from the Consolidated Revenue Fund for proposed expenditure for the first part of 2016-17, broadly until about the end of November. The provisions in these bills are generally based on five months of the estimated 2016-17 annual appropriations, with special provision where necessary for entities with a disproportionately high level of expenditure early in the financial year—for example, the Australian Electoral Commission.

These bills seek provision only for appropriate money to fund government expenditure on an interim basis until the appropriation bills have passed. They do not include budget measures from the 2016-17 budget. These arrangements allow for the budget appropriation bills to be passed in 2016-17 by the next parliament. The total of the appropriations being sought through these three supply bills is just over $41 billion. These supply bills must be passed in this session to ensure funding is available to all entities from 1 July 2016, thereby ensuring the continuity of program and service delivery and of the operations of the parliament. I commend these bills to the Senate.

Question agreed to.

Bills read a second time.

Third Reading

The PRESIDENT (12:56): No amendments have been circulated, and unless any senator wishes to have a committee stage I propose to call the minister to move the third reading.

Senator CORMANN (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (12:57): I move:

That these bills be now read a third time.

Question agreed to.

Bills read a third time.

Tax and Superannuation Laws Amendment (Medicare Levy and Medicare Levy Surcharge) Bill 2016

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator DASTYARI (New South Wales) (12:57): I rise to speak on the Tax and Superannuation Laws Amendment (Medicare Levy and Medicare Levy Surcharge) Bill 2016 on behalf of the opposition. I commence my remarks by saying that Labor supports the bill. Labor welcomes the indexation of income thresholds below which Australians do not pay the
Medicare levy or Medicare levy surcharge. This means that lower income Australians will not be subject to the levy. This bill increases the Medicare levy low-income threshold for a number of different people. It increases the Medicare levy low-income threshold for individuals and families along with the dependent child/student component of the family threshold in line with movements in the consumer price index. It also increases the Medicare levy low-income threshold for single taxpayers and families eligible for the seniors and pensioners tax offset in line with movements in the consumer price index so they do not have a Medicare levy liability where they do not have a an income tax liability. The bill also increases the Medicare levy surcharge low-income threshold in line with movements in the CPI. These measures apply to the 2015-16 income year and later income years.

Like last year Labor will support this bill and, like last year, Labor will ironically applauded the Turnbull government for this all too rare example of decency amidst the unfairness and focus of looking after vested interests and big banks. This is a regular process that ensures that the most vulnerable Australians are not disadvantaged while maintaining their access to Medicare, our world-class universal health system. Nevertheless, we find this bill to be another reminder of the Abbott-Turnbull government's attacks on Medicare—of their GP tax, their $650 million cut to Medicare payments for pathology and diagnostic imaging and now their plan to axe the Child Dental Benefits Schedule.

This measure will provide a small amount of tax relief for some less well-off taxpayers, but let's be clear: this government is still taking in more taxes that Labor did in government. They talk about bringing down taxes but in fact the tax to GDP ratio is rising under this government. If the Treasurer's latest thought bubble is to be believed a small tax cut might be in order for those earning above $80,000. But that is cold comfort for 75 per cent of Australians, who earn under $80,000 annually.

Labor notes that since 2013 the living standards of Australians have been declining. A better measure of living standards and GDP is something the boffins call 'real net national disposable income per capita'. That measure is down four per cent in two years, leading to some commentators to describe the decline in living standards as an 'income recession'. This is particularly alarming, given the longer-run context: over the past generation earnings have risen three times as fast for the top 10th of workers as for the bottom 10th. The top one per cent share has doubled, as has the number of private helicopters. The number of private jets has tripled, and yet one in five families say they cannot afford a week's holiday away from home.

Labor understands the need to raise living standards, which is why the Australian people can trust us to stay focused on addressing inequality. This is reflected in the important social policy report by my colleague, the shadow minister for families and payments, Ms Macklin, *Growing together*, which shows a path towards a more egalitarian nation, and the commitment by the shadow minister for employment, Mr O'Connor, to defend penalty rates, minimum wages and the role of unions.

Labor's commitment to the fair go is reflected in our new tranche of multinational tax avoidance measures, demonstrating that it is Labor that continues to lead in making sure the tax affairs of multinationals are transparent. In fact, during this election term, Bill Shorten's Labor team has released over 70 practical policies in education, health, tax, housing
affordability, climate change, infrastructure start-ups, innovation, marriage equality, domestic violence, the sharing economy, competition policy and more.

So while Labor supports this technical annual measure, we note the Liberal's history of Medicare, from Fraser to Turnbull. Australians know that if they want a party that gets tough on multinationals to vote Labor. If they want a party that gets tough on Medicare then vote Liberal.

On 1 February this year, Medicare celebrated its 32nd birthday. Although this bill is a tax bill which is dealing with the essential taxation arrangements which underpin and fund Medicare, at the heart of this is Medicare, which is a critical social innovation. That social innovation was directed at ensuring that Australia was different to many other countries around the world, where wealth inequality has a direct trajectory to health inequality. The reason it is different was the genius of Labor prime ministers Whitlam and Hawke, who put in place a system whereby we could fund a person's access to primary care in the general taxation system by establishing an additional levy upon wages, which at that point in time was around one per cent of wages, ensuring that through a progressive taxation scheme we could fund the primary and associated care needs of this country. Of course, it has expanded over the years, but at the heart of that social innovation was a scheme which meant access to a GP and other parts of the primary healthcare system was available for all Australians.

This bill is necessary to ensure that the income thresholds continue to represent that progressive idea behind the scheme—to ensure that we continue to adjust them, as the member for Fraser has outlined, so that they cut in at exactly the right level. This bill is technical. It indexes the income thresholds below which Australians do not pay the Medicare levy or the Medicare levy surcharge. We have dealt with similar measures in previous years. This is a regular process that ensures the most vulnerable Australians and those from the lowest end of the income scale are not disadvantaged, while maintaining their access to Medicare. Labor therefore supports the measure.

The bill is a reminder to millions—maybe, even to every Australian—about how important Medicare is to them. It is a devastating reminder to all Australians about the shameful record that this government has when it comes to Medicare. Unfortunately, the progressive measures in indexing the Medicare levy and the Medicare levy surcharge are well and truly outweighed when it comes to the rest of the government's record on Medicare over the last 2½ years. We have lived through the Abbott-Turnbull government's attempts to dismantle Medicare and to introduce a GP tax—Mach 1, 2 and 3—and now the GP tax through the back door, being the freezing of Medicare rebates.

When we consider the importance associated with this bill we must also consider the things that are not in this bill and the other damage the government is doing through its regressive Medicare changes. I would like to talk a little bit about pathology, because any of the thousands of Australians who have needed a pathology test at one of the 5,000 collection centres around the country recently would have noticed the warnings that are being issued by the pathology sector. The pathology sector is not known for its radicalism. Pathologists are not known as radical supporters, and particularly not for this side of parliament. So to walk into a pathology collection service, or indeed many of the GP services around the country, and to see warning signs posted and petitions on the counter warning about the egregious cuts that are being made by this government and are about to be implemented on 1 July this year—
the reduction in Medicare bulk-billing arrangements—means people are quite rightly shocked. People all over Australia came to us as senators and asked us to explain what was going on from 1 July this year and why there was a threat they would no longer be bulk-billed for their pathology tests. Liesel Wett, the Chief Executive Officer of Pathology Australia, has said:

These unfair cuts would see patients having to pay for services from July this year.

She has pointed out, as constituent after constituent has pointed out to the opposition, that, if they have to pay the full up-front fee, they simply do not have those blood tests. For many people, not having a blood test may not be a critical threat to their health and wellbeing, but, for any of the thousands of electors in my home state who are suffering from diabetes, having a regular blood test is absolutely critical. If laboratories decide they have to implement this co-payment, we will see patients forgoing having their blood tests, and people's illnesses will get worse. If a person is undergoing a course of chemotherapy, they will be regularly required to have blood tests as part of their post-treatment care. It is these people who are going to be the most affected by these changes. If someone is undergoing a course of chemotherapy then chances are they have had to leave work and their income has been severely affected by that illness, so it is hitting them at the most vulnerable time in their lives. I cannot see why this government is putting these changes in place. Constituent after constituent has said to the opposition, 'This is a threat to us.' It is going to impact on them.

I have spoken on the importance of considering the equity measures contained within this bill, which adjusts the threshold, the point at which Medicare rebates cut in against the iniquitous measures that have been visited upon Australian people as a result of this government's attacks on the Medicare rebates for pathology, along with the attacks this government has made in relation to the Child Dental Benefit Scheme. Despite what has been said by the Minister for Health, the fact is that this government is slashing $1 billion from dental care in this country. It is a figure which has been confirmed by the minister herself. On ABC News Online on 23 April, a spokesman for Ms Ley confirmed the $1 billion cut. The government is abolishing Labor's Medicare-based dental scheme for children under the age of 18.

It is a surprise to all of us on this side of the house that we have not seen members on the other side of the chamber come up and apologise for the cuts and problems that are visited by their government upon the people within their home states. The opposition has been looking at the figures. During question time in the other place yesterday, the minister said that a million children—that is right: one million children—have enjoyed the benefits of Labor's child benefit scheme, and a million children will no longer have the benefits of that scheme, because the government has closed it down.

The opposition has had a look around the country to see where children have been relying on this means-tested, tightly targeted scheme, which is benefitting kids, many of whom would probably never have been to a dentist before in their lives. Take, for example, the postcode 2250, a postcode which takes in the electorates of the members for both Robertson and Dobell. The opposition found that 31,309 children had accessed the dental benefits scheme over the years of its existence in this postcode within the electorates of Robertson and Dobell. I am not surprised that we have not seen the members for either Robertson or Dobell say anything about the operation of this scheme, because we know that, in closing down the Child
Dental Benefit Scheme, somewhere in the order of 31,000 children are going to be forced to join the public dental scheme, a scheme which has, at the moment, somewhere in the order of 12,000 children already waiting in New South Wales to access public dental care.

We looked at the figures for postcode 2259, which falls exclusively within the electorate of Dobell and where 29,657 dental services have been accessed over the life of the scheme. The member for Dobell has not had a peep to say about her government closing down the scheme. All I can say to the electorate of Dobell is that it is a good job we have a great candidate in the form of Emma McBride, who is campaigning very tough and very hard in the seat to ensure that she becomes the next member for Dobell. I am confident that Emma McBride has the interests of those 29,000 children who have been accessing the Child Dental Benefit Scheme in her heart as she approaches the task of election campaigning.

In the electorate of Page, where there are around 28,500 children who have accessed the Child Dental Benefit Scheme, the opposition went looking around to see whether the current member for Page has had anything to say about this. He has absolutely nothing to say about the fact that this government has closed down this scheme. This is a surprise because, if anyone thinks of the impact of closing down the benefit, it is going to fall more harshly upon people in regional Australia. It is in regional Australia where Labor's scheme provided up to $1,000 over a two-year period to access the services of a private dentist. It is precisely in regional Australia where these services are needed the most, because it is a lot harder for people in these areas to access the public schemes, which are so heavily oversubscribed. It is a good job that we have a great candidate in Janelle Saffin, who knows the electorate well. She is a fierce campaigner for regional Australia and regional health who will be standing up for the children in that electorate as well.

The member for Gilmore had a bit to say before question time in the other place about the benefits of the government's new scheme for people in her electorate. She said it was going to be a huge help for the people in the electorate of Gilmore. If this is a huge help, I would hate to see what would be there if there was a problem for the people of New South Wales and Gilmore. The waiting lists in New South Wales are so long and so great that Premier Mike Baird has refused to even issue average waiting times. In other states around Australia waiting times are published by the public dental scheme so that people know when they enrol or make an appointment how long it will be before they have access to the public scheme. With over 116,000 adults—that is, adults alone—and 12,000 children on the list in New South Wales in those electorates that I mentioned earlier, they are going to be behind a lot of people in a very long queue for access to the public scheme.

There are $1 billion worth of cuts for the scheme opened up to everybody. There are over 116,000 adults and 12,000 kids on the scheme in New South Wales, and those in the coalition think that this is absolutely beautiful. It is a good thing that we have great candidates in places like Gilmore, Dobell and Robertson putting the health interests of people in regional Australia first.

There it is: a government that introduces measures which adjust the threshold at which the Medicare rebate kicks in, a provision which Labor supports. We support it wholeheartedly, but it has to be viewed against all of the other egregious changes that have been made, from the GP tax proposals, the GP tax by stealth, the changes to pathology bulk billing and the
changes to the dental benefits scheme. We are well and truly in a deficit when it comes to health and health care under this Turnbull government.

Senator POLLEY (Tasmania) (13:12): I rise to speak on the Tax and Superannuation Laws Amendment (Medicare Levy and Medicare Levy Surcharge) Bill 2016. Labor welcomes the indexation of the income thresholds below which Australians do not pay the Medicare levy or the Medicare levy surcharge. This is a regular process that ensures that the most vulnerable Australians are not disadvantaged, while maintaining their access to Medicare. While Labor can support this bill we remain determined to ensure that we will always oppose the Turnbull government's broader and disastrous attacks on Australia's health care system, such as Malcolm Turnbull keeping Tony Abbott's $57 billion cuts to hospitals—

The DEPUTY PRESIDENT: Senator Polley, I would ask you to refer to the Prime Minister by his appropriate title.

Senator POLLEY: while adding a further $2.1 billion in cuts of his own. These dreadful cuts will put enormous pressure on our public hospitals, which are already struggling to cope with the budget cuts. You simply cannot rip $60 billion out of our healthcare system without expecting consequences. Cuts like this lead to poorer health outcomes and poorer patient care and services. The effects of these cuts will be particularly felt in hospital emergency departments, where overcrowding and waiting times have already gone beyond mere inconvenience and become downright dangerous.

This is vividly illustrated by an example from my home state of Tasmania, where earlier this year a 95-year-old woman was left lying on the waiting room floor of the Royal Hobart Hospital emergency department for hours while she waited to be seen by clinical staff. This is totally unacceptable—to be 95 years of age and to be treated with such disdain and lack of respect. The pressure that is now placed on those who work in our emergency departments puts them almost at cracking point. Another incident saw an elderly Tasmanian man wait two days for surgery after a severe fall. This is simply unacceptable. The people of Tasmania and the people of Australia deserve so much more.

Unfortunately, given Tasmania's healthcare system, we will be $2.7 billion worse off over the next decade. It looks like things will only get worse.

The government used smoke and mirrors the other week to axe Labor's successful child dental benefits scheme. We know those on the other side are very good when it comes to using smoke and mirrors. But it is the children of Australia who will always depend on Labor, whether it is for dental services or health services in general. Labor's dental benefits scheme had helped a million Australian kids get their teeth fixed over the last two years. Many of these children have come from families that previously had been unable to afford proper dental care. This is a scheme that was under attack from the Liberals the moment it commenced, despite the fact that a review published by the government's own Department of Health hailed the scheme as a success.

Now Australians are going to be denied access to affordable dental care. Under the government's new scheme, children will only receive dental assistance if they attend already-crowded public dental clinics with very, very long waiting lists. In Tasmania, the wait to attend one of these clinics is nearly three years—and those on that side are obviously saying
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that that is acceptable. Well, it is not acceptable at all. It is outrageous and it shows just how out of touch with Australian families this government is.

This cut comes on top of a long line of other attacks on dental health programs by the Liberals. Let us recap those: $390 million cut from adult public dental services; worsening dental waiting lists across Australia; $225 million cut from Labor's program to build dental clinics in regional Australia and in nursing homes; and $125.6 million already cut from the Child Dental Benefits Schedule.

Despite dropping its original proposal for a compulsory $7 tax on all GP visits, we have Mr Turnbull continuing Mr Tony Abbott's $2-billion four-year freeze on Medicare rebates for GP visits, which will drive down bulk billing and make it more expensive to see your doctor. This is already having impacts right around the country, but, again, it is having very detrimental impacts in my home state of Tasmania. One GP was forced to introduce a $30 charge for hundreds of patients who were previously bulk-billed.

The Liberal government—and it really does not matter whether it was under Mr Abbott when he was leading or it is under Mr Turnbull—have only ever seen health as a means to budget savings, and that is by cutting health. It is in their DNA. It is who they are. The government's Medicare rebate freeze has imposed an upfront charge for patients and is destroying Medicare's universal health care, which is exactly what this Liberal government and those before it have always intended.

As a result, public hospitals are being overwhelmed and are not coping with the influx of patients trying to dodge the cost of seeing a GP by going to the emergency department, exacerbating the overcrowding catastrophes that I mentioned earlier. This is yet another example proving that Medicare would never be safe under a Liberal Turnbull government.

Australians are rightly very suspicious about this government's motivations when it comes to slugging taxpayers every time that they go to visit their GP. They are very sceptical about this government. It does not matter where you go in my home state, and I am sure it is the same right across this great country: Australian voters out there know that they cannot trust the Turnbull government when it comes to health or education. Just on the eve of the last election, you will recall—I know my colleagues on this side do—that the then Leader of the Opposition, Mr Abbott, gave a commitment to the Australian people—on the eve of the election—that there would be no cuts to health, there would be no cuts to education and pensions would not be touched. And we know that he lied to the Australian community. For the last three years, we have seen nothing except cuts when it comes to health and education. They try to use smoke and mirrors to cover themselves, but we know—whether it is in health and education or in my own area of responsibility, aged care—that they are a government that is unfair on those people who are most vulnerable in our communities.

The countdown is on to the budget tonight. That will be delivered on behalf of the government by the Treasurer, obviously. We know that they are going to have to put some sweeteners in there, because we are having the budget brought down tonight and it will probably be Friday or Saturday that the election will be called, so of course we know that the government will try and use smoke and mirrors and a few lollies to con the people of Australia again that they are worth supporting. Well, I think they have gone a step too far when it comes to the savage cuts that they have made while in government to health, to
education and to a whole raft of other areas—whether it is your kids trying to get to see a dentist or you waiting to see your GP.

As to pathology: as Senator Dastyari so eloquently explained, the pathology sector in this country is not naturally a constituency that would normally support this side of the chamber, but they have been out campaigning against this government because they know that, every day, when people come in to their laboratories, all those tests that are done are essential. So whether the tests are for people with diabetes or those having cancer treatments or those who need to have their blood tested every month or fortnight, or whether it is women having a Pap smear or a mammogram, Australian families are going to have to pay more money. There will be cases as there are in my home state, where I have spoken to people over the last few months who have said, 'Helen, we just won't be able to meet those up-front fees. We don't have in our family budget the ability to put up $400 or $500 for a scan and then wait for the rebate.' This is going to mean further hardship for too many Australians.

Labor fears that these cuts will see patients who are being treated for cancer and other serious conditions forced, as I said, to fork out thousands of dollars up-front to pay for scans and tests that were previously bulk-billed. Patients diagnosed with melanomas who were previously bulk-billed will now face up-front costs of $1,500 and still be left out of pocket with costs of up to $400 after receiving their Medicare rebate. A patient suspected of having breast cancer will face up-front costs of $554 for mammograms and ultrasounds and be left $300 out of pocket, even after receiving their Medicare rebates. Those opposite, on the government benches, obviously are not concerned about these families. There will be situations where mothers will make the decision that their children's dental visit is more important than them having their Pap smear or their mammogram. That is how serious is this issue confronting the Australian people. These $650 million dollar cuts will add an extra financial burden for these individuals and their families to deal with. This will prove particularly detrimental for low-income Australians, who simply will not be able to afford to pay these additional costs. In Tasmania, I know of many families in difficult financial times who will struggle to fork out $300 to $400 to help a seriously ill family member. Labor believes that these essential treatments should be accessible to all Australians, not just those with a big enough bank balance or credit card to pay for them. Your access to good-quality health care, which we provide in this country, should not be determined by the size of your credit card or your bank balance. That is the difference between those on the government benches and those of us in opposition.

While we can support this bill today, we remain sceptical of the Liberal government, who seem to only ever see health as a source of budget cuts. The Liberal government's overall record on health is abysmal and appalling. In addition to the disastrous cuts to health that I detailed earlier, the Turnbull government have gutted crucial health workforce training programs by $595 million. They ripped another $146 million out of prevention and e-health programs. They continued Tony Abbott's $267 million attack on the Medicare safety nets. These are serious amounts of money that will have a real impact on Australian families.

Mr Malcom Turnbull took the prime ministership promising new leadership. When he knifed Mr Tony Abbott in the back, he promised that his government would be a government of the 21st century. He said that his ministry would focus on the challenges of the future, but I say—and the Australian people are telling me when I travel around Australia and in my home...
state—that he has not delivered. It is very typical of this Prime Minister. When he was the Leader of the Opposition in the past, he promised so much but failed to deliver. He cannot even bring his own caucus together—he has breakouts. Labor have a very united caucus and a very united team going to the election. We have 60 days until people will vote. The Australian people will pass judgement on who they believe will provide the greatest security going forward and the world's very best health and education. We know that, on those two fronts alone, this government does not even get into the ballpark. The Australian community were conned at the last election. I believe they are much wiser now. They are far more cynical about a government that says one thing today and does something completely different tomorrow.

One of the things the government have been really good at is grabbing these thought bubbles as they float past. We know that most of the thought bubbles that the Prime Minister has grabbed and thrown out there to the Australian community have not even lasted 24 hours. They have hit the deck—just like bubbles do when children are blowing bubbles, they float around and then, finally, they hit the ground and are gone.

The government are renowned, as I said earlier, for targeting those who can least afford it, to make cuts to the budget. They target the sick, they target the most vulnerable and they will do the same in the budget that will be delivered tonight—just as they did in 2014. There was an outrageous attack on those who could least afford it in 2014; it was no better in 2015. But now, to bring all that together, we have in Mr Turnbull a Prime Minister who is hell-bent on continuing the savage cuts and the attacks on the Australian community's most vulnerable. I have no doubt whatsoever that the budget tonight will reaffirm our concerns about who will be looked after in this budget. We know it will be the top end of town. The top earners in this country will be the ones getting a tax cut. Yes, the government will give something to small business and throw a bit of confetti here and there, hoping that, once again, they can pull the wool over the eyes of the Australian people. I have more faith in the Australian people that they will see the government and their policies for what they are. They are unfair. They reflect a government who are arrogant and out of touch. I think the Australian people will see through their lack of policy detail.

Before the last election, we saw so many promises made that have been broken over the last three years. In contrast to that, you have to look at what the Labor opposition, under Mr Bill Shorten, has already put out in the public arena. Over 100 policies have been put out and costed. That is the contrast between the Liberal government and the Labor opposition. We are serious about bringing stability to this country, beginning with economic development. We are going to invest in infrastructure for the future. We also know that one lever for growing the economy is investment in education.

Speaking again about my home state of Tasmania, I want to place on record one of the most significant amounts of money that has been promised by any opposition. The Leader of the Opposition, Bill Shorten, has promised to invest $150 million into the economy of Launceston and the surrounding areas by committing—along with the state government, local government and the University of Tasmania—to fund a new campus in Launceston and one on the north-west coast, in Burnie. That will be an outstanding contribution. But what do we hear from those opposite? What do we hear from Andrew Nikolic, the federal member for Bass? We hear: 'We have to take time to consider everything before we make a commitment.'
The reality is that government members and senators have been briefed on every occasion, along with the Labor opposition senators and Ms Julie Collins, the member for Franklin. We in the opposition, who have nowhere near the sorts of resources available to us that those in government do, have said that this is an economic driver that Tasmania needs badly because we need to open up opportunities for young Tasmanians to go to university, to have the option of doing a university degree. Not only is the university going to be supported by Labor; so will our TAFEs. We believe in investing in our universities, TAFEs and schools because they are the economic drivers we need to deliver better outcomes, not only for Tasmania but for the country.

I will come back to the Tax and Superannuation Laws Amendment (Medicare Levy and Medicare Levy Surcharge) Bill. The Turnbull government's disastrous cuts to health prove yet again that when it comes to health the Liberals cannot be trusted. We know that when it comes to good health the Australian community will only ever be well served by a Labor government. I commend this piece of legislation to the Senate but I remind the government that we will be watching the budget tonight to see whether or not the leopard is able to change its spots.

Senator CANAVAN (Queensland—Minister for Northern Australia) (13:32): As is customary, I thank all the senators who have contributed to this debate, as misguided and off topic some of those contributions have been. We had Senator Polley talk about the budget tonight but barely mention the economy, which is a central part, I am sure, of the budget. You would understand, Mr Acting Deputy President, why they would not want to talk about the economy on a day when once again they have been found out: they cannot add up. They struggle to add up, the Labor Party, and tonight they will be shown up again.

This bill relates to our tax system, which will also be a central element of the budget tonight. It is an important update to that system. The Tax and Superannuation Laws Amendment (Medicare Levy and Medicare Levy Surcharge) Bill 2016 amends the Medicare Levy Act 1986 to increase the Medicare levy low-income thresholds for singles, families, seniors and pensioners, in line with increases in the consumer price index. This will ensure that the low-income thresholds keep pace with increases in the cost of living. The amendments to the Medicare levy low-income thresholds apply to the 2015-16 year of income and to future income years. Full details of the measures in the bill are available in the explanatory memorandum. I commend this bill to the Senate.

Question agreed to.
Bill read a second time.

Third Reading

The ACTING DEPUTY PRESIDENT (Senator Seselja) (13:34): As no amendments to the bill have been circulated, I shall call the minister to move the third reading unless any senator requires that the bill be considered in Committee of the Whole.

Senator CANAVAN (Queensland—Minister for Northern Australia) (13:34): I move:
That the bill be now read a third time.
Question agreed to.
Bill read a third time.
Tuesday, 3 May 2016

**Tax Laws Amendment (Tax Incentives for Innovation) Bill 2016**

**First Reading**

Bill received from the House of Representatives.

**Senator CANAVAN** (Queensland—Minister for Northern Australia) (13:35): I move:

That this bill may proceed without formalities and be now read a first time.

Question agreed to.

Bill read a first time.

**Second Reading**

**Senator CANAVAN** (Queensland—Minister for Northern Australia) (13:35): 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—*

**TAX LAWS AMENDMENT (TAX INCENTIVES FOR INNOVATION) BILL 2016**

I am proud to introduce this Bill which amends our taxation laws to implement a range of incentives to drive economic growth and jobs in our transitioning economy.

These measures shall help encourage innovation, risk taking and an entrepreneurial culture in Australia.

These measures comprise the heart of the Government’s National Innovation and Science Agenda, and represents its commitment to making Australia a more modern, dynamic, 21st century economy.

These actions also go towards ensuring Australia remains a world leader when it comes to doing business.

The Government is investing $1.1 billion to incentivise innovation and entrepreneurship.

This Bill delivers upon two commitments: providing concessional tax treatment to investment in innovative, high-growth startups; and reforms to the arrangements for venture capital limited partnerships to improve access to capital, and make the regime more user-friendly and more internationally competitive.

The first measure, Schedule 1 to this Bill, amends the *Income Tax Assessment Act 1997* to improve investment into early stage innovation companies through incentivising investors with business expertise and experience to assist entrepreneurs with commercialising their concepts and ideas.

The second measure, Schedule 2 to this Bill, will amend the *Venture Capital Act 2002* and the *Income Tax Assessment Act 1997* to reform the arrangements for venture capital investments, which is expected to attract greater levels of investments at the growth stage of developing a concept, while improving the international competitiveness of investing in entrepreneurs at this stage of the financing life-cycle.

This Bill is an important step for Australia – investors, venture capital funds and innovation companies in all industries will benefit from these measures.

These measures have specifically been designed to foster a shift towards a culture of innovation, whereby entrepreneurial risk-taking is encouraged and rewarded.

The Tax Incentives for Early Stage Investors measure aims to support early stage investment by encouraging more businesses to develop innovative ideas.
Within the early stages of an innovation company's financing life-cycle, difficulty attracting funding can prevent entrepreneurs from developing and commercialising their ideas. In fact, this stage is sometimes described as the 'valley of death' where many startups find themselves unable to meet their cash flow requirements. It is important that the Government helps connect business expertise with entrepreneurs so that innovative ideas can reach the market through commercialisation.

The tax incentives include a 20 per cent carry-forward non-refundable offset on investments capped at $200,000 per year, and a 10 year exemption on capital gains tax for investments held in the form of shares in the innovation company for at least 12 months, provided that the shares held do not constitute more than a 30 per cent interest in the innovation company. The tax offset will be available upon investment, not when the funds are used by the innovation company, and any sale of the shares will be taxed on a 'deemed capital account' basis.

Innovation in Australia is dynamic. A regulation making power is also included so the Government can keep the measure up to date.

The tax incentives for funding provided through venture capital limited partnerships including early stage venture capital limited partnerships are designed to attract investments at the growth stage of a company's development. At this stage, entrepreneurs can face further difficulties accessing funding, despite typically receiving a few rounds of initial funding, as they are not yet able to market themselves for public or broader investor buy-in. Although Australia has experienced recent momentum in this field, with over $600 million in venture capital raised or planned since 30 June 2015, this funding has been generally concentrated within the technology sector. The measure will continue to build on the current momentum through improving funding for promising projects across the economy and in industries beyond the technology sector.

We are introducing a number of new arrangements to venture capital limited partnerships and early stage venture capital limited partnerships. Notably, there will be

- a non-refundable tax offset of 10 per cent of the value of new capital invested into early stage venture capital limited partnerships during the income year;
- an increase in the maximum fund size of early stage venture capital limited partnerships from $100 million to $200 million;
- improved access to funding from managed investment trusts; and
- broadened and simplified rules for both venture capital limited partnerships and early stage venture capital limited partnerships.

Once the Bill receives Royal Assent, these incentives will apply to the 2016-17 income year. Consultation has been conducted across a range of sectors and industries, including experienced investors, startup founders and industry bodies, to design these measures in a way that attracts investment without creating unnecessary regulatory burdens on either the Government or entrepreneurs.

We are answering the call from industry. We are creating the ecosystem that Australia needs to succeed in this modern world.

We are setting up the environment to reward our innovators and our entrepreneurs who have the concepts and ideas to benefit all Australians.

Backing innovation to drive productivity is part of the Turnbull Government's economic plan to successfully manage our transition. The Turnbull Government knows that our transitioning economy requires increased investment and we will build the conditions necessary for that investment.

This is another practical example of how the Turnbull Government is acting to support the positive transition that is taking place in our economy.
Senator CAMERON (New South Wales) (13:35): I rise to speak on the Tax Laws Amendment (Tax Incentives for Innovation) Bill 2016 on behalf of the opposition. Before I go into the details of the bill, let me just make some passing comment on Senator Canavan leading with his chin in his summing up of the last bill. If those opposite want to talk about the economy, let's talk about debt increasing under the coalition; let's talk about the tax-to-GDP ratio increasing under the coalition; let's talk about full-time jobs disappearing under the coalition; let's talk about the rabble that this government was over the last 3½ years, when they attacked pensioners, attacked working people and had no idea about how an economy could be run in a fair and reasonable manner.

Yes, Senator Canavan, we are happy to talk about the economy, but when we talk about the economy we talk about fairness and a fair go for Australians in this economy—unlike what was in that horrible, terrible 2014-15 budget that you guys presided over after the last election. We are happy to talk about the economy, but when we talk about the economy we talk about fairness. We do not chase companies like GM and Toyota out of the country. We do not do that, because we know that they can be a driving force for small businesses and small start-ups in this country. We know that they are high tech. We know that they are innovative. Unfortunately, the coalition did not have a clue.

The coalition now seems to be led by the nose by the National Party, the biggest rorters that this country has ever seen—the National Party out there rorting, led by former Senator Joyce, now the Deputy Prime Minister. We do not need a comedian for a Deputy Prime Minister. That is certainly not what we have got under this coalition government. We do not have a serious Prime Minister. We do not have a Prime Minister who can advocate a policy from morning until night and hold a policy from morning to night.

So, yes, Senator Canavan, we are happy to talk about the economy. We are happy to talk about the former Treasurer, the guy who spoke about 'lifters and leaners', who is 'leaning' over in New York and Washington. We are happy to talk about that. If you are a pensioner you are a leaner, but not if you are taking your golden handshake from the coalition. We are happy to talk about the coalition finance team, sitting there cracking out the Havanas.

Chair, I know what you are trying to do here.

The ACTING DEPUTY PRESIDENT (Senator Seselja): Sorry?

Senator CAMERON: I know what you are trying to do, but, if you want him to stand up, he will stand up if you ask him to stand up. They were cracking out the Havanas—

The ACTING DEPUTY PRESIDENT: Senator Cameron, order!

Senator CAMERON: cracking out the Havanas after—

The ACTING DEPUTY PRESIDENT: Senator Cameron, order! Order for one moment. I am not quite sure what the crack at the chair was, but you can—

Senator CAMERON: I just saw you desperately trying—

The ACTING DEPUTY PRESIDENT: You can continue.

Senator CAMERON: A point of order: I just saw you desperately trying to get Senator Canavan to stand up and intervene.
The ACTING DEPUTY PRESIDENT: No, order! Reflections on the chair are disorderly, as you know, Senator Cameron.

Senator CAMERON: Chair, with the greatest respect, you are supposed to be impartial. You are supposed to be impartial.

The ACTING DEPUTY PRESIDENT: Senator Cameron, reflections on the chair are disorderly.

Senator CAMERON: I am just saying you are supposed to be impartial. I am just drawing your attention to how you should operate.

The ACTING DEPUTY PRESIDENT: I would ask you to desist from reflecting on the chair and continue.

Senator CAMERON: If you thought I reflected on you, I withdraw. Senator Canavan, I am happy for you to be raising these issues, because we could go on more and more. After the last budget, your Treasury team were out there smoking away on the Havanas—probably worth more than most other people could afford to put food on their table for the week.

I can inform the chamber that, regardless of what Senator Canavan said, we will be supporting this bill. We welcome the opportunity to make a contribution to the debate on the Tax Laws Amendment (Tax Incentives for Innovation) Bill 2016. Our contribution will be an important contribution. Both sides of politics recognise that changes in this area are required and need to be made for a number of very important reasons. We welcome the opportunity to add our comment to the outcomes being sought to be achieved by this bill.

Labor certainly recognises that jobs of the future will be generated by today's investment in smart, innovative, Australian enterprises. With an estimated two out of every three Australian jobs expected to be impacted upon by automation between now and 2030, the challenge is definitely to create new jobs. That challenge is serious and demands a serious policy response by government.

On our side of the chamber, through the release of three waves of innovation policy—while that lot were too busy carving each other up, we were into our third wave of innovation policy release—Labor have proposed a very comprehensive framework of measures designed to encourage the emergence of new, innovative companies in Australia. These policies include teaching young Australians coding and the value of computational thinking; boosting the numbers of STEM graduates and qualified STEM teachers; creating a start-up university to help launch 2,000 new enterprises every year; providing a $500 million smart investment fund to back new ideas; and establishing a regional innovation fund to encourage talent in our regions to be actively involved in the nation's effort to become a smarter, rich country.

Importantly, Labor has also proposed changes to our taxation system and the rules applying to venture capital in this country. We do this to help ensure that the money is there to nurture and develop good ideas and to transform them into strong, new firms generating jobs of the future.

Why in particular are the types of things that are being encouraged by this bill and also by what the opposition has put forward important? They are important for a number of reasons. Firstly and primarily, start-ups typically find it more difficult to access capital than their larger commercial counterparts. This is mainly because of a lack of prior financial history, limited supporting collateral and ultimately their risk profile. They are engaged in early-stage
innovation, which by its very nature has a greater degree of risk and is something that some financial institutions will not necessarily embrace by extending capital to those types of innovations and to that type of activity at that point and at that stage in their life cycle. It is hard to find that amount of support.

Strengthening capital flows within this ecosystem will deliver substantial support to early-stage innovation. The two major sources of support at this point are, first, angel investment—that is, high-net-worth individuals on incomes largely around the $250,000 per annum mark who are willing to dedicate some investment towards early-stage innovation companies—and then, later down the track, venture capital, which will enter the field to also support investment through series A and further investment rounds. However, Australia has not necessarily had the best track record in this space.

On our side of the political fence, we have also argued for reforms to the early-stage venture capital limited partnerships. We know that this legislation will make some changes in this space. We certainly believe that venture capital funds of between $10 million and $100 million invested in Australian businesses are entitled to preferential tax treatment through the ESVCLP program, and that entitles a fund to flow through tax treatment and its investors to receive a complete tax exemption on their share of the fund's income, both revenue and capital. We outlined further changes that we believed could be embraced to promote this. We note that this will be an area that we will continue to focus on should we be granted the opportunity to gain government.

We welcome the fact that the government's announced policies via this bill reflect, in large part, the ideas that we spelt out in November last year—in particular, to introduce an Australian angel investment scheme and liberalise the early-stage venture capital limited partnerships framework. In relation to the angel investment scheme, we argued for an up-front 50 per cent tax deduction for investments up to a maximum of $200,000 per annum. We also advocated a carry-back tax relief mechanism if investors do not reach the maximum $200,000 cap in any particular year; full capital gains tax exemptions for equity held in start-up ventures held for greater than three years; that any realised losses following in the scheme could be deducted against wage and salary income; and deferral of capital gains tax on investment if that investor directs a prior capital gain into a new start-up venture to help keep rolling investment and building support in the sector.

We want to see support flow through to the early-stage innovators as quickly as possible, and, considering the time remaining in the parliamentary term, the opposition will largely support this bill. However, we wish to indicate our intention to review some key elements of the bill if we are successful in winning government, and we would indicate one area where we believe that both parties could actually work constructively to benefit the start-up community today.

The key elements of this bill are tax incentives providing a 20 per cent carry-forward, non-refundable offset on investments, which will be capped at $200,000 per year, and a 10-year exemption on capital gains tax for investments held in the form of shares in early-stage innovation companies, as they will be defined, for at least 12 months, provided that the shares held do not constitute more than a 30 per cent interest in an innovation company. An early-stage innovation company, or ESIC, is defined as an Australian incorporated company that is in the early stage of its development and developing new or significantly improved
innovations with the purpose of commercialisation. The tax offsets will be available upon investment, not when the funds are used by the innovation company, and any sale of the shares will be taxed on a 'deemed capital account' basis. A regulation-making power is also included so that measures can be updated as required. This is an important flexibility mechanism. A number of new arrangements to venture capital limited partnerships and early-stage venture capital limited partnerships are being introduced—notably, a non-refundable tax offset of 10 per cent of the value of new capital invested into early-stage venture capital limited partnerships during the income year; an increase in the maximum fund size of early-stage venture capital limited partnerships from $100 million to $200 million, providing improved access to funding from managed investment trusts; and broadened and simplified rules for both venture capital limited partnerships and ESVCLPs. The tax incentives introduced by the bill will be available to all types of investors.

However, considering the high level of risk associated with investment in ESICs, this bill limits the risk exposure of retail investors to no more than $50,000 per year, and sophisticated investors will have no restriction placed on the amount of money they wish to invest, bearing in mind that an offset cap will be applied. Once the bill receives royal assent the incentives will apply to the 2016-17 income year and the government intends to review the incentives after a period of four years to determine how well they are delivering on policy objectives. We welcome this wholeheartedly.

What is good about the bill? The government has applied a principles based and objectives based test to help determine the legitimacy of a company styling itself as an early-stage innovation company. That is a good thing. It will attempt to better target the concessions towards genuine innovation companies and should be welcomed in principle. These measures are reinforced via the application of general anti-tax-avoidance rules, which will apply to prevent taxpayers from being able to obtain tax benefits by entering into artificial or contrived arrangements to access the tax offset. That is another important mechanism, which obviously received support from our side. It has been a longstanding provision and it is an important mechanism in there.

There are also elements of the bill that we consider warrant further consideration, and we flagged this to the government. It appears that start-up founders will be prohibited from accessing the tax concessions provided for in the bill. This does seem a little harsh insofar as start-up founders often dig deep into their own pockets to invest in those companies. They do so at great risk and they also sacrifice a great deal in the process. We would certainly be open to reviewing this down the track to see whether or not this constraint is liberalised.

It has been pointed out that these start-ups can, through their founders, access the support that comes through the R&D tax offset, for instance. A lot of companies and a lot of start-ups indicate that they are very much in favour of the R&D tax concession system. In some cases start-ups have said to me that it is the defining point as to whether they will stay in Australia or move overseas. If we have that system in place, that is a good thing. Having said that, while the R&D tax offset is very important we certainly think that consideration should be given to extending that benefit down the track to start-up founders, who, as I said earlier, sacrifice a great deal and are doing important work for the nation's economy. We commit to reviewing this oversight after the bill takes effect.
While overlooking the inclusion of start-up founders and directors in receiving this tax benefit, the bill seeks to improve the targeting and identification of suitable investors—that is, that they are investing in the right type of company in order to qualify for tax incentives. The issue with the current structure is that the bill places the onus of reporting primarily on innovating companies themselves and their reporting to the ATO will help later validate the tax offset claim.

Secondly, while prohibiting founders from accessing the concessions, the bill allows trusts and companies to access the benefits. As I indicated earlier, the opposition and the government both modelled their taxation reforms in this area largely on the system that operates in the United Kingdom. This scheme has seen, as I indicated earlier, new enterprises and jobs created. Unlike the UK scheme, which expressly prevents trusts and companies from accessing similar taxation concessions, the coalition will allow trusts and companies to take advantage of these liberalised arrangements. While the specific arrangements in the bill aim to improve tax benefits to investors who make genuine investment in early-stage innovating companies, this means that minor innovations or practices that do not represent actual innovations—like a company introducing a new product in Australia that is already being sold elsewhere—will not be eligible for tax incentives. While we will not oppose the arrangement allowing trusts and companies to access the tax benefits at the moment, we will leave open the option of reviewing this measure in due course, but we will only make any changes pending the outcome of such review after extensive stakeholder consultations.

Thirdly, under Labor's policies we will not cap the capital gains tax exemption for innovation investors to 10 years, which is what the government proposes in this bill. We take this position because development and commercialisation of ideas takes time. Sometimes start-ups will start on one course with one idea and then pivot to something else, and their development process does take time. That is why our policy will not impose a 10-year cap in the way that the government proposes. We believe that any capital gains that are immediately directed into new ventures should remain capital gains tax free.

Finally, Labor notes that, when the government made the announcement on these issues in early December, they did two things. One is that, in the venture capital space, they said that the measures that are being put in place do not take effect until 1 July. As people in the start-up community have pointed out, the unintended consequence of this is that it created an investment hiatus where some potential angel investors would hold off investing in new start-ups or extending angel investment until the new arrangements take effect on 1 July. Some people have dubbed this an 'investor strike'. In late March, we raised our concerns about this. In late March, we publicly committed to work with the government on bringing forward the start date of these measures to, at that time, 1 April. The government ignored the offer. It is hard to believe that they could see much needed capital being held back from start-ups today in the interests of meeting an artificial, self-imposed start date. The delay of investment decisions is a real problem and a lot of people have said that it gives them concern. People on the public record have expressed their concern. There are people working to help boost angel investments in this space. I note that last year, for example, KPMG released a very important guide on educating angel investors. A lot of people in the start-up space laud the bipartisanship of both sides of politics on these issues.
This is a bill that Labor recognises is important for the jobs of the future. They will be generated by today's investment in smart, innovative Australian firms. We welcome this legislation and give it our support. *(Time expired)*

**Senator McKIM** (Tasmania) (13:56): The Greens will also be supporting the Tax Laws Amendment (Tax Incentives for Innovation) Bill 2016 as it provides tax incentives for people who want to invest and companies that want to invest in innovative businesses in Australia. It is worth pointing out that the online revolution that is underway in this country and around many parts of the world at the moment is incredibly disruptive, but it does provide opportunities for people to be innovative and to use the internet to match supply and demand in a way that has never been available before for humanity.

We have an amendment that we will be proposing because we think there is a gap in the legislation. The gap that we would seek to fill is around social enterprises. It is important that people understand that there is a movement developing in Australia around social enterprises—that is, a company that has not only an economic mission but a social, cultural or environmental mission consistent with a public or community benefit. We think that those companies should also have the opportunity to attract further investment by the way and the means that the bill proposes for companies that have an economic aim. Ultimately, there are people forming companies in Australia and right around the world not with the aim of one day listing on the ASX or any public stock exchange but making the world a better place. It is very important that they receive the same level of encouragement as people who are engaging in innovation with a commercial end in mind.

It is worth pointing out that this legislation amends Australia's tax laws. It is very disappointing that the government has focused only on this and they are not using the very big levers that are available to public policy makers in this country to change our tax laws to address one of the fundamental issues facing Australians at the moment, and that is economic inequality in this country. At the moment in Australia, if you are a property speculator or an investor buying your fifth or your tenth or your 50th investment property, you get more direct financial assistance from the Commonwealth government than a young couple trying to buy their first home. It is a disgraceful situation that in Australia we would prioritise property speculators and property investors over and above the needs of a young Australian couple trying to buy their own home. We need to get on top of negative gearing; we need to get on top of the capital gains tax discount. While we welcome Labor's baby steps on those issues and their belated joining with the Greens to propose some addressing of the capital gains tax discount and some addressing of negative gearing, we say to the Labor Party, 'That is a good start, but you have a long way to go before you can truly lay claim to be addressing the massive economic inequality that is driving people apart in this country.'

**MINISTERIAL ARRANGEMENTS**

**Senator BRANDIS** (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:00): I inform the Senate that Senator Cormann, the Minister for Finance, will be absent from question time today, due to budget preparation. During Senator Cormann’s absence, I will take questions relating to the Finance, Treasury and Small Business Portfolios. I will also represent the Special Minister of State.
As I advised the Senate yesterday, Senator Fierravanti-Wells will also be absent from question time for the duration of this week, due to ministerial commitments overseas. In Senator Fierravanti-Wells's absence Senator Colbeck will represent the International Development and the Pacific Portfolio.

QUESTIONS WITHOUT NOTICE

Indigenous Land Corporation

Senator PERIS (Northern Territory) (14:00): My question is to the Minister for Indigenous Affairs, Senator Scullion. I refer to yesterday's statement by the minister that he made no direction to the Indigenous Land Corporation to change its 2014-15 annual report, and had no conversations about delaying tabling until changes were made. I also refer to notes prepared for the new ILC chair, Mr Fry, ahead of an ILC board meeting which state that the minister said he would 'not consent to table the report while these inaccuracies stand.' Which statement is correct?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:01): Senator, I thank you for the question. I did not refuse to lodge the annual report under the circumstances that your question would indicate. Perhaps, if you are looking through the FOI documents, I might point you to document No. 8. You will see in it that it says the minister has no authority to approve the annual report as the ILC is independent of government; he can only do that by issuing a general direction under the ATSI Act. And I—

Senator Wong: Tell us which is correct? Which statement is correct?

Senator SCULLION: Well, we have these interjections from the Leader of the Opposition in the Senate. I have spoken very clearly about this matter lately, in a statement on the record. I pointed you to the statement yesterday. At no time did I refuse. The documents that they are selectively quoting from were documents between ILC individuals. I have had no knowledge of those. I did not at any time refuse to table the ILC report, nor did I have the authority to do so.

Senator PERIS (Northern Territory) (14:02): Mr President, I ask a supplementary question. I refer to the minister's statement yesterday:

We did not ask the board or the chair to amend anything.

I also refer to a 2016 ILC board briefing paper which states that the minister's office advised, 'The minister will not agree to table the ILC annual report 2014-2015 in its current form.' Which statement is correct?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:03): At no time did I ask the ILC to amend the report. I did ask the ILC—I brought to their attention—about significant inaccuracies both by omission and statement in the report. That is what I did, and I have to say congratulations to the ILC for neither redacting any of the report but for adding information that very importantly put the context for people who receive and read such reports, to ensure that those inaccuracies were ameliorated by facts.

Senator PERIS (Northern Territory) (14:04): Mr President, I ask a further supplementary question. I refer to the minister's public statement:
What I did was ask the ILC Board to consider responding to factual inaccuracies in the statement from the former Chair contained in the annual report. If the minister did not intervene in the tabling of the ILC’s annual report, why was it delivered six months’ late and in breach of the Public Governance Performance and Accountability Act 2013?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:04): The amount of time that passed between my reference to the ILC about some inaccuracies in the report and them returning the report to me took the vast amount of that time. As soon as I received their report I tabled it.

Economy

Senator PATERSON (Victoria) (14:04): My question is to the Leader of the Government in the Senate, Senator Brandis, representing the Treasurer. Can the Leader of the Government in the Senate please inform the Senate how the government is supporting jobs and growth in our economy?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:05): Thank you, Senator Paterson, for that very important question. Yes, indeed, I can.

As Senator Paterson knows, despite global economic headwinds our economy grew by three per cent in the most recently reported 12-month period. That is twice the rate of Canada, a comparable resource-based economy, and better than any of the G7 economies. It is better than the OECD average and it is much better than when we came to government, when the unemployment rate was on the up and up.

By contrast, the unemployment rate fell in March to 5.7 per cent and over 440,000 jobs have been created in the 30 months since this government came to office. That compares with jobs growth of 246,000 over the previous 30 months, during the period of Labor government. This is an improvement in the rate of jobs growth of almost 80 per cent, compared to the disastrous Rudd-Gillard-Rudd period.

But it is no accident; it is the result of the government creating opportunities for businesses to invest and to employ more Australians. We have created these opportunities through our ambitious export agenda, including the signing of historic free trade agreements as well as the Trans-Pacific Partnership. Our ambitious defence agenda has seen investments made in Australian warships and submarines that will create and sustain thousands of Australian jobs for years to come—for decades to come.

We have gotten rid of Labor’s carbon tax and mining tax. We stopped their attack on truckies and we are supporting the re-establishment of the Australian Building and Construction Commission to improve productivity on construction projects. We reduced taxes for small business, with further efforts to make our tax system more growth-friendly to be delivered in the budget tonight. (Time expired)

Senator PATERSON (Victoria) (14:07): Mr President, I ask a supplementary question. How important is it for Australia’s future to have strong economic policies?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:07): Senator Paterson, as you
would know better than anybody on the other side of the chamber it is critically important for our future that we have strong economic policies to make sure that the Australian economy continues to successfully transition from resource investment and construction driven growth to a strong and diversified economy. That means we need well-considered policies that will drive long-term investment and growth in the economy, which is exactly what this government is doing. Our policies to support Australian exporters, create a more productive construction sector, lower taxes for small businesses and encourage innovation and commercialisation are at the core of our economic policies. Our economic plan is delivering stronger growth and more jobs and making us as internationally competitive as possible.

This government does not engage in developing half-baked policies like the Labor Party's failed mining tax. (Time expired)

Senator PATERSON (Victoria) (14:09): Mr President, I ask a further supplementary question. Is the Attorney-General aware of any alternative approaches to managing the economy, and what impact would they have on jobs and growth?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:09): I am sorry to say that I am aware of an alternative approach—the approach of the Australian Labor Party. Unfortunately, that approach would not support jobs or growth in our economy because the Labor Party's approach is to tax more, borrow more and spend more. Senator Paterson, as you would have noticed overnight, they cannot even get that right. They banked $19½ billion from a tobacco tax increase that simply does not exist—back to the old Rudd-Gillard habits of spending money they do not have. How embarrassing that last night Laurie Oakes, on Channel Nine, exposed a $19.5 billion black hole in the Labor Party's costings—a $19.5 billion black hole which they excuse as a 'rounding error'. A rounding error—that is what the Labor Party thinks $19.5 billion is! (Time expired)

Education Funding

Senator DODSON (Western Australia) (14:11): My question is to the Minister representing the Prime Minister, Senator Brandis. I refer to the report by Cadence Economics, released by Universities Australia yesterday, which found that the ability of our nation to expand the knowledge and skills of our workforce to drive productivity growth is vital if Australia is to raise living standards. Minister, why is it the Turnbull government's policy to cut university funding and impose $100,000 degrees on students and their families?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:11): Senator Dodson, can I take this opportunity to welcome you to the Senate and congratulate you on your maiden question. I feel sure we all expect that you will make a distinguished and important contribution to the Australian Senate. However, on this occasion might I give you a tip. Do not read out questions that are handed to you by Senator Stephen Conroy, Senator Penny Wong or any of those geniuses who sit on the Labor Party question time tactics committee—because I am afraid that your colleagues have set you up. Far from the cuts of which you speak in the question that you were given, the Australian government in fact continues to be the majority funder of universities in Australia. In 2014, over $15 billion was spent by the Australian government on higher education supporting teaching and research. This is up from $12 billion in 2009 when the demand driven funding system was introduced.
Senator Dodson, I can assure you—and we will hear more of this in the budget tonight I am sure—that the government will continue to make significant investments to strengthen Australia's higher education and research sectors and improve Australia's position as a knowledge based nation. The government's support is important as universities make a fundamental contribution to the future of Australia and our intellectual, economic, cultural and social development. This government is absolutely committed to funding universities so that they can continue to do so. You will also be pleased to know that we are absolutely committed to the principle of equity of access so that the economic circumstances of a student should not stand in the way of their education. (Time expired)

Senator DODSON (Western Australia) (14:13): Mr President, I ask a supplementary question. Does the minister agree with Universities Australia that having more university graduates in the economy creates new jobs and lifts wages? Can the minister confirm that a 20 per cent cut to the funding of undergraduate places is still the Turnbull government's policy?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:14): Although I have not read the statement by Universities Australia, I completely agree with it. I completely agree with the proposition that a better educated nation, a nation with a thriving and flourishing university sector in both teaching and research is overwhelmingly beneficial, and that is why this government is committed to supporting the university sector. That is why we want to encourage more young Australians into universities. That is why we want to improve the research capacity of Australian universities. That is why, as I said to you in answer to your primary question, we have increased spending from $12 billion in 2009 to over $15 billion in 2014 on the Australian government's contribution to university education. We on our side of the chamber are very proud of Australia's universities and we continue to support them. (Time expired)

Senator DODSON (Western Australia) (14:15): Mr President, I ask a further supplementary question. Can the minister confirm that the deregulation of university fees remains the Turnbull government's policy?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:15): The Turnbull government's policy is to ensure that we have the best quality tertiary education sector that this nation can afford while at the same time, through our FEE-HELP arrangements, ensuring that economic background or economic circumstances present no barrier to entry to any university for any young Australian man or woman. That is what we care about. Unfortunately, for the Labor Party it is an either/or proposition, but we on our side of politics know—

The PRESIDENT: Pause the clock.

Senator Moore: Mr President, I rise on a point of order on direct relevance to Senator Dodson's questions. It was a very short question. It talked about deregulation of fees and whether that was the government's policy. I would like to see whether that could be brought to the attention of the minister.

The PRESIDENT: The minister was asked to confirm about deregulation. The minister is still answering the question, and I believe he was relevant and leading up to the question. I invite the minister to continue.
Senator BRANDIS: We do not believe it is an either/or proposition. We believe you can have a world-leading tertiary education sector as we do and at the same time have equity of access so that background social and economic disadvantage is no barrier to entry by designing FEE-HELP schemes whereby students can make a contribution but they repay that contribution when they are in a position to do so. (Time expired)

Asylum Seekers

Senator HANSON-YOUNG (South Australia) (14:17): My question is to Senator Brandis, the Minister representing the Prime Minister. Two people have set themselves on fire in Nauru in less than a week. One is dead and the other remains in a seriously critical condition. Are these two people, along with the others who have died in Australia's care, considered simply collateral damage for the government's politically motivated campaign to stop the boats?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:17): I am bound to say that is an extraordinarily insensitive question. You are talking about a man who has self-immolated and died, whose family is in grief. You are talking about a woman who on the last report I had, a few minutes before question time, is in a critical condition in a Brisbane hospital. These are terrible events, and every person in this chamber should be saddened by them.

But what we do not want to do and what we are determined not to do is to go back to a situation that existed prior to the election of this government when the number of deaths or serious injuries were not numbered in ones and twos but were numbered in thousands. We know that on the most conservative estimate more than 1,200 people perished at sea as a result of policies that you applauded. Since this government implemented its policies to which the Labor Party belatedly has also subscribed, not a single man, woman or child has died at sea. And we make absolutely no excuse for having a policy to stop the boats, because, if you stop the boats, you stop the drownings. You stop the drownings and you stop the deaths.

We believe that driving people smugglers out of business by destroying their capacity to sell a product to gullible and vulnerable people is absolutely a valid public policy objective and an important objective, and the Australian people are right with us.

Senator HANSON-YOUNG (South Australia) (14:20): Mr President, I ask a supplementary question. Is the government aware that it is not simply a choice between dangerous boat journeys and people setting themselves on fire? Does the government understand that there is indeed a better way, a more humane way—one that values human life, one that values Australian values of fairness and courage and one that would bring people here to Australia safely for protection as we should?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:20): And as we do by running the most generous refugee and resettlement program per capita of any nation in the world. Whenever you address yourself to the question of border protection, I wonder why it is that you never acknowledge the great generosity of the Australian people in running the most generous refugee and resettlement program per capita in the world. If genuine refugees seek to come to Australia, they are more likely to be successful in being taken into an Australian refugee and resettlement program than that of any other nation in the world. But we do
insist—and we think it is reasonable—that they come through the front door, not put themselves into the hands of people smugglers.

Senator HANSON-YOUNG (South Australia) (14:21): Mr President, I ask a further supplementary question. Today the Minister for Immigration and Border Protection was out victim-blaming, saying that those on Nauru do not deserve hope for a better life. Does the Prime Minister agree that the young woman who is currently lying in a hospital after setting herself on fire did not deserve a better life and did not deserve hope of a better future?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:22): Senator Hanson-Young, once again I am appalled that you would be so insensitive as to make a political statement about a woman who is critically ill in a Brisbane hospital as we speak. That is a shocking thing for you to say, Senator Hanson-Young, and I am ashamed of you.

I have learned through long experience not to take at face value words that are attributed to other political colleagues and political opponents. I have not seen Mr Dutton's statement, but I know that Mr Dutton takes a deep, deep personal and humane interest in everything that happens in his portfolio, and it is because Mr Dutton, like Mr Morrison before him, is so concerned about human life that he presides over a policy that has saved countless hundreds, if not thousands, of lives in the last 2½ years.

Defence Procurement

Senator EDWARDS (South Australia) (14:23): My question is to the Minister for Defence, Senator Payne. Can the minister advise the Senate on the government's continual naval shipbuilding program and how it will assist in providing certainty for Australian industry?

Senator PAYNE (New South Wales—Minister for Defence) (14:23): I thank Senator Edwards very much for his question, because the government's plan to implement a continuous naval shipbuilding program will provide the certainty that Australia's defence industry has been lacking for such a long time. It is also a key element of the government's national economic plan to support the transition to a stronger 21st century economy, to drive jobs and growth and investment. Importantly, our plan provides for the capability our Navy needs to keep us safe in our region and strong on the world stage.

The Turnbull government has now committed to investing in the construction in Australia of our future submarines, our future frigates, our offshore patrol vessels and our Pacific patrol boats. Importantly, both the future frigate and the offshore patrol vessel builds are going to launch our continuous naval shipbuilding strategy, which provides our defence industry with the certainty it needs to invest and to create jobs. We know that our continuous naval shipbuilding program will create around 2,500 direct jobs at both the Adelaide and Henderson shipyards. The future submarine program itself will create around 1,100 jobs in Adelaide as well. These are jobs for the future, as we stop the boom-bust cycle that has cost industry and jobs for far, far too long.

The government's commitment to a continuous naval ship build provides small to medium enterprises across the country—from all over the nation, in fact—who will be part of the supply chains with the work that they will need for years to come, and it gives them the certainty to plan, to invest and to engage in the workplace creation and the technological
developments that are so important to this capability, not just on one project but on a
continuing flow of work. This is absolutely essential for them to invest in their local
communities and to employ Australians. (Time expired)

Senator EDWARDS (South Australia) (14:25): Mr President, I ask a supplementary
question. Can the minister explain how a continuous naval shipbuilding program will drive
growth, jobs and high-tech innovation right across this great country of Australia?

Opposition senators interjecting—

The PRESIDENT: On my left!

Senator Kim Carr: What about Williamstown? Tell us about—

The PRESIDENT: Order, Senator Carr!

Government senators interjecting—

The PRESIDENT: And on my right!

Senator Edwards interjecting—

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

Honourable senators interjecting—

The PRESIDENT: Senators on both sides! Senator Birmingham! Minister.

Senator PAYNE (New South Wales—Minister for Defence) (14:26): Thank you very
much, Mr President. The continuous naval shipbuilding program will be supported by those
300 defence industries right across our nation.

Honourable senators interjecting—

The PRESIDENT: Order on both sides! I cannot hear the minister. Those on my right and
my left!

Honourable senators interjecting—

The PRESIDENT: Senator Carr, and Senator Birmingham, and Senator O'Sullivan!
Order! Minister.

Senator PAYNE: As I was saying, Mr President, our defence industry in this country is at
the cutting edge of technological development that delivers to the ADF—and in this case our
naval capability in particular—the world-leading capacity that we need. That is why our
commitments to the defence industry—set out, for example, in the Defence Industry Policy
Statement and the white paper—are a key element of the Turnbull government's national
economic plan to drive jobs and growth, to support the transition to the new 21st century
economy. It is an economy that is technologically advanced, with an advanced defence
manufacturing industry that will provide new high-tech jobs for decades to come and help to
create a stronger, more capable Australian Defence Force. So our commitments to defence
industry—to ensure that they can grow more expertise, employ more Australians and drive
high-tech innovation—are what is going to deliver the 21st century economy in large part.
(Time expired)

Senator EDWARDS (South Australia) (14:27): Mr President, I ask a further
supplementary question. Can the minister advise the Senate how the continuous naval
shipbuilding program, in conjunction with the Turnbull government's National Innovation and
Science Agenda, will help the transition of our nation's economy?
Senator PAYNE (New South Wales—Minister for Defence) (14:28): That question from Senator Edwards is very important, because this really is a national endeavour. It is about the National Innovation and Science Agenda and the Defence Industry Policy Statement working hand in hand to drive science and innovation right across Australia, particularly in South Australia and particularly in Adelaide. I recently visited a company called Fugro LADS, which supports the Navy in providing a laser airborne depth sound capability using innovative technology that they now export right across the world. That is a real credit to the innovation in South Australia, in Adelaide. I understand Senator Dastyari cannot be here with us this afternoon to enjoy the benefits of what South Australia can deliver. I think Senator Dastyari has given a whole new meaning to 'kicking an own goal' after his experience post the Adelaide United-Western Sydney Wanderers competition. But the most important thing that we will do is to drive the economy into its 21st century transition with high-tech jobs, with high-tech defence capability and with Australian industry. (Time expired)

Defence Procurement

Senator McEWEN (South Australia—Opposition Whip in the Senate) (14:29): My question is also to the Minister for Defence, Senator Payne. I refer to comments by industry minister, Christopher Pyne, that 'an all-Australian build with Australian steel, Australian jobs and Australian subs was a recommendation from the Department of Defence' Minister, was an all-Australian build the only recommendation of Defence or did it also recommend an option to build the first few submarines in France?

Senator PAYNE (New South Wales—Minister for Defence) (14:30): Unsurprisingly for Senator McEwen and those opposite, I am not going to canvas the discussions of the National Security Committee in the Senate chamber. But one thing I will do is I will also not apologise for the Australian government's commitment to build our 12 future submarines in Adelaide unequivocally, without dispute in South Australia with Australian jobs, Australian industry and Australian steel.

There is a fundamental difference between us and those opposite and that difference is called decision making. That difference is about making a decision and committing to the future acquisition of the 12 submarines that we need for our strategic capability and that will also engage Australian industry to a point never seen before. That is a decision of which the Turnbull government is justly proud, that is a decision which will create thousands of Australian jobs and that is a decision which will deliver the capability that the Australian Defence Force needs.

Senator McEWEN (South Australia—Opposition Whip in the Senate) (14:31): Mr President, I ask a supplementary question. Minister, I refer to your media release of 26 April 2016, which says that DCNS has been selected as the preferred design partner of the submarines 'subject to further discussions on commercial matters'. Minister, has the government entered into a contract that stipulates all 12 submarines must be built in Australia?

Senator PAYNE (New South Wales—Minister for Defence) (14:32): Let me make this very clear: the 12 future submarines for which DCNS is the preferred international design partner will be built in South Australia at the Adelaide shipyards. Of course as anyone with a basic, even rudimentary knowledge of negotiation and normal commercial processes would be aware, these matters will be finalised through that process. In fact I can only imagine what
those opposite would try to say if they decided that we had undertaken too many steps in the process—they would say that was inappropriate so close to an election. They cannot have it both ways. The government's commitment is quite clear, the government's announcement is quite clear and the government's announcement is that the first 12 future submarines will be built in South Australia with DCNS as the preferred international design partner. *(Time expired)*

**Senator McEwen** (South Australia—Opposition Whip in the Senate) (14:33): Mr President, I ask a final supplementary question. When asked by Laurie Oakes on the Sunday *Today* show to explain the submarine deal, the Treasurer admitted:

This bid we have entered into a negotiation on …

So it is a negotiation now? Minister, hasn't the Treasurer belled the cat? Will the minister now admit that the government's promise of 12 submarines built in Australia with Australian steel are actually, as the Treasury has admitted, up for negotiation?

**Senator Payne** (New South Wales—Minister for Defence) (14:34): Senator McEwen is completely, absolutely and utterly wrong. The 12 future submarines will be built in Adelaide, in South Australia, designed in conjunction with our preferred international partner, DCNS of France. The government has committed very clearly to the construction of the 12 future submarines in Australia. The commentary that Senator McEwen and those opposite might care to make—and I have not actually seen Senator Conroy on his feet but I am a patient person so we will see how we go— is completely unfounded. The decision could not be clearer. And as much as it irks those opposite that they were incapable of making a decision, this government has.

**Education Funding**

**Senator McKenzie** (Victoria) (14:35): My question is to the Minister for Education and Training, Senator Birmingham. I would like to also congratulate the minister for nine years of service to his home state of South Australia and to the Senate—happy anniversary! Can the minister outline to the Senate how the government's quality schools and quality outcomes funding plan will help ensure students are prepared for the jobs of the future?

**Senator Birmingham** (South Australia—Minister for Education and Training) (14:35): I thank Senator McKenzie for her question and for her congratulations. She is another former teacher on this side of the chamber like Senator Lindgren, who asked me a question on teachers and education yesterday. I thank you for the congratulations. I do acknowledge that my colleague and friend from South Australia, Senator Bernardi, marks 10 years tomorrow in his service to this place. I congratulate him.

We have a very clear plan as a government, which Senator McKenzie rightly highlights, to focus on the things that will make a real difference to our children, to our schools, to educational outcomes in Australia. It is a plan that is not just like Labor’s about how much is spent but a plan to ensure we support those who need it most, a plan to ensure that we identify the students who need the earliest intervention at the earliest opportunity and that they get that support, a plan to raise ambition for the study of maths and sciences at the highest level and to ensure that through our schools students actually meet minimum standards in literacy and numerously before they complete their education. It is a plan to reward our most capable teachers to ensure that they are given the financial incentives to stay in schools and to work in...
our most disadvantaged schools as well. It is a plan that sees funding grow from current record levels well above inflation each and every year into the future but at an affordable rate. It is in contrast to those opposite whose plan is far from affordable. They claim they will spend an extra $30 billion over the next decade in schools, and Ms Ellis confirmed in the House of Representatives just yesterday that the $30 billion would be funded by their cigarette tax. But guess what? Today we find that there is a $20 billion hole in the cigarette tax. That is two in every three dollars that has gone missing from Labor’s school funding in just one day. That is why the affordability of our plan is central to the credibility of our plan.

(Time expired)

Senator McKENZIE (Victoria) (14:38): Mr President, I ask a supplementary question. Is the minister aware of community responses to the government’s Quality Schools, Quality Outcomes funding plan?

Senator BIRMINGHAM (South Australia—Minister for Education and Training) (14:38): I am delighted that a range of peak bodies in the education and schooling sector, experts in educational pedagogies and industry bodies have welcomed the approach the Turnbull coalition government is taking with our plan to make sure school funding drives reforms and outcomes in schools around Australia. They understand it is not just about how much you spend, it is about how well and how wisely you spend it, and you have to make sure the money goes where it will make the greatest difference. I quote from an editorial in the Herald Sun:

This is why it is important that every dollar spent on the education system is done so in a way that maximises the learning potential of students while getting the most value out of teachers. The Government’s back-to-basics approach deserves support and could spell a positive change in the way we prepare our youth for the challenges ahead.

It is a detailed plan, it is a real plan and it is in contrast to those opposite. (Time expired)

Senator McKENZIE (Victoria) (14:39): Mr President, I ask a further supplementary question. Is the minister aware of any alternative approaches?

Senator BIRMINGHAM (South Australia—Minister for Education and Training) (14:39): I am aware of alternative approaches—to promise a lot of spending that is unfunded, that does not actually have the funds to pay for it. As I told the chamber before, we find that, of Labor's promised $30 billion in spending, $20 billion of the so-called savings—or extra taxes—are missing. Of course, this is not the first time Labor has got it wrong in schools funding or higher education policy. On the proposed HECS debt policy that Mr Shorten had in his budget reply last year, the changes there had three different policies within 24 hours in terms of the costings. That is the type of arrogance we know from the Labor Party; they are happy to throw cash around. That is the type of arrogance that we saw from the missing Senator Dastyari yesterday, when he decided to abuse South Australians for living in South Australia, when he wanted to demean South Australia. He is obviously not here because he still has Senator Wong's footprint on his backside! Clearly those opposite are continuing the arrogance from their years in government. (Time expired)

Defence Procurement

Senator DAY (South Australia) (14:41): My question is to the Minister for Defence, Senator Payne. I commend the government for delivering on its pre-election commitment to build 12 new submarines in Adelaide and I congratulate the successful bidder, DCNS.
Minister, I note that the French were the only bidder to have nuclear powered submarines. I also remind the minister of my question to her predecessor, Senator Johnston, in this place in December 2014. In his answer to my question, the minister congratulated me for commencing the nuclear submarine debate. I note that The Financial Review observed yesterday that some of our new submarines could in fact be nuclear powered by the time they enter service. Minister, could some of the 12 Future Submarines be nuclear powered?

Senator PAYNE (New South Wales—Minister for Defence) (14:42): Senator Day, I thank you very much for the question. The answer is no, that is not in the government’s contemplation.

Senator DAY (South Australia) (14:42): Mr President, I ask a supplementary question. Minister, I note that the South Australian Royal commission into the nuclear fuel cycle has delivered interim findings and will release its final findings this Friday. Given that there might be a potential nuclear powered component for Future Submarines will the government commit to investigate and publish a cost-benefit analysis of the French nuclear industry helping to expand South Australian and national nuclear capabilities?

Senator PAYNE (New South Wales—Minister for Defence) (14:42): I thank Senator Day for his question but I reiterate that this matter is not in the government's contemplation.

Senator DAY (South Australia) (14:42): Mr President, I ask a further supplementary question. Minister, I note that the French have just six submarines, as do the Germans—and the Japanese have 17—is the minister confident that, by the end of the Future Submarines build, Australia will have the capacity to build its own submarines without relying on an international partner or, indeed, selling its capacity to other nations?

Senator PAYNE (New South Wales—Minister for Defence) (14:43): As I said yesterday, I think in response to a question from Senator Reynolds, one of the most important aspects of the decision the government has made in relation to an Australian build for the 12 Future Submarines in Adelaide relates to the capacity to develop a sovereign capability for ourselves—that is, the capacity to sustain and maintain submarines without the need for reliance externally. That is a fundamental aspect of the importance of our decision making in that regard. I indicate to the Senate that, as the capability is developed—as the training, the jobs, the high-technology and the innovation requirements are brought together in the design process—we will have a multiple-decade plan for the sustainment and maintenance of these submarines, let alone the build. That will give us a very strong capability and a very strong foundation on which to continue to operate that capability.

Senator Conroy interjecting—

Senator PAYNE: I am not sure what Senator Conroy's interjection mean. Perhaps he is planning something else for the Labor Party. (Time expired)

Cabinet Secretary

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:44): My question is to the Cabinet Secretary, Senator Sinodinos. It relates to his previous answers about matters before the New South Wales Independent Commission Against Corruption. In question time yesterday, the minister categorically denied that he had ever participated in or witnessed discussions about the use of the Free Enterprise Foundation to channel and disguise prohibited donations to the New South Wales Liberal Party. Does he recall that, when asked
by counsel assisting ICAC if he were party to a discussion that canvassed channelling and disguising donations, he said, 'If there were such a suggestion it went over my head'? Why has the minister told the Senate one thing and the Independent Commission Against Corruption another?

The PRESIDENT: Senator Wong, just before I call the Cabinet Secretary: you may be aware—you may not be aware, but I assume you are aware—that a matter along these lines has been raised with me, which I will be making a statement about later in the day. I am just going to take advice from the Clerk as to whether the question should stand or not stand. Thank you for the indulgence. I will let the question stand, on advice.

Senator SINODINOS (New South Wales—Cabinet Secretary) (14:46): I stand by my answer yesterday very strongly, and, Senator Wong, I suggest you look at the whole transcript apart from selectively quoting from it.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:46): Mr President, I ask a supplementary question. I refer again to the Cabinet Secretary's categorical denial that he participated in or witnessed discussions about the use of the Free Enterprise Foundation to channel and disguise donations by prohibited donors. I note his evidence to the Independent Commission Against Corruption, where he did not recall conversations about the Free Enterprise Foundation a staggering 95 times during his appearance. Given his newfound memory, will the Cabinet Secretary now seek to clarify his evidence to ICAC?

Senator SINODINOS (New South Wales—Cabinet Secretary) (14:46): Again, this is selective use of material. I was asked that question directly by the commissioner—

Senator Wong: Ninety-five times!

The PRESIDENT: Order! Senator Wong, you have asked your question.

Senator SINODINOS: and I gave the answer that I gave that I have referred to in this place already. You also conflated the two inquiries in some of the facts you are seeking to assert here.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:47): Mr President, I ask a further supplementary question. Is the Commonwealth or any private party providing the Cabinet Secretary with any financial support in relation to legal costs associated with ongoing investigations by the New South Wales Independent Commission Against Corruption and/or the New South Wales Electoral Commission?

Senator SINODINOS (New South Wales—Cabinet Secretary) (14:47): I have made all the necessary disclosures in that regard. I have got nothing to add.

Carbon Pricing

Senator O'SULLIVAN (Queensland—Nationals Whip in the Senate) (14:48): My question is to the outstanding Minister for Northern Australia, Senator Canavan. Can the minister advise the Senate of the economic implications of a new carbon tax, especially across northern Australia?

Senator CANAVAN (Queensland—Minister for Northern Australia) (14:48): I thank the senator for his question. Taxes on our electricity sector are going to be incredibly bad for northern Australian development, because businesses in northern Australia face some of the highest power prices in our nation. The electricity sector in northern Australia is sparsely
developed. Indeed, one customer in Gladstone accounts for 25 per cent of the power demand in northern Australia—the Boyne Island aluminium smelter. So any plan to increase electricity prices is going to have an enormous impact on growth and development in our North. It is going to limit that development and make it harder for businesses in northern Australia to make a go of it.

That is why plans announced by the Labor Party last week to implement an electricity emissions trading scheme, a fancy term for a tax, are going to be bad for northern Australia: because this tax is the sequel to another tax—it is the sequel to a tax that the Labor Party put in last time they were in power—and, like most sequels, this one is going to be worse than the original tax put in place by the Rudd-Gillard-Rudd governments. This tax is going to be worse because it is going to increase power prices by more than that tax. That tax that was implemented before was only going to increase power prices by 10 per cent. But modelling that they did while they were in government showed that power prices would go up by 78 per cent with a similar scheme to the one that they are looking to implement. A 78 per cent increase in power prices in our North is going to be destructive for development in northern Australia. It is going to make the power prices of businesses in the North even higher than those in other parts of our country. That is why the modelling that the Labor Party did before already shows that the impact of a carbon tax, including on jobs, will be highest in North Queensland and northern Australia generally, and these plans now would limit the government's plans to create jobs and investment in northern Australia.

**Senator O’SULLIVAN** (Queensland—Nationals Whip in the Senate) (14:50): That is frightening. Mr President, I ask a supplementary question. Can the minister advise the Senate how a new carbon tax would threaten the basic property rights of farmers and other landowners, especially, again, across northern Australia?

**Senator CANAVAN** (Queensland—Minister for Northern Australia) (14:50): I thank the senator for his question. The plans of the Labor Party that I referred to last week not only go to implementing an electricity emissions trading scheme; they are also seeking to put in place a trigger in the Environment Protection and Biodiversity Conservation Act which would deal with tree clearing. We on this side respect property rights. We respect the fact that our farmers are some of the greatest environmental custodians in this land and they do not need an extra police force going onto their land telling them what to do on their property. We do not need a tree police in this country. We do not need a federal tree police oversighting the activities of farmers, but that is what the Labor Party plans. Indeed, when Mark Butler was interviewed on the ABC, he said: 'We will legislate to restore the restrictions that were in place before Campbell Newman's vandalism.' Well, it was not Campbell Newman; it was farmers of our country that cleared their property to develop their land, and, by implication, the Labor Party thinks they are vandals. We do not.

**Senator O’SULLIVAN** (Queensland—Nationals Whip in the Senate) (14:51): Mr President, I ask a further supplementary question. Can the minister advise the Senate how existing legislation balances environmental conservation and economic development, particularly in my home state of Queensland? Is the minister aware of any risks to this?

**Senator CANAVAN** (Queensland—Minister for Northern Australia) (14:51): We already have an effective suite of policies in this nation to deal with these issues. We have policies in
place to increase our renewable energy target of 23½ per cent. We have an Emissions Reduction Fund.

Thank you for coming in, Senator Dastyari, to listen to these very effective policies that the government has in place. I knew he would come in just at this point. We have a working policy to reduce emissions in our country. We have an Emissions Reduction Fund, a reverse auction mechanism, which is already being used by the World Bank and the International Civil Aviation Organization. Other countries around the world are looking at it as well. As announced last week at the signing of the Paris climate treaty, we are on track to meet and beat our 2020 target by the amount of 78 million tonnes of emissions. We do not need new taxes in this country; we just need to protect the environment in the ways we can for the least cost.

**Mental Health**

Senator GALLAGHER (Australian Capital Territory) (14:53): My question is to the minister representing the Minister for Health, Senator Nash. Can the minister confirm that the Turnbull government is cutting funding to headspace's vital early psychosis programs by 70 per cent? Can she confirm that as a result of these cuts these centres will have to close? And is former Australian of the Year Professor McGorry right to say that if the centres close then almost certainly lives will be lost. Futures will be lost, because recoveries produced as a result of these programs lower suicide rates and save money for the health system?

Senator NASH (New South Wales—Minister for Rural Health, Minister for Regional Development, Minister for Regional Communications and Deputy Leader of The Nationals) (14:53): Thank you very much. If the senator's question is in context of the budget, then of course I am not going to speculate on anything that may or may not be in the budget this evening.

In mental health, it is actually this side of the chamber that is focused on doing this. Those opposite know very, very well that last year there was a comprehensive strategy brought forward that is changing the way we are dealing with mental health in this country. Those opposite think that a Canberra based silo approach to mental health is appropriate. We do not. That is why we have put the work in and the mental health program that we are going to run out through the Primary Health Networks is going to be based—

The PRESIDENT: Pause the clock.

Senator Wong: Mr President, on a point of order: this is a serious question about cuts to and closures of early psychosis programs. If the minister does not know—not only is that extraordinary, but perhaps she could also do us the courtesy of taking it on notice and finding out.

The PRESIDENT: In relation to the point of order, the minister did indicate that if this related to budget matters she was not going to disclose.

*Opposition senators interjecting*—

The PRESIDENT: Order! I cannot arbitrate as to what may or what may not be in a program or a budget.

An opposition senator: She should know!
The PRESIDENT: I do not know is what I am telling you. The minister is aware of the question. The minister is in order.

Senator NASH: I was setting the broad scene for the Senate in the context—

Opposition senators interjecting—

Senator NASH: Those opposite might laugh, but this is a very serious issue. It is this side that is actually taking mental health seriously. In terms of headspace, we have expanded the headspace sites, not cut them. We are the ones who took the headspace sites to 100, not those opposite. It is this side that has concentrated on youth mental health, that has concentrated on all aspects of mental health, knowing that if we have locally based decisions that look at the best interests of mental health patients we are going to get far better outcomes. It is the coalition government that has put the work into developing a proper plan and outcome in this area.

Senator GALLAGHER (Australian Capital Territory) (14:56): Mr President, I ask a supplementary question. Can the minister confirm that the early psychosis headspace centre in Adelaide, that officially opened in March this year in a brand new $2 million purpose-built building, has been told that it will be forced to shut its doors on 30 June this year?

Senator NASH (New South Wales—Minister for Rural Health, Minister for Regional Development, Minister for Regional Communications and Deputy Leader of The Nationals) (14:56): As I was indicating to those opposite about the changes that we have made moving to the PHN rollout, this will be phased into the PHN rollout and there will be no cuts. Those opposite should stop scaremongering, and perhaps start focusing on developing some decent policy for this country, which clearly they are unable to do. When we look historically at those on the other side it is rolled out today in their incapacity to do anything properly. We have just seen a $19.5 billion black hole from those opposite, which was apparently a 'rounding error'.

The PRESIDENT: Pause the clock.

Senator Wong: Mr President, I rise on a point of order on direct relevance. The minister was asked about a centre that opened in March and is due to close in June. Is that correct or not?

The PRESIDENT: The minister did respond by saying that there would be no cuts. I distinctly heard her say that.

Senator NASH: I said, 'The program has not been abolished, there are no cuts and the funding will roll into the PHN rollout.'

Senator GALLAGHER (Australian Capital Territory) (14:58): Mr President, I ask a further supplementary question. Can the minister confirm that the Turnbull government is refusing to guarantee funding from July 2018 for the almost 100 headspace centres across Australia as part of the government's so-called mental health reforms?

Senator NASH (New South Wales—Minister for Rural Health, Minister for Regional Development, Minister for Regional Communications and Deputy Leader of The Nationals) (14:58): I do not think I can be any clearer than saying the outline for this going forward, for what those opposite have raised, is being rolled into the Primary Health Network. It will move into the flexible funds. Those opposite should stop scaremongering, and start paying more
attention to developing decent policy for the people across this nation who are sick and tired of the Labor Party doing nothing more than coming up with—

The PRESIDENT: Pause the clock.

Senator Wong: Mr President, I rise on a point of order on direct relevance. The minister was asked to confirm the government was refusing to guarantee funding for the 100 headspace centres. If she is unable to answer it she should take it on notice and sit down. Are you really unable to answer the question, Minister?

The PRESIDENT: Again, the minister directly answered the question up-front.

Senator NASH: The funding will become part, as I said, of the flexible funds. It was very clear.

Transport Industry

Senator WILLIAMS (New South Wales) (14:59): My question is to the Minister for Employment, Senator Cash. Will the minister advise the Senate if there are any threats to the livelihoods of owner-operators in the heavy vehicle industry?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:59): I thank Senator Williams for his question. I know his dedication to ensuring that owner-drivers are kept on the road. There is a clear difference, as we move toward the federal election, between those opposite and those on this side: the Turnbull government. We are committed to ensuring that the 30,000 owner-drivers across Australia, the mums and dads of Australia who mortgage their homes to buy a truck, to be small business owners, are kept on the road. On the other side, they are led by Mr Shorten, who has now told all of Australia that if he is elected as Prime Minister, he will 'lead like a unionist'. That does not bode well for Australians.

They have confirmed that if they are elected, one of the first things they will do is decimate the owner-driver industry in Australia. This is despite the thousands of owner-drivers over the last few weeks and months rallying around Australia and pleading not just with those of us on this side of the chamber but with all parliamentarians to do the right thing by them, to back them, to back their families, to back them as small business people and do what we should be doing as parliamentarians—that is, ensure that they have jobs. It is thanks to those on this side of the parliament, working with the crossbench, that we were able to abolish Labor's Road Safety Remuneration Tribunal.

What will happen if those on the other side are elected? Mr Shorten has made it very clear he is beholden to Tony Sheldon of the Transport Workers Union; little wonder why—$8.3 million in donations over the years to the Labor Party. If they are elected, they will decimate owner-drivers in Australia.

Senator WILLIAMS (New South Wales) (15:01): Mr President, I ask a supplementary question. Is the minister aware of any commentary on the effectiveness of the road safety remuneration system?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (15:02): Yes, I am. There is no evidence that the Road Safety Remuneration Tribunal achieved any safety outcomes in its
four years of operation. In fact, several former TWU employees have gone on the record and blown the whistle in relation to the tenuous link drawn by the TWU.

Opposition senators interjecting—

Senator CASH: You can hear those opposite standing up for the unions against the small business people in Australia. Those former members of the TWU have come clean. They apologised to Australians and they have said: 'We got it wrong. There was never a link. This is not what the tribunal was designed to do.' What the tribunal was designed to do, the practical effect of the RSRT, was to deliberately push owner-drivers out of the market. A vote for the Turnbull government is a vote to keep owner-drivers doing what they do best—that is, keeping them on the road.

Senator WILLIAMS (New South Wales) (15:03): Mr President, I ask a further supplementary question. Can the minister advise the Senate on the importance of governing in the interests of all Australians?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (15:03): As I said, Mr Shorten, for some very strange reason, has decided to confirm, as we go towards the election, that if he is elected as Prime Minister, he will 'rule like a union boss'. Well, Mr President, that should send shivers up the spines of all Australians, because we know what union bosses are capable of doing. Union bosses misappropriate the workers' money.

Talking about misappropriation: a $20 billion blackhole, colleagues, is referred to as a rounding error. Can you imagine what a mistake is if the Labor Party makes one? If $20 billion is a rounding error, God help Australians if those on the other side are ever, ever given the opportunity to touch our books again.

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

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Education Funding

Senator KIM CARR (Victoria) (15:04): I move:

That the Senate take note of the answer given by the Attorney-General (Senator Brandis) to a question without notice asked by Senator Dodson today relating to higher education policy.

Today we saw a new gyration from the government around their policies on higher education. No matter what gyrations we see, and no doubt we will hear a great deal more on this in the forthcoming period, no matter what high trapeze act we see being performed, no matter what fiddling we see, the fundamentals remain the same. Senator Dodson's question was direct: what is the government's policy? What is the government's policy in relation to deregulation of university fees and cuts to universities? Of course, the answer has to be based on what the government said today and what we know is on the public record in regard to the underlying position that we see within the government's budgetary statements.

The government's goal remains: deregulation of university fees and a $20 billion cut to public universities over the next 10 years—a goal that will see the $100,000 degree and the prospect of lifetime debt embedded into the higher education system of this country. We know that the unlegislated measures outlined by this government cut $20 billion from the
This is a government that walks away from its responsibilities to properly fund education in this country. This is a government that oversees the transfer of billions and billions of dollars from taxpayers to private operators—$17.8 billion under this government's measures, embedded within the budget arrangements under the unlegislated measures, will be transferred from the various operations and predominantly directed to private colleges. All of that is underwritten by a blowout in the public loan scheme—a measure which we saw in 2015, in the last MYEFO and in the estimates processes.

All of this now has been reinforced by the inspired leaks of recent weeks that of course confirm the government's agenda of a commitment to the $100,000 degree, to the deregulation of fees, and now proposals to introduce a new superprofits tax for universities. Under the scheme the government is proposing, which was identified first under Minister Pyne, there will be attempts made to impose further levies on universities, particularly the Group of Eight universities, should they charge more than the government expects. We know that to be the case because of the statements that have been made by this minister and the various inspired leaks we have seen, particularly to *The Australian Financial Review*.

We know the history of this policy. This has been road-tested in the United Kingdom. In the United Kingdom this very policy was pursued and of course ultimately rejected by a conservative government because of the impact that it had on increasing university fees to students. Of course we all know that the fundamentals are not about to change under this government. We know what a dog of a policy this is. It was a dog of a policy when it was first announced under Christopher Pyne. It was a dog of a policy through its various versions and it remains a dog of a policy today.

This is a government that has relentlessly pursued its plan to cut $20 billion from public universities. This is a government that has sought to strip money from our world-class university system, transfer that money to the private sector and blow-out the cost of the loan scheme. Of course we have now seen a model that will be pursued through the vocational education system. This government has allowed the waste and extravagance to go beyond all possible imagination.

What we have is a government that believes it is simple: 'If you have got the money, if you have got the power and if you have got the privilege you could embed that.' We should not have an education system that actually opens the doors of economic opportunity. The fundamental principle that has been the hallmark of the Australian education system is: if you have ability and work hard you should have the opportunity to succeed. Under this government's policies we know that there will be a major shake-up in the education system if it ever gets the chance to implement them. It will see the price of going to university skyrocket, a massive blow-out in public debt and an undermining of the fundamental principle of equality in our education system. *(Time expired)*

*Senator SESELJA* (Australian Capital Territory) (15:10): It is always wonderful to follow Senator Carr and to add my comments to this debate.

*Senator Conroy:* We used to think you were the most right-wing senator. With the next speaker you are going to have to lift your game.
Senator SESELJA: I look forward to the very honourable Senator Paterson coming after me and doing an outstanding job. Labor are going to find as they pursue these lines—be it on higher education, education, health or other policies—that they fundamentally have no credibility. If we want an example of why they have no credibility and why they cannot be trusted on money, we saw it yesterday with the unravelling of the fundamentals of their campaign, with the $19 billion hole in their costings. This is no ordinary hole in costings. We have seen holes in costings from the Labor Party before. This is no ordinary hole because this $19 billion hole is fundamental to their entire campaign, which is about $100 billion of new taxes, extra taxes, and tax increases so they can apparently spend money in health, education and various areas. Those are the fundamentals of their campaign and last night we saw that campaign blown out of the water.

Margaret Thatcher famously said that the problem with socialism is that eventually you run out of other people's money. Never have we seen before an opposition leader who has run out of other people's money before coming into office. That is what we saw yesterday. The Labor Party has already run out of money. We knew it was pie in the sky. We had these claims.

Senator Conroy: You have adopted $70 billion of our policies.

Senator SESELJA: This is a really important point. Whilst I do enjoy Senator Conroy's interjections, I need to make this important point. I will do it so that Senator Conroy can listen.

Senator Conroy: You have forgotten what you were going to say.

Senator SESELJA: No. I really want you to listen to this point. We have seen in the debate in recent times the Labor Party making these extravagant claims about $80 billion. They say there is $80 billion in cuts. That was always a lie. It was a lie because they never had the money. The Labor Party never put the money in the budget. They did not have the money. The only way they could ever get the money was to borrow the money or to increase taxes. That has become apparent during this campaign as they have said they are going to have $100 billion in extra taxes.

This $19 billion so-called rounding error, in the words of the Labor Party, this $19 billion hole, is so important now because it confirms every concern the Australian people have about the Labor Party. The fundamental concern that the Australian people have about the Labor Party is that they cannot be trusted with money. Even if you ask Labor Party supporters—even those who vote for the Labor Party because they want more spending and they are not that worried about fiscal responsibility—who they want to look after the budget, who they want to fix the budget, they will say in a heartbeat, 'The coalition.'

If anyone wanted evidence or to be reminded—perhaps some Australian people were starting to give the Labor Party a chance—why the Labor Party should never come back on this side of the chamber it happened yesterday. The Australian people do not trust Labor with money. Why don't they trust them? Because Labor inherited no government debt—$70 billion in the bank—and they left us a legacy of hundreds of billions of dollars of debt.

Now they say, 'If we come back in we are going to spend even more than we did last time'—$80 billion extra apparently on health and education. Well you do not have the money. The Australian people are not fools. Every time during this campaign—this is going to follow Bill Shorten like a bad smell during this campaign—Bill Shorten and his team promise
something people will be saying, 'Where is the money coming from?' He will say, 'We have got our new taxes.' Well he does not. It has been shown to be a farce. It has been shown to be an absolute lie. This is what this campaign will be about. Labor cannot be trusted with your money. (Time expired)

Senator KETTER (Queensland) (15:15): The desperation of this government is now quite palpable. At a time when this government should be looking to focus on its own plans for this country's future we now see that this government is desperate to try to shift blame and to get the eyes of the nation to look elsewhere by concocting a hole in Labor's costings. This is a very, very desperate measure.

Senator Dodsom's very worthwhile question during question time touched on higher education. In my opinion, higher education is one of those matters which should be above party politics. It is a question that goes to the future of our country. An extract from the report by Cadence Economics says:

The ability of our nation to expand the knowledge and skills of our workforce to drive productivity growth is vital if Australia is to raise living standards into the future.

When it comes to higher education, we should all be advocating for better education policies. But, unfortunately, we have a government—the Turnbull government—whose planned cuts to higher education are ruthless. As Senator Carr indicated, under their current plan there are $20 billion in cuts from Australian universities set to take place into the future.

But it is not just the cuts; it is also the debt collection. We have heard that the Prime Minister, alongside Minister Birmingham, are conspiring to collect HECS debts from those who have passed away, all the while planning to increase the overall cost to universities. This is an atrociously bad idea—an idea so bad and so shameless it does not warrant any scrutiny; it just demands ridicule. The fundamental idea of HECS is that students borrow money to study in their field of choice and only have to pay it back once they earn reasonable money.

The coalition's plan to deregulate universities is an appalling measure to address the rising cost of higher education. We saw the report from the Parliamentary Budget Office some time ago which talked about the fact that the government's proposal to deregulate would drive up the annual cost to government from the current $1.7 billion of the HECS-HELP student loan system to $11.1 billion a year by 2025-26. This is bad not only for students but also for the budget bottom line and for our country.

In my own home state of Queensland we, sadly, have some of the lowest rates of graduates from university, particularly from regional Queensland. So one has to ask the question: what are the government doing to address those types of issues? Unfortunately, the answer is nothing. In fact, they are making it worse. In deregulating the higher education system they are attempting to charge up to $100,000 for a degree and, worst of all, they are creating a disincentive for people to study. They are crippling the future of our country. I know from talking to Queenslander's about the government's policy that people are worried about the prospect of the cost of higher education increasing. Working-class families find it difficult to commit to providing the support for their sons and daughters to attend university, and the prospect of a ballooning in the cost of education is a total disincentive. I think this is a disgraceful policy approach.
Labor believes that what you need to get into university is hard work and deep thinking, not deep pockets or your parent's bank balance. We believe universities have a responsibility to help students succeed, especially disadvantaged students. I call on the coalition and on education minister Senator Birmingham to stop using university funding as a punching bag, to rule out any further cuts to higher education and to dump the Liberal's frightening plan for $100,000 degrees.

The World Economic Forum Human Capital Index was developed in recognition of the fact that an educated population is a key investment driver of economic growth and the development of advanced industries and advanced countries. Australia currently sits in 13th place in the index, behind New Zealand, Belgium, Austria and Ireland. We cannot afford to slip any further. Australia needs its skilled graduates to power our future. Our university students deserve the best start in life, and only Labor can guarantee that start.

Senator PATERSON (Victoria) (15:20): Today is the day that the federal budget will be delivered. I must admit that I am new to this place, but I would have thought that, on the day that the federal budget is due to be delivered, it might have merited the attention of opposition senators in question time. Yet the questions that they chose to ask today in Senate question time were on the following topics: firstly, the Indigenous Land Corporation's annual report—something that has been asked about previously and about which nothing new was learnt from; secondly, their conspiracy theories about higher education reform; thirdly, submarines; fourthly, the Cabinet Secretary—again an issue well ventilated in Senate question time in which nothing new was gained; and, finally, mental health funding. There was not one question on the budget, not one question on tax, not one question on the deficit and not one question on debt.

While I am shocked and surprised on one level that no attention was devoted to economic matters by the opposition senators today, on the other hand I do understand that it is a little bit of an embarrassing topic for those opposite. I do understand that, on the day that the shadow Treasurer called a $19½ billion black hole in his costings a 'rounding error', Labor senators might not want to draw attention to budget matters. I understand, given their record in government, where they inherited $29 billion of net assets and in six years turned that into $153 billion of net debt, and with deficits as far as the eye could see for the forward estimates, that they might not want to talk about the budget and about economic management. I understand, given their plans for this election to increase taxes by more than $100 billion, that they may not wish to talk about the budget and matters of economic management.

The DEPUTY PRESIDENT: Senator Paterson, just resume your seat.

Senator Urquhart: Mr Deputy President, I rise on a point of order on the question of relevance. I have not heard one mention at all of higher education from the senator in his address so far.

The DEPUTY PRESIDENT: Thank you, Senator Urquhart. You are correct, but I am sure Senator Paterson is—Senator Conroy, you have a point of order?

Senator Conroy: On the point of order: it is a very correct point of order you have taken, but I would ask the chair to be lenient to the new senator. It is his first budget. It is a budget
which he has criticised in the past, over the last few years. He does not want to talk about it. But I would ask you to be lenient on our new Senate colleague.

The DEPUTY PRESIDENT: It was my intention to be lenient, in any case, with all senators. But I was just about to say that I am sure Senator Paterson is coming to the question before the chair.

Senator PATERSON: I thank senators for their helpful advice and assistance in this matter. I have to say that I am very glad that the topic of higher education has been raised. I am looking forward to discussing it today, particularly in the context of the opposition’s capacity to estimate expenses and revenue in the future. We know that the errors that we have exposed today in their budget for the upcoming election of $19½ billion is not the only area in which they have made predictions which have not turned out to be correct. For example, opposition leader, Bill Shorten, says that he has a plan to provide free education for 100,000 STEM graduates. On the day that policy was announced, he initially stated that the cost would be $45 million over the estimates—a laughable costing, which he himself had to quickly correct. He subsequently stated that it might be $350 million, but the Department of Education and Training estimated the costing to be $2.25 billion.

Those opposite cannot be trusted on higher education, in the same way that they cannot be trusted with the budget. You cannot deliver a world-class, high quality higher education system if you cannot deliver the funding that is necessary to make it work. Only the coalition has demonstrated that it has the capacity to manage the economy and the budget in a way which ensures that all of the important activities of government, including funding the higher education system, can be comfortably done. We cannot rely on people who predict that their revenue from cigarette taxes will be $37 billion when in fact it will be $19½ billion less to deliver anything for the higher education sector, to deliver anything for universities. It was, in fact, their changes—their incomplete reforms when in government—which uncapped the number of places that universities were allowed to admit in each course, which has caused a skyrocketing and a massive increase in costs for universities.

I am a relatively recent product of the university education system, and I am very grateful for the time I spent at university. I think it is appropriate that whilst I was there I was required to make a financial contribution to my education, because I am the primary beneficiary of the education that I received. Andrew Norton, the pre-eminent higher education policy expert in Australia, who is at the Grattan Institute, has estimated that students who attend university are, on average, $1 million better off over their lifetimes than students who do not. It is entirely appropriate that we contribute to the cost of that education.

Senator McALLISTER (New South Wales) (15:26): I rise also to take note of the answers to the question asked by Senator Dodson. I also congratulate Senator Dodson on his arrival here in the chamber. I, too, think he will make a wonderful contribution. But the answer was less than enlightening. Just like so many other things and ideas that come from the Prime Minister, it seems that the ideas boom was just another thought bubble and there really is nothing behind the idea of innovation and creativity that so far has propelled so much soaring rhetoric from the Prime Minister. We have heard very little detail about how this ideas boom is to be accomplished. An ideas boom, we should note, is actually more than just going to cocktail parties run by start-up incubators and meeting with tech entrepreneurs who come out from the United States.
Growing Australian ideas in Australia will, in fact, mean investing in our people and our institutions. It probably means that we will need to invest money in higher education. But that is not the answer we heard today, when the government were asked about how they intended to proceed with higher education policy. The Prime Minister remains completely committed to the former Prime Minister's plans to gut higher education. The government's goal, quite obviously, remains deregulation, and a $20 billion cut to university funding over 10 years. It seems the government's goal in this budget is the lowering of the repayment threshold for HECS, which will mean that people on very modest incomes start to stare down the impact of that $100,000 debt they have incurred simply by seeking to educate themselves. The government has not walked away from the unlegislated budget measures that outline this plan: taking $20 billion out of the public university system and transferring a very large proportion of that money to the private sector. This is not the kind of higher education policy we would have expected to hear from a government that speaks so often about innovation and the importance of innovation and education in driving the economy of Australia forward. So this government really ought to be investing in students. I do not really know who the Prime Minister thinks will come up with the innovative plans and ideas, but he seems to be prepared to write off the majority of Australians who cannot afford $100,000 degrees. I do not know where the Prime Minister expects this new generation of entrepreneurs to learn, but he seems prepared to slash funds from the very institutions that are best placed to teach students the STEM skills they need to craft world-breaking concepts.

Having an educated and highly skilled workforce benefits everyone. The way to greater profitability for Australian firms is for them to be more productive. You do not achieve that by cutting penalty rates, and you do not achieve that by slashing conditions. You do that by having a smart, educated workforce that works out better ways to do business.

In his question, Senator Dodson made reference to a report from Universities Australia that demonstrates that having an educated workforce does not just benefit those who receive the education, it benefits everyone. In 2014-15 the economic boost from new graduates entering Australia's workforce created 25,000 new jobs for Australians without university degrees. For every 1,000 new graduates entering the workforce, 120 new jobs are created for people without a degree. The impact of new graduates joining Australia's workforce lifted wages for workers without a university degree by $12.60 a week, or $655 a year. And without the entry of new university graduates into the Australian economy, the growth rate in jobs for people without a university degree would have been zero over the last eight years.

In the face of this evidence and in the face of this analysis, it is a nonsense to describe, as government members so frequently do, the provision of higher education as a benefit for the individual without acknowledging its social benefit. There is a reason that public institutions are funded by governments to deliver a high-quality workforce—because it benefits all Australians. It is to the government's very great shame that this will not be recognised in this evening's budget. (Time expired)

Question agreed to.

Asylum Seekers

Senator HANSON-YOUNG (South Australia) (15:31): I move:

That the Senate take note of the answer given by the Attorney-General (Senator Brandis) to a question without notice asked by Senator Hanson-Young today relating to asylum seekers.
I rise today to take note of the answers given by Senator Brandis to my questions earlier which, of course, related to the tragic circumstance of the 21-year-old young Somali woman who is currently lying, fighting for her life, in a Brisbane hospital.

This young woman lived most of her life in a refugee camp in Africa. She fled that camp a number of years ago and made her way—a very long and treacherous journey—to Australia all on her own, as a very young woman. She asked Australia for help. She was asking Australia to give her an opportunity for a safe life and for a secure future, and to show some empathy and compassion. Instead of offering her that opportunity—giving her a chance at a second life—she and many others who are currently left in limbo on Nauru were simply dumped on the island and made very aware that the Australian government had no interest in caring for them.

This young woman's circumstance today is even more tragic because she had only just recently—a matter of days—been returned to Nauru after being in Australia, receiving medical assistance. She had been here in Australia to receive medical care for roughly six months. She should never have been returned to Nauru. She was on suicide watch prior to her removal to Nauru and while she remained on the island in recent days. You can only wonder how desperate this young woman must have been to douse herself in fuel and to set herself alight.

I must say that I was absolutely disgusted—appalled—to see the Minister for Immigration and Border Protection's comments at his press conference earlier today, where he proceeded to blame this young woman and to blame the other refugees left on Manus Island and Nauru for daring to speak up about how hopeless they feel. If somebody is pushed to such a point of attempted suicide, that person has already lost all hope. And here we have the minister scolding anyone who dared to listen to those who are left stranded on Nauru for giving these people any sense of hope to hang on to.

This policy is designed to break people. This policy is designed to break people's spirits. It is designed to steal hope. And then the minister has the gall to turn around and accuse those people who have been so broken for being too weak, to succumb to this cruel policy. This is an appalling situation.

Peter Dutton, as immigration minister, has clearly lost control of any understanding of empathy or of responsibility for what his department is overseeing in these gulags. To turn around and to blame everybody else but the policy that is designed to push people to a point of self harm, of being broken and of absolute hopelessness is nothing short of being a coward.

When will the Prime Minister, Malcolm Turnbull, step in and intervene? The Prime Minister has to stop turning a blind eye to the suffering and the harm that is being done, not just in his name but through him and his government in the name of Australians? It is shameful and it is time it ended.

Question agreed to.

NOTICES
Withdrawal

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (15:36): Pursuant to notice given on 2 May 2016, I withdraw business of the Senate notices of motion Nos 1, 2 and 3, standing in the name of Senator Williams for 30 June 2016.
Presentation

Senator SIEWERT (Western Australia—Australian Greens Whip) (15:37): I give notice that very shortly I will hand to the Clerk a notice of motion relating to Centrelink.

Senator Ludlam to move:
That the Senate—
notes:
the protection of health facilities and other civilian targets under international law, including the Geneva Conventions of 1949 and their Optional Protocols of 1977,
that in 2015 alone, 75 Medecins Sans Frontieres hospitals and supported hospitals suffered 106 bombing and shell attacks,
that in September 2015, the World Health Organization reported that 654 medical personnel had been killed since the beginning of the conflict in Syria, and that almost 60 per cent of hospitals were either partially-functional or completely out of service;
condemns the deadly attacks on hospitals that are occurring at an increasingly alarming rate in conflict around the world, particularly in Syria, Yemen and Afghanistan;
calls on the conflicting parties in conflicts to respect the basic principles of international humanitarian law and refrain from deliberately targeting civilian infrastructures; and
reaffirms the status of health facilities as neutral, protected spaces under international law.

Senator Simms to move:
That the Senate—
acknowledges that the Australian Christian Lobby does not represent most Christians in this country and are nothing more than a fringe group;
condemns the Treasurer (Mr Morrison) for attending the Australian Christian Lobby National Conference on 23 April 2016; and
calls on the Prime Minister (Mr Turnbull) to reject the Australian Christian Lobby’s request for a temporary suspension to the anti-discrimination laws should a plebiscite campaign on marriage equality eventuate.

Senators Brown, Bilyk and Moore to move:
That the Senate—
notes that National Volunteer Week is celebrated in Australia from 9 May to 15 May 2016, and the theme for the 2016 commemoration is ‘Give Happy, Live Happy’;
recognises that volunteering is:
a healthy lifestyle choice; a true community builder, and
one of the strongest predictors we have of increasing our health and happiness; and
joins with Volunteering Australia and volunteers across the Australian community to:
support the ‘Give Happy, Live Happy’ conversation and to show that volunteers live happier and healthier lives, and
acknowledge more than 6 million Australian volunteers are an invaluable resource in helping to make our communities stronger.

Senator Lambie to move:
That—
the Senate notes:
the number of veterans who have served overseas in war and warlike circumstances since 1999 is more than 70,000, and is greater than the number of Australian veterans who served in Vietnam,
the credible and overwhelming evidence from ex-service organisations and individual former Australian Defence Force (ADF) members which indicates that the Australian veterans’ suicide rate since 1999 stands at more than 250 and is rapidly growing,
that this Government through the Department of Veterans’ Affairs (DVA) refuses to acknowledge, measure, research or publish the Australian veterans’ suicide rate,
the credible and overwhelming evidence from ex-service organisations and individual former ADF members which indicates that the complexity of the military compensation schemes, the time taken to make decisions by DVA, and the failure to properly administer compensation claims has contributed to unnecessary financial hardships, veterans’ families’ breakdowns, homelessness, delays in medical treatment and suicides, the Australian Military Compensation Arrangements and laws administered by DVA when compared with compensation arrangements for other employees of the Commonwealth deliver less in compensation and entitlements and therefore discriminate against members of the ADF, that this inequality between members of the ADF and other employees of the Commonwealth, particularly those ADF members who die in service after 1 July 2004, creates a serious injustice for their widows and dependent children, and that the last comprehensive government review into DVA, Review of Military Compensation Arrangements, was undertaken more than 5 years ago in February 2011 and is outdated; and
that the above matters be referred to the Foreign Affairs, Defence and Trade Legislation Committee for inquiry and report by 23 August 2016, with particular reference to:
the reasons why Australian veterans are committing suicide at such high rates,
previous reviews of military compensation arrangements and their failings,
Repatriation Medical Authority’s Statements of Principles, claims administration time limits, claims for detriment caused by defective administration, authorised medical treatment, level of compensation payments, including defence abuse, as contained in all military compensation arrangements,
the performance of DVA, and any other related matters.

**Senator Lazarus** to move:

That the Senate—
acknowledges the importance of Australia’s shipping and maritime industry, and its contribution to the Australian economy and national defence capabilities;
notes that some 7,000 people are employed directly in shipbuilding yards across Australia, and a further 24,000 people in associated industries;
recognises that 1,800 shipbuilding jobs have been lost in Australia since 2013, and the need to protect and retain Australian jobs for Australian workers;
understands the Federal Government has awarded a large Australian Government shipbuilding contract for the build of Defence supply vessels to Spanish company Navantia, which will create some 3,000 jobs in Spain and further decimate the Australian shipbuilding and maritime industry; and
calls on the Federal Government to immediately withdraw from the contract, or immediately halt further negotiations, with the Spanish company and instead work with the Australian shipbuilding and maritime industry to immediately establish the capability to build the ships in Australia which will provide Australian jobs for Australian workers, and in the event that withdrawal from the contract is not
possible, immediately install contract requirements which necessitate the inclusion of Australian content such as the build of the blocks in Australia.

**Senator Lazarus** to move:

That the following matter be referred to the Finance and Public Administration References Committee for inquiry and report by the last sitting day October 2016:

The access of small and medium business (particularly those in rural and regional Australia) to Federal Government contracts, and how this access could be improved, with particular reference to:

any inherent unfairness in tender processes arising from the terms of the Commonwealth’s Procurement Rules 2014 (the rules);

how the rules could effectively and appropriately (without discouraging competition) include improved consideration of tender proposals made by small and medium businesses for Federal Government contracts;

the basis of any assessment of ‘value for money’ that is undertaken in awarding procurement contracts, particularly those for small and medium businesses, including how secondary and social benefits to communities, especially rural, regional and remote communities, can be included in that assessment;

how the rules could effectively and appropriately (without discouraging competition) include improved access to Federal Government contracts by small and medium businesses, and where possible include involvement of multiple contract providers in contracts to enable greater opportunity for participation by rural, regional and remotely located small and medium businesses where providers are only able to service limited regions or locations; and

any other related matter.

**Senator Lazarus** to move:

That the Senate—

notes that:

the Australian sugarcane industry is one of Australia’s largest and most important rural industries with sugarcane being Queensland’s largest agricultural crop,

around 85 per cent of the raw sugar produced in Queensland is exported and generates up to $2 billion in export earnings,

the majority of mills in Australia are foreign-owned and Australian grower groups are concerned about the monopoly powers of mills to misuse their market power against Australian sugarcane growers, particularly in response to changes to the industry from 2017 which may see large foreign-owned milling companies taking control of the Australian sugar marketing sector, and

the Rural and Regional Affairs and Transport References Committee report *Current and future arrangements for the marketing of Australian sugar*, tabled in June 2015, recommended the development and implementation of a mandatory sugar industry code of conduct;

acknowledges that Australian sugarcane growers are urgently seeking implementation of a national industry code of conduct to protect them from large-resourced companies exercising monopoly powers to dictate the commercial relationship between millers and growers, the installation of a commercial arbitration facility to support them to resolve issues with mills, and the ability to select a sugar marketing organisation of their choice; and

calls on the Federal Government to support Australian sugarcane growers, to act on the recommendation in the Rural and Regional Affairs and Transport References Committee report, and to work with industry as a matter of urgency to:

   develop and implement a code of conduct,
establish a national commercial arbitration service,
provide Australian canegrowers with the flexibility to select sugar-marketing organisations of their choice, and
establish a national support service for Australian canegrowers.

Senator Smith to move:
That the Senate—
notes:
that 21 April 2016 marked the 90th birthday of Her Majesty Queen Elizabeth II, Queen of Australia,
that Her Majesty’s reign has now continued through the tenure of 14 Australian Prime Ministers—
Menzies, Holt, McEwen, Gorton, McMahon, Whitlam, Fraser, Hawke, Keating, Howard, Rudd, Gillard, Abbott and Turnbull, and
the vital and enduring role that Her Majesty has played in Australia’s democratic strength and constitutional stability throughout the many years of her reign; and
extends to Her Majesty its warmest wishes on this significant personal milestone, as well as its continued appreciation for the gracious manner in which she fulfils her duties as Queen of Australia.

Senators Rhiannon and Dastyari to move:
That the Senate—
notes that:
Waverley Council, the area of which is contained in the seat of Wentworth, has agreed to a $38 million redevelopment of Bondi Pavilion,
on 30 April 2016, at a special Waverley Council meeting attended by 300 people, Ms Sally Betts, the Mayor of Waverley Council and electorate officer for the Member for Wentworth (Mr Turnbull), used her casting vote to pass the redevelopment plan,
there is growing community concern that the Waverley Council redevelopment plans would reduce the current community-to-commercial use ratio and result in the Bondi Pavilion being privatised by stealth,
in response to these concerns, Waverley Council has published misleading figures for proposed community floor space which appear to include outdoor areas as a replacement for current community rooms,
the original budget for restoration of the Bondi Pavilion was estimated by Waverley Council in early 2015 to be $9 million, and that the cost blowout to a currently estimated $38 million is primarily the result of the proposed changes to the building’s structure in the redevelopment plan, and
Mr Turnbull in July 2007 with former Prime Minister, Mr Whitlam, and his wife Margaret attended the celebration of a third of a century of the Bondi Pavilion community and cultural centre;
calls on Prime Minister (Mr Turnbull) to publicly support Bondi Pavilion being retained as a community and cultural centre; and
calls on the Turnbull Government to ensure any financial assistance:
is limited to assisting with restoration of the Bondi Pavilion that maintains the current community-to-commercial space ratio, and
is conditional upon the Bondi Pavilion’s first floor being retained for community and theatre use, and the discontinuation of upgrade plans that turn this area into a restaurant and bar or function centre precinct.
Senators Xenophon, Madigan, Muir and Lambie, and Leader of the Glenn Lazarus Team (Senator Lazarus) to move:

That the Senate—

notes that:

it is likely that a federal election will be held on Saturday, 2 July 2016,

it is estimated that some 40 million ballot papers will be required on election day, which is equivalent to some 700 tonnes of paper, and

Australia is capable of producing the quantity and quality of paper required for ballot papers as well as other election material to be printed for the Australian Electoral Commission (AEC) for the 2016 Federal Election; and

calls on the Government to require the use of Australian paper for ballot papers and other election materials produced for the AEC.

Senators Moore and McLucas to move:

That the Senate—

notes the important work undertaken by the Community Affairs References Committee in its inquiry into children in institutional care which recommended the acknowledgement, on behalf of the nation of:

the hurt and distress suffered by many children in institutional care,

a National Apology,

redress for their suffering, and

a Royal Commission into this national shame;

recognises that the Royal Commission into Institutional Responses to Child Sexual Abuse released in September 2015 its final report into redress and civil litigation, and listed 99 recommendations, including recommendation 28—‘The Australian Government should determine and announce by the end of 2015 that it is willing to establish a single national redress scheme’;

acknowledges survivors have been waiting their whole lives for recognition of the crimes perpetrated against them as children, and for the ongoing suffering those crimes cause them;

notes that the Australian Labor Party announced in October 2015 that a Shorten Government would invest $33 million to implement a National Redress Scheme, which would include an initial $20 million contribution to establish the National Redress Agency, as well as a National Redress Advisory Council to work with all governments and institutions on the development and operation of the scheme; and

calls on the Government to work towards establishing a National Redress Scheme.

Senator Whish-Wilson to move:

That the Senate—

notes:

the decision of the government to award the contract to DCNS for the construction of new Barracuda-class submarines, and

that the pump-jet propulsion used in the Barracuda-class submarines has only ever been powered by nuclear reactors; and

calls on the Government to unequivocally rule out the use of nuclear reactors to power Australia’s new submarines.

Senator Lazarus to move:

That the Senate—
notes:
while the abolition of the Road Safety Remuneration Tribunal (RSRT) and associated orders has assisted to restore a competitive level playing field for the owner driver transport sector across Australia, the disruption caused by the RSRT has significantly affected industry confidence and market conditions more generally for owner driver operators, and
it may take some time for the owner driver sector to recover from the disruption, and as a result, in the meantime, many owner drivers are suffering financially; and
calls on the Federal Government to provide urgent assistance to owner driver operators by:
conducting a survey to identify the number of owner driver operators who have lost work as a consequence of the Road Safety Remuneration Order 2016 and have not had their former work reinstated, with limited or no prospects of recovering work given the investments already made by small/large fleet operators,
establishing a national emergency financial assistance fund to provide financial payments to owner driver operators for up to 3 months,
providing owner driver operators with written acknowledgement of the abolition of the RSRT and associated orders to assist with market awareness,
calling on the financial sector to suspend payment requirements for truck and home loan facilities for owner driver operators for up to 3 months, and
providing funding to a community-based organisation to assist them to provide owner driver operators and their families with targeted, specialist and industry-specific counselling and support services.

Senator Siewert to move:
That the Senate—
recognises that income support for students:
is an important part of Australia's safety net, and
helps to make educational opportunities more accessible for young people, including from regional and remote communities;
notes reports:
of a current backlog of 27,500 students with claims waiting to be processed, and earlier peaks of 90,000 students waiting for claims to be processed, and
suggesting that up to 30,000 applicants may have been rejected incorrectly; and
calls on the Government to take urgent action by:
reviewing rejected applications,
restoring adequate funding to the Department of Human Services, including funding for ongoing staffing increases, and
investing in high-quality information technology systems.

DOCUMENTS
Indigenous Advancement
Order for the Production of Documents

Senator MOORE (Queensland) (15:37): I move:

That there be laid on the table by the Minister for Indigenous Affairs, no later than 9.30 am on Wednesday, 4 May 2016, reports from Social Ventures Australia relating to the Indigenous
Advancement – Jobs, Land and Economy Programme and Australian Government funding for Indigenous rangers and Indigenous Protected Areas.
Question agreed to.

MOTIONS
Mannan, Mr Xulhaz
Senator SIMMS (South Australia) (15:38): I, and also on behalf of Senator Smith, move:
That the Senate—
(a) offers its deepest condolences to the family of Mr Xulhaz Mannan who was violently killed in Bangladesh in April 2016;
(b) recognises the immense contribution Mr Mannan made to the lesbian, gay, bisexual, transgender and intersex (LGBTI) community in Bangladesh which included founding Roopbaan, Bangladesh’s only LGBTI magazine;
(c) notes that same-sex sexual relations are criminalised in Bangladesh which may result in LGBTI people being forced into exile; and
(d) calls on the Government to continue to advocate for the decriminalisation of homosexuality in Bangladesh and throughout the world.


The PRESIDENT: Leave is granted for one minute.

Senator RYAN: The Australia government expressed its deep concern about the killing of Xulhaz Mannan and other recent murders in Bangladesh in a statement released by the Australia High Commission in Bangladesh on 27 April. The government called for the murders to be investigated swiftly and for those responsible to be brought to justice. We noted that the victims were respected citizens and we offered condolences to the families, friends and communities of the victims. Australia stands with Bangladesh in opposing the intolerance and violence espoused by terrorist and other extremist groups.
Question agreed to.

Dental Care
Senator DI NATALE (Victoria—Leader of the Australian Greens) (15:39): I move:
That the Senate—
(a) recognises the success of the Child Dental Benefits Scheme, which has provided access to dental care to children aged 2 to 17 since 2014;
(b) notes:
(i) that the broad exclusion of dental care from Australia's public health system causes hardship and poor patient outcomes for millions of Australians,
(ii) that Aboriginal and Torres Strait Islander people, those living in rural and regional Australia and low income earners, have more than twice the rate of untreated dental decay as high income earners, and
(iii) the ongoing delay of $1.3 billion in Commonwealth funding committed for state dental services under the National Partnership Agreement;
(c) rejects the Government's recent cuts to Medicare-funded dental care, noting that 80 per cent of services are delivered through non-government practices; and
(d) calls on the Government to address the inequity in dental health outcomes by committing to the expansion of Medicare-funded and state-funded dental care to all Australians over time.


The PRESIDENT: Leave is granted for one minute.

Senator RYAN: The Child and Adult Public Dental Scheme, announced by the Turnbull government, represents the largest ever Commonwealth investment in public dental services. Under this scheme state and territory governments will receive more money from the Commonwealth than they ever have for public dental services. We will invest $2.1 billion over the next five years through this scheme. The Turnbull government is abolishing Labor’s Child Dental Benefits Schedule because it is a failure. Only one-third of eligible children were treated under it, yet costs were running nearly double that at more than 50 per cent of the allocated budget. In addition to this, it was being rorted with nearly $4 million worth of incorrect claims being investigated.

Senator DI NATALE (Victoria—Leader of the Australian Greens) (15:40): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator DI NATALE: How remarkable it is that the government would suggest that axing an effective program that is delivering dental care through the non-government sector—and let us be clear that 80 per cent of all dental services are provided through the non-government dental sector—is a failure. This government has been very, very tricky here. It has taken funding away from state dental services—first implemented through that huge cut in the 2014 budget—and it then proposes to cut funding for the Medicare funded dental scheme and return some of the funding that should have gone to public dental services several years ago. This is very, very tricky. We need to recognise that, if we are going to achieve adequate dental care in this country, it must be delivered through a Medicare funded dental scheme. The Greens have a plan to do that.

Question agreed to.

DOCS

HOSPITAL FUNDING IN REGIONAL VICTORIA

ORDER FOR THE PRODUCTION OF DOCUMENTS

Senator DI NATALE (Victoria—Leader of the Australian Greens) (15:42): I move:

That there be laid on the table by the Minister representing the Prime Minister (Senator Brandis), no later than 3 pm on Wednesday, 4 May 2016, all documents created between October 2013 and May 2016 relating to the funding of hospitals in regional Victoria, and, in particular, the funding of Wangaratta hospital, including the withdrawal of $10 million, and any commitments made to the former Member for Indi (Mrs Mirabella) in relation to such funds.

Question agreed to.

MOTION

SAFETY MEASURES FOR REMOTE AREA NURSES

Senator XENOPHON (South Australia) (15:42): I move:
That the Senate—
(a) notes:
(i) the tragic death of South Australian woman, Ms Gayle Woodford, who worked as a remote area nurse in the Anangu Pitjantjatjara Yankunytjatjara Lands,
(ii) the online petition calling for increased safety measures for remote area nurses, started by Ms Joanne Norton on Change.org following Ms Woodford's death which has now been electronically signed by more than 130,000 people,
(iii) a survey of members of remote health worker organisation the Council of Remote Area Nurses of Australia Plus (CRANAplus) which shows one in three remote area nurses has experienced physical violence, and
(iv) the important and vital work of remote area nurses in outback Australia, and their right to be safe in the course of their employment; and
(b) calls on the Government to:
(i) immediately review the adequacy of current safety measures for remote area nurses,
(ii) abolish single-nurse posts in remote areas or mitigate the risks they pose,
(iii) implement a policy that remote area nurses attend out-of-hours emergencies in pairs (whether that is two nurses, a community member, security officer or other),
(iv) require that all emergency services vehicles be fitted with GPS technology which would allow the vehicle to be tracked and located easily, and
(v) allocate the necessary funding to effect subparagraphs (b)(i) to (b)(iv) above.


The PRESIDENT: Leave is granted for one minute.

Senator RYAN: The government supports the intent behind Senator Xenophon's motion. The impact of Gayle Woodford's death is still being felt by the APY Lands community in South Australia and, indeed, throughout remote communities across Australia. The Minister for Rural Health convened an urgent round table following the murder and is continuing to work with remote health workforce stakeholders. The government has provided direct support to Nganampa Health Council clinic and is working with the Aboriginal community controlled health sector to assist with improving security arrangements. One of the central tenets of Aboriginal medical services is self-determination and we do not intend to walk away from that principle. We appreciate the senator's advocacy on this important issue and we will work with him and with the remote communities to address ongoing safety concerns.

Question agreed to.

Vietnam War

Senator LINDGREN (Queensland) (15:44): I, and also on behalf of Senators Reynolds and Smith, seek leave to amend general business of motion No. 1170 before seeking to have the motion taken as a formal motion.

Leave granted.

Senator LINDGREN: I move the motion as amended:

That the Senate—
(a) notes that:
(i) on 30 April 1975, the fall of Saigon marked the end of the Vietnam War, and
(ii) many South Vietnamese and Australian service personnel who served in the Vietnam War commemorate this day and remember the service and sacrifice of the men and women who were killed and injured;
(b) reiterates its sincere appreciation for the service of all veterans of the Vietnam War; and
(c) acknowledges that the Australian Vietnamese communities are still affected by the effects of the Vietnam War.
Question agreed to.

DOCS

Medicare
Order for the Production of Documents

Senator McEWEN (South Australia—Opposition Whip in the Senate) (15:44): On behalf of Senator Gallagher, I move:
That there be laid on the table by the Minister representing the Minister for Health, no later than 9.30 am on Wednesday, 4 May 2016, any instrument that would give effect to the measure Medicare Benefits Schedule – changes to diagnostic imaging and pathology services bulk-billing incentives, identified on page 174 of the 2015-16 Mid-Year Economic and Fiscal Outlook.
Question agreed to.

BUDGET
Consideration by Estimates Committees

Senator McEWEN (South Australia—Opposition Whip in the Senate) (15:45): On behalf of Senator Wong, I move:
That there be laid on the table by the Leader of the Government in the Senate (Senator Brandis), no later than 9.30 am on Wednesday, 4 May 2016, answers to all unanswered questions for all portfolios, that were placed on notice during the consideration of the 2015-16 additional estimates.

Senator RYAN (Victoria—Minister for Vocational Education and Skills) (15:45): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator RYAN: The government opposes the opposition's motion. In 2015-16 a total of 19,120 Senate estimates questions have been put on notice across all committees. This includes 9,330 Senate estimates questions put on notice across all committees at additional estimates. Government departments, agencies and offices are continuing to work through the responses to the 9,330 question put on notice. In most cases answers have already been provided. This is in stark contrast to Labor, who when last in government consistently failed to answer questions on notice by the due date or, indeed, at all.

The PRESIDENT: The question is that notice of motion No. 1161 moved by Senator McEwen be agreed to.

The Senate divided. [15:51]

(The President—Senator Parry)

Ayes ........................37
Noes ........................29
Majority ..................8

AYES

Bilyk, CL
Cameron, DN
Dastyari, S
Dodson, P
Gallagher, KR
Ketter, CR
Lazarus, GP
Ludlam, S
Madigan, JJ
McAllister, J
McKim, NJ
Moore, CM
O’Neill, DM
Polley, H
Siewert, R
Singh, LM
Urquhart, AE
Waters, LJ
Xenophon, N

Brown, CL
Collins, JMA
Di Natale, R
Gallacher, AM
Hanson-Young, SC
Lambie, J
Lines, S
Ludwig, JW
Marshall, GM
McEwen, A (teller)
McLucas, J
Muir, R
Peris, N
Rice, J
Simms, RA
Sterle, G
Wang, Z
Whish-Wilson, PS

NOES

Abetz, E
Bernardi, C
Bushby, DC (teller)
Cash, MC
Edwards, S
Fifield, MP
Johnston, D
Macdonald, ID
McKenzie, B
Parry, S
Payne, MA
Ruston, A
Scullion, NG
Sinodinos, A
Williams, JR

Back, CJ
Birmingham, SJ
Canavan, MJ
Colbeck, R
Fawcett, DJ
Heffernan, W
Lindgren, JM
McGrath, J
O’Sullivan, B
Paterson, J
Reynolds, L
Ryan, SM
Seselja, Z
Smith, D

PAIRS

Carr, KJ
Conroy, SM
Rhiannon, L
Wong, P

Brandis, GH
F ierravanti-Wells, C
Cormann, M
Nash, F

Question agreed to.
MOTIONS

Radioactive Waste

Senator LUDLAM (Western Australia—Co-Deputy Leader of the Australian Greens) (15:53): I move:

That the Senate—

(a) notes that:
   (i) on 27 November 2015 the Adnyamathanha traditional owners released a statement outlining their opposition to the nomination of Barndioota station to host a National Radioactive Waste facility with the statement detailing environmental conditions in the area, including flooding and yarta ngurra-ngurrandha (earthquakes and tremors), the importance of ground water and many mound springs close to the proposed site,
   (ii) on 29 April 2016 press releases were issued from three different organisations that represent the Adnyamathanha traditional owners detailing their opposition to the nomination of Barndioota station, 
   (iii) the area is of cultural significance to Adnyamathanha,
   (iv) Yappala was declared an Indigenous Protected Area (IPA) by the Federal Government in 2014,
   (v) there is extensive archaeological evidence of occupation in the surrounding area, and
   (vi) there has been a lack of consultation with Adnyamathanha; and

(b) calls on the Government to:
   (i) acknowledge the opposition from the Adnyamathanha traditional owners, and
   (ii) respect previous commitments on non-imposition and the importance of community consent, and remove the Barndioota site as a nominated site.


The PRESIDENT: Leave is granted for one minute.

Senator RYAN: I thank the chamber. Following a 120-day community consultation period that concluded in March, the government has shortlisted the voluntarily nominated site in Barndioota, South Australia, as a possible site for a national radioactive waste management facility. Barndioota displayed a broad level of community support for moving to the project's next phase. Importantly, Barndioota's shortlisting does not represent a final decision to locate the facility but rather presents an opportunity to continue consultation and concept development with the community to ensure accurate information is provided and any outstanding questions are answered. The government is fully committed to preserving Indigenous heritage. A key part of this next phase will be an independent Indigenous heritage assessment that will be undertaken in consultation with traditional owners to identify the full extent of heritage at the site and ensure it is protected. The government has consistently said that this facility will only be established at a site that has broad community support and meets Australia's strict environmental and radiation protection regulatory requirements. The government intends to make a decision on the final location for establishing this facility within a year to allow for the next round of thorough consultation and assessment to take place.

Senator LUDLAM (Western Australia—Co-Deputy Leader of the Australian Greens) (15:54): I seek leave to respond directly and make a short statement.
The PRESIDENT: Leave is granted for one minute.

Senator LUDLAM: I thank the chamber. Despite everything that Senator Ryan has said, the Adnyamathanha mob—the traditional owners of that area—and the community more broadly are not interested in further conversation. They are not interested in being consulted at. They are not interested in the box-ticking exercise that appears to be unfolding here. There is a very serious challenge before the minister now if he is to be taken at his word that this would not be a non-consent proposal. The views of the community, particularly those who have been custodians of that country for tens of thousands of years, must be listened to on this issue. They are not interested. They have months and months of so-called accurate information from the Commonwealth government. Their right to say no must be respected and upheld, and there is no reason at all for this nomination to proceed any further. I hope that I have the support of the chamber in this important vote.

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

The Senate divided. [15:57]

(The President—Senator Parry)

Ayes .................12
Noes .................48
Majority ..............36

AYES

Di Natale, R
Lambie, J
Ludlam, S
Rice, J
Simms, RA
Whish-Wilson, PS

Hanson-Young, SC
Lazarus, GP
McKim, NJ
Siewert, R (teller)
Waters, LJ
Xenophon, N

NOES

Abetz, E
Bernardi, C
Birmingham, SJ
Bushby, DC (teller)
Canavan, MJ
Colbeck, R
Edwards, S
Fifield, MP
Gallagher, KR
Ketter, CR
Lines, S
Macdonald, ID
McAllister, J
McGrath, J
McLucas, J
O’Neill, DM
Parry, S
Payne, MA
Reynolds, L

Back, CJ
Bilyk, CL
Brown, CL
Cameron, DN
Cash, MC
Dastyari, S
Fawcett, DJ
Gallacher, AM
Johnston, D
Lindgren, JM
Ludwig, JW
Marshall, GM
McEwen, A
McKenzie, B
Moore, CM
O’Sullivan, B
Paterson, J
Polley, H
Ruston, A
Question negatived.

**Budget**

**Senator WATERS** (Queensland—Co-Deputy Leader of the Australian Greens) (16:00): I move:

That the Senate—
(a) notes:
(i) how well positioned Australia is to take advantage of the huge jobs and commercial opportunities from investing in research and development in clean energy technologies,
(ii) That the Australian Renewable Energy Agency (ARENA) is the institution that will enable us to be global leaders in clean technology innovation, and
(iii) That the 2014 Budget proposed $1.3 billion in cuts to ARENA for the financial years 2017-18 to 2021-22 which have so far been blocked but which have caused considerable uncertainty for ARENA; and
(b) resolves That the $1.5 billion of currently legislated funding for ARENA for the financial years 2016-17 to 2021-22 will not be reduced.

**Senator RYAN** (Victoria—Minister for Vocational Education and Skills) (16:00): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator RYAN: The motion by the Greens fails to mention and Turnbull coalition government established the $1 billion Clean Energy Innovation Fund. This will be jointly managed by the Clean Energy Finance Corporation and the Australian Renewable Energy Agency. The fund will support emerging technologies to make the leap from demonstration to commercial development. By offering innovative equity and debt products, the fund will attract better quality projects. This is another example of the Turnbull coalition government providing innovation and new economic opportunities, enhancing our productivity while also protecting the environment and reducing emissions. In contrast, the Greens are only interest in empty rhetoric with no consideration for what will actually drive investment in new energy.

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

The Senate divided. [16:02]

(The President—Senator Parry)

Ayes ...................12
Noes ...................46
Majority.................34

AYES

Di Natale, R Hanson-Young, SC
Tuesday, 3 May 2016

AYES

Lambie, J
Ludlam, S
Muir, R
Siewert, R (teller)
Waters, LJ

Lazarus, GP
McKim, NJ
Rice, J
Simms, RA
Whish-Wilson, PS

NOES

Abetz, E
Bernardi, C
Brown, CL
Cameron, DN
Colbeck, R
Dodson, P
Fifield, MB
Gallagher, KR
Johnston, D
Lindgren, JM
Ludwig, JW
Madigan, JJ
McAllister, J
McGrath, J
McLucas, J
O'Neil, DM
Parry, S
Payne, MA
Reynolds, L
Scullion, NG
Sinodinos, A
Sterle, G
Wang, Z

Back, CJ
Bilyk, CL
Bushby, DC
Canavan, MJ
Dastyari, S
Fawcett, DJ
Gallacher, AM
Heffernan, W
Ketter, CR
Lines, S
Macdonald, ID
Marshall, GM
McEwen, A (teller)
McKenzie, B
Moore, CM
O'Sullivan, B
Paterson, J
Polley, H
Ryan, SM
Singh, LM
Smith, D
Urquhart, AE
Williams, JR

Question negatived.

West Papua

Senator DI NATALE (Victoria—Leader of the Australian Greens) (16:04): I ask that general notice of motion No. 1165 standing in my name for today relating to a meeting of the international parliamentarians for West Papua be taken as a formal motion.

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

An honourable senator: Yes.

The PRESIDENT: It has been objected to, Senator Di Natale.

Senator RYAN (Victoria—Minister for Vocational Education and Skills) (16:04): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator RYAN: I thank the chamber. Australian governments, coalition and Labor, have long recognised Indonesian sovereignty over the Papua provinces. It is also widely recognised by the international community. The government condemns all acts of violence in the Papua
provinces whether directed at civilians or at security personnel. All credible allegations of human rights abuses should be investigated. Our Embassy officials visit these provinces regularly and engage deeply with civil society, NGOs and religious leaders. Claims of extinction are false and irresponsible depiction of current reality in West Papua.

Senator DI NATALE (Victoria—Leader of the Australian Greens) (16:05): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator DI NATALE: The purpose of this motion is to join in with parliamentarians from right around the world who are advocating for the right of the West Papuan people to determine their own future. We have a situation in West Papua where international human rights monitors are being denied access—sound familiar? We have a situation in West Papua where the media read being denied access—also sounds familiar. We have a situation in West Papua where innocent people are being detained for doing nothing other than expressing their right for self-determination—also sounds familiar. We have a global movement now building right around the world where parliamentarians, including the British Parliament and US Parliament, have come together to call for the right of the West Papuan people to express their right to self-determination. Today the Australian Greens join in that struggle. We join parliamentarians right around the world to say it is their right, the West Papuan people, to determine their own future.

STATEMENT BY THE PRESIDENT

Cabinet Secretary

The PRESIDENT (16:06): I wish to read a statement to the Senate. By letter dated 2 May, Senator McAllister has raised as a matter of privilege the failure of Senator Sinodinos to comply with an order of the Senate of 19 April 2016 to appear before the Finance and Public Administration References Committee for the purposes of its inquiry into Commonwealth legislative provisions relating to oversight of associated political entities.

In determining whether to give precedence to a motion to refer a matter to the Privileges Committee I am required to have regard only to the criteria listed in Privilege Resolution 4—that is, the criteria to be taken into account by the President in determining whether a motion arising from a matter of privilege should be given precedence of other business. These are as follows:

(a) the principle that the Senate's power to adjudge and deal with contems should be used only where it is necessary to provide reasonable protection for the Senate and its committees and for senators against improper acts tending substantially to obstruct them in the performance of their functions, and should not be used in respect of matters which appear to be of a trivial nature or unworthy of the attention of the Senate; and

(b) the existence of any remedy other than that power for any act which may be held to be a contempt.

The purpose of these criteria is to ensure that a matter which meets them is given an appropriate opportunity to be dealt with as an item of business so that the Senate may then make a decision on the merits of the case. The decision by the President to grant precedence is not a recommendation that the matter should be referred to the Privileges Committee for
inquiry, simply that the Senate should be given the earliest opportunity to make that decision for itself.

In this case, the Senate ordered Senator Sinodinos to appear before a committee using the power expressed in standing order 177(3). Senator Sinodinos declined to appear, citing unavailability on the proposed hearing dates and indicating that he did not intend to comply with the order of the Senate.

In relation to criterion (a), the Senate has expressed the view in Privilege Resolution 6(8) that disobedience of a lawful order of the Senate without reasonable excuse may be dealt with as a contempt.

Privilege Resolution 6(8) provides that:

A person shall not, without reasonable excuse, disobey a lawful order of the Senate or of a committee.

The Senate has declared non-compliance with an order to be a contempt and it is therefore difficult for me to conclude that criterion (a) is not satisfied. However, it is a matter for the Senate to judge whether the facts in this case warrant such a remedy.

In relation to criterion (b), only the Senate has the authority to deal with non-compliance with its orders through the contempt jurisdiction. I note, however, that it also has access to other types of remedies, including such political and procedural penalties as those listed in the interim report of the Finance and Public Administration References Committee on this matter. What, if any, remedy to apply in this case is solely a matter for the Senate and to this extent, criterion (b) is satisfied.

In order that the Senate may resolve this matter without delay, I have determined that a motion to refer the matter to the Privileges Committee should be given precedence over other business for the day on which it is given.

I table the correspondence and invite Senator McAllister to give notice of a motion.

NOTICES

Presentation

Senator McALLISTER (New South Wales) (16:10): I give notice that, on the next day of sitting, I shall move:

That the following matters be referred to the Committee of Privileges for inquiry and report:

(a) whether, in declining to appear before the Finance and Public Administration References Committee for the purposes of its inquiry into Commonwealth legislative provisions relating to oversight of associated political entities, Senator Sinodinos disobeyed a lawful order of the Senate without reasonable excuse; and

(b) if so, whether any contempt was committed in that regard.

MATTERS OF PUBLIC IMPORTANCE

Schools Funding

The PRESIDENT (16:11): 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 Turnbull Government's broken promise on school funding.
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) (16:11): What a mess Mr Turnbull and his government have made of school funding, along with their complete dishonesty to the Australian public and, frankly, incompetence. Remember their commitments, their promises—the unity ticket, the lock-step on Gonski and the dollar-for-dollar matching of Labor's funding—which were on display at polling booths across the nation. That is the commitment they gave, and yet they continue to renege on it. Was it all just a hoax unfortunately foisted on Australian school students who need a better deal, who need a better funding model? Was the government's unity ticket, their step-for-step, their dollar-for-dollar a great big dishonest trick played on Australian voters by Mr Abbott, then by Mr Turnbull, then by former education minister Christopher Pyne and now by Senator Birmingham?

The $30 billion cut the Liberals made to school funding is the biggest single cut to education in Australia's history. Just a few weeks ago Prime Minister Turnbull had a completely crazy thought bubble when he proposed the ridiculous idea of withdrawing all federal funding for our public education system. The Prime Minister followed up this crazy proposal with another crazy proposal—that states could levy their own taxes to pay for the massive shortfall in the funds that withdrawing federal funding for education would create. That would create in our history an absolute disparity between states on something we should have a unity ticket on and something which should be national—that is, school funding. Why should one state, which may have been able to levy higher taxes, have a better system than other states? That is the American system, and their system is a mess; in some states taxes are not levied at all and parents are just left with a very poor school system.

That is what the Turnbull government was proposing. I do not know what the Prime Minister was thinking with this crazy, crazy idea, but every single state and territory rejected the idea—except my state of Western Australia. Why? Because we have a foolish premier in Mr Colin Barnett. Frankly, he has no credibility. He has squandered the mining boom and turned our economy, the great powerhouse of Western Australia, into a cot case. He has slashed and burnt education in Western Australia, to the point that everyone is speaking about what a poor job he is doing. And there he is bailing out a crazy idea put by the Turnbull government.

This week the Turnbull government changed their tune again, making an announcement that a tiny share—just $1 billion—of the $30 billion that they ripped out of education would be restored. Clearly the jokers are in charge when it comes to the Turnbull government—to call this a funding increase! To add insult to injury, today in the Senate it was called 'yet another increase'. The Liberals said at the polling booths that they would match our funding, dollar for dollar. That turned out to be completely incorrect, a lie—a dishonesty that Australian voters had every right to believe in. But when it comes to school education, the Turnbull government, whoever the minister of the day is, clearly cannot be trusted.
What have the states said about this latest thought bubble? In Victoria they said:
It doesn't matter which way Malcolm Turnbull tries to spin it, this is another Liberal broken promise and a bitter pill to swallow for Victorian students and their families.

What did South Australia have to say? They said:
We don't need more commonwealth testing, we need commonwealth funding.

What did Queensland say? They said:
If the Government really cared about literacy and numeracy and prep and year one, then they would put their money into additional teacher aids in the classroom that make a real difference to students' learning.

And the great Liberal state of New South Wales? They have been in lock step with Labor's plan. They want Gonski. I was at the public meeting when the New South Wales Liberal minister announced, 'We want Gonski.' That is what he said.

**Senator Birmingham:** He's not a Liberal. He's a National.

**Senator LINES:** He is in the Liberal government. It does not matter. Suddenly they make a distinction: 'Oh, he's a National; he's not part of us.' Well, he is part of you. He is the Minister for Education in the New South Wales government, and he has outlived the succession of education ministers we have had in the Abbott-Turnbull government. He has been the minister for quite some time, and he is in lock step with Labor. What did this minister in the New South Wales Liberal-National Party government, the biggest Liberal-National Party government of all the states, say? He said:

… NSW will continue to advocate for the full Gonski funding in its agreement with the Commonwealth government.

He has said that over and over again, so he is certainly in lock step with Labor, because he trusts Labor on education. He certainly does not trust the Turnbull government's thought bubbles and endless commitments or promises to be broken. As soon as the election is over, those promises will disappear—mark my words.

Meanwhile, Labor has had a detailed policy in the public realm for months, a policy Labor developed with those who know it best: teachers, parents and education experts. Labor will reverse the Turnbull government's cuts to education and we will implement the Gonski reforms on time and in full. Certainly the Liberal-National Party government in New South Wales believe us when we say that, and they back us in on that. Labor's investment will mean more classroom support for students, early intervention programs in schools, additional literacy and numeracy programs and teachers having the tools to better track student achievement.

Earlier this year I chaired the Senate inquiry into children with disability in our education system. I was really shocked at what poor treatment children with disability have in our education system. What has the Turnbull government done about their education? Nothing. The government system and the non-government system told us absolutely, in clear terms: CPI matched funding is not enough for them. The Catholic education system said that their schools for kids with disability would close. We met with parents who had to fight to even get their kids enrolled. We owe it to children with disability to make sure that they get the education they are entitled to—not the crumbs off the table, not to attend for half a day at a
time, not for pressure to be put onto parents to buy the aids necessary to support their education—and that they are treated as learners in our system. That is what Labor will do.

Labor wants all students to achieve their full potential. Our plan is about students, not postcodes. The Gonski review clearly established that our current school funding system, the one the Turnbull government is clinging to, defines school outcomes according to postcode, not student ability. This is wrong, and Labor's education plan will change that. Labor is the only party you can trust on the education commitments we make. Fair education funding is in our DNA, and we will fight for it year in, year out.

Senator BIRMINGHAM (South Australia—Minister for Education and Training) (16:21): I welcome the opportunity to discuss this matter of public importance in the Senate today. I welcome the opportunity to set the record straight, because we hear many mistruths spoken in relation to school funding. We hear many Labor lies in relation to school funding, and we heard a few just then from Senator Lines. We hear this talk that only the Labor Party is committed to school funding and we hear suggestions endlessly from Senator Lines, from Ms Ellis, from Mr Shorten and from others who all suggest that there are somehow cuts and reductions in relation to school funding.

I welcome the opportunity to put on the record, from the first full year of the coalition government to the last year of the budget that will be handed down tonight, exactly how much money is available for schools, which demonstrates that it goes up each and every year. For the record, in 2014 the Commonwealth provided $13.7 billion in school funding. In 2015 we provided $14.9 billion. In 2016 we are providing $16 billion. In 2017 we will provide $17.4 billion. In 2018 we will provide $18.2 billion. In 2019 we will provide $19.1 billion. In 2020 we will provide $20.1 billion. You do not need a particularly high level of numeracy understanding or mathematics to look at those figures and understand they go up each and every year.

What Senator Lines finished by saying, 'It's a question of trust'. Well based on Labor's claims that school funding is somehow going backwards, you clearly cannot trust the Labor Party. The facts speak for themselves. The figures that have been paid to schools, that are being paid to schools and that are locked into the budget forward estimates demonstrate that funding goes up each and every year into the future. The funding equation is quite clear. Is the Labor Party promising that it will spend more into the future? Yes. I do not deny that. I also acknowledge that the Labor Party is proposing around $100 billion in new taxes into the future as well. The Labor Party's policy is clear. They can talk about their policy, but they should not mislead about the coalition's policy, which does ensure funding growth and growth that is well in excess of inflation.

Much of Senator Lines's contribution was based on arguments of what the states say. Well, surprise, surprise: state and territory governments ask for more money. As sure as night follows day, through the history of the federation, state and territory governments have always asked for more money; as sure as night follows day, through the history of federation and into the future, state and territory governments will always ask for more money. What we see is that those opposite are apparently a pushover when it comes to simply handing over more money. They will hand over more money on a whim, regardless of the fact that it requires higher taxes and/or increased debt from them. In fact, what we see is that the Labor Party have found one magic formula. It is the magic formula of having higher taxes and
increased debt, because they promise to increase taxes by a lot, then they realise that those tax rises do not raise as much as they promised, and, oops, suddenly debt and deficit levels have gone through the roof. We have seen that just in the last couple of days.

What is the Labor Party's promise in relation to school funding and school spending? They promise over the next decade to spend an extra $30 billion. They go well beyond the budget, because it is easier for them to fudge the figures that way. They promise that over a decade they will spend an extra $30 billion. In announcing that they would do that, they said that they would pay for it by increasing the tax on tobacco. They said that that would raise about $40 billion. That is fine. They say, 'This well and truly pays for our school funding commitment,' and this was the Labor commitment. Just yesterday in the House of Representatives Ms Ellis said that it was tobacco tax that was paying for school funding increases. As recently as yesterday she singled out one tax rise—one only. The tobacco tax was to pay for the school funding increase. Then what do we discover? We discover that Labor's tax rise in relation to school funding only raises half as much as they said. That in relation to the $30 billion that was going to be there for school funding, $20 billion of it will not be there. Two in every three dollars is actually missing. So we get the double whammy: we get the tax rise from Labor, if they are elected, and we also get the reality that we will end up with much bigger deficits into the future, because the tax they promise will not be there, just as it was not there for the mining tax. Classic Labor: higher taxes, higher deficit—higher debt to fuel higher spending. The real problem is that the spending is done with no real idea of how they want to see it used. No reforms are attached to the spending, just a desire to hand over billions of extra dollars to the states and territories.

We are committed, as I said at the outset and as I detailed in the figures, to growing school funding every single year into the future—growing it ahead of costs. We are determined that that funding will be distributed according to need. Let me make clear what we mean by that. We mean that schools in low socioeconomic areas should receive more funding than other schools. We mean that students with disability should receive adjustment funding more than other students. We mean that students of an Indigenous background should receive additional support. We mean that small schools in rural and regional areas should receive additional support. We are committed to needs-based principles in the distribution of school funding. That is exactly how we will make sure school funding is distributed into the future—not just when it comes to how a bureaucrat in Canberra carves up the funding, which is what happens at present. We want to make sure that flows through to how the states and territories distribute the money.

What many people do not appreciate, and what I do not think the Labor Party appreciate, is that the model they signed up to when they delivered so-called Gonski funding at the tail end of the Gillard government was actually 27 different funding agreements around the country. It was not a uniform model; it was 27 different agreements, with lots of different special deals built into that with different states and territories and different non-government jurisdictions. And once they write out a great big to cheque to a state or territory they cannot guarantee that the money is going according to need in any event. There is nothing in the way Labor has structured it that ensures states and territories deliver the moneys to schools according to need. The Commonwealth gives the money to the states, and states do what they want with it
by and large. That is not good enough, and we will take a different approach to this in the future to ensure that we do fund according to need.

We will also make sure that we fund according to real reform for our schools. Over the last 20-odd years real funding for Australian schools has gone up by more than 100 per cent—it has more than doubled—and enrolments have only gone up by about 18 per cent in that time. So there is a lot of extra funding that has gone into our school system. Yet on good international measures, we see that our reading and literacy standards, our numeracy and mathematics standards, our science measures and our engagement in foreign language studies have all gone backwards. We have been spending a lot more and getting poorer results as a result. So it is not a question of how much money is being spent; it is a question of how well it is being spent.

That is why we have detailed reforms that address, from the earliest years, the identification of reading deficiencies in young children; that ensure intervention occurs at those earliest years; that ensure that students who are completing high school should have minimum standards of mathematics, literacy and numeracy; that ensure that those going on to university are actually required to have ambitions in maths and science and in English and humanities; that, importantly, reward our most capable teachers—not performance-based pay, as some try to mislead in this debate, nor pay based on NAPLAN results or the like, but pay that recognises those most capable teachers, as independently assessed by their peers and by the experts; that ensures they get a reward, an encouragement to stay in the teaching profession; and that provides greater incentives to go and work in the most disadvantaged schools. We want to ensure we get the best teachers into those most disadvantaged schools.

These are real reforms that can make a real difference to lift the outcomes for Australian students. They can ensure we actually turnaround the decline in performance and give us the best possible chance to raise our education standards in the future. It is real change rather than the hollow promises about more spending that we hear from those opposite.

Senator McKIM (Tasmania) (16:31): The Greens do not regard education funding as a cost. We regard education funding as an investment. We are proud to take to the Australia people a fully costed, fully funded platform that puts those offerings to date from either of the establishment parties represented in this place completely in the shade. We have said very clearly we will reverse the Liberals’ $30 billion cuts to education over the next decade. We have said, and committed, to fully funding year 5 and 6 of the Gonski reforms. We have recently announced a package of $4.8 billion to support students with disability in our schools based on the nationally consistent collection of data which that minister is still sitting on and refusing, with his colleagues from around the country on the ministerial council, to release so the Australian people can have a look at it.

I well remember the infamous unity ticket promised by former Prime Minister Tony Abbott prior to the 2013 election, where he said, in effect, there was not a wafer of difference between the coalition on one side and Labor and the Greens on the other side on school funding. I well remember the actual unity ticket that emerged after the 2013 election, when then Commonwealth Minister Christopher Pyne went back on the commitment given prior to the election by former PM Mr Abbott and attempted to walk away in totality from the Gonski funding.
I well remember the ministerial council that I attended as a Greens minister on behalf of Tasmania, along with my Labor colleagues, a Liberal colleague and even a National Party colleague, when together we formed the real unity ticket on education. We rolled Mr Pyne at that meeting and forced him very soon afterwards to come out and at least commit to four years of Gonski funding on behalf of the Commonwealth. That was the real unity ticket on education. It was a Labor Liberal National Greens unity ticket on education, and that was the unity ticket that at least delivered the Commonwealth to a four-year Gonski funding commitment. It is worth putting on the record that two-thirds of the Gonski funding was due in year 5 and 6, and that is what the Commonwealth have walked away from in the context of the current debate and in the lead-up to this election.

We have costed our Gonski at $3.5 billion over the budget out years, over and above the coalition's current school's budget. That is about making sure that our kids who go to school have the supports they need, the resources they need and the investment in to teachers and school leaders that is so critical to delivering improved educational outcomes in Australia. But we have also committed $4.8 billion to students with disability in Australian schools, putting in the shade the just over $100 million recently announced by the Commonwealth in the lead-up to the budget and, quite frankly, the pittance of $375 million over the budget out years that Labor are offering students with disabilities.

We want to invest in extra supports for students with disabilities, but we do not regard this as a disability policy; we regard it as an ability policy. Our goal is to allow students who have a disability to maximise their ability, so that they can achieve what they have dreams to achieve in their lives, to maximise their potential, to maximise their abilities and to give them every opportunity to put back into our community and to be constructive members of our society and of our economy.

This is an investment unprecedented in Australian political history that the Greens are proposing to make. It is the single biggest investment into supporting students with disabilities and we are absolutely proud that we will back those kids and the people who teach and support those children in our schools to maximise their abilities.

This funding will assist with the provision of teacher assistance, which parents of students with disabilities will know is an absolutely crucial way that schools can support students with disabilities. But it is not just about extra teacher assistance. It is not just about training up teachers. It is not just about training up school leaders and ensuring that school communities and school associations understand the challenges and the potential solutions for those challenges. It is also about ensuring proper infrastructure in our schools. That can be anything from wheelchair accessibility around a school through to accessibility for transport for students with disabilities.

We are proud to have announced that funding. I was proud to announce it with our leader, Richard Di Natale, a few weeks ago in Melbourne. It is important because the NCCD data on students with disability has identified 467,000 students with disability across Australia. On the most recent figures, which are 2013 figures, 190,000 students received extra funding for their disabilities in Australian schools. That means we are currently directly supporting less than half of the students who have been identified through the NCCD process as needing supports due to their disabilities. Less than one in two students across all schools sectors in Australia are being recognised and appropriately resourced by governments. That is a
shameful statistic. It is a national shame that we are not supporting those students to the
degree that they need and deserve.

It is worth pointing out that nine out of 10 students with disability attend a mainstream
school in our country and around three out of every four attend a public school. Nearly one in
two come from families that live in or near poverty in Australia. They are 33 per cent more
likely not to study beyond year 10 than students without a disability and they are nearly twice
as likely not to complete year 12 than students without a disability. Again those are shameful
statistics. It is truly a national shame the way we do not support students with disabilities to
the extent that they need and deserve in our schools.

We are also proposing the development of a national strategy to improve the education of
students with disability. That has been recommended by a Senate inquiry. The key features of
our proposal around a national strategy include recognising all students with disability as
learners, ensuring all students with disability benefit from evidence-based, best-practice
programs, having best-practice ongoing professional development for teachers and school
leaders—that is a critical part of our package, and funding announced in our $4.8 billion can
be used for the professional development of teachers and school leaders—and, crucially,
including students with disabilities and their parents and carers in the development of
individual education plans for students with disabilities.

We have put together and released to date the most comprehensive funding commitments
of any party represented in this Senate—much broader and more detailed than the
establishment political parties represented in this place. That is because we do not regard
funding education as a cost. We regard it as an investment not only in the future of our
country but in the children and the families that have students in our schools today. We are
proud to take these policies to the Australian people at this election. We will debate any time
anywhere representatives of the establishment parties in this place. We will put up our
policies before the Australian people and ask them to give them due considera

 Senator POLLEY (Tasmania) (16:41): I rise to speak on the Turnbull government's
broken promises on school funding. What is it with this government? They cannot make up
their mind from one day to the next. As was said on ABC's Lateline recently, 'Between
lunchtime and Lateline this government changes its agenda.' Whether it be on workplace
relations, the economy, tax policy or education, all the government care about is theatrics.
They are not interested in governing and they are not interested in ensuring our children get a
quality education that will set them up for the future.

The Turnbull government's inaction on the economy and taxation has been alarming. Last
weekend we also saw alarming inaction when it comes to education. I might add that the only
plan or strategy that Prime Minister Turnbull has is for his own re-election. With the election
quite literally around the corner, let me remind those on the other side about the promise that
they made to the Australian people at the last election. I suggest they listen because this is a
really good one.

This was a promise that we all saw plastered in polling booths around the country during
the 2013 election. It was a promise that the Liberals have ignored for the past 2½ years. The
promise that the Liberals made was to match Labor on education funding dollar for dollar.
That was the election commitment that they gave in 2013 and the reminder they gave people as they went into the polling booths. But this was, quite frankly, a lie. At the first opportunity the Liberals cut funding for our schools by $30 billion. It was the biggest single cut to education in Australia's history.

The community may be a little confused if they had listened to the contribution by the minister in this chamber a little while ago. They no longer trust this government when it comes to education. They no longer trust this government when they are looking to the future of their children. They do not trust this government. They know the government will not fund their children's education and make sure that the levers are in place to ensure that our economy grows in the future.

Over the weekend and as recently as yesterday Mr Turnbull and his Liberals changed their tune once again. This is what we have learnt: one, the Turnbull government does not have an education policy; two, if voters vote for the Liberal Party Australian schools will receive $3.5 billion less by 2020 than if Labor is elected; and, thirdly, the Abbott-Turnbull government cut $30 billion from Australian schools. Then on Sunday they went, 'Oops,' and they promised to reverse that funding cut by $1 billion. Surely not even the learned, agile 21st century Prime Minister could not possibly think that the Australian community are going to be fooled and sucked in to believing that that $1 billion reversal is going to wipe away the other $29 billion that they took out of education.

This is an arrogant out-of-touch government that cannot help themselves. The minister had ample opportunity in this chamber a little while ago to clarify where this government is heading and to reassure the Australian community, but he failed. This government has no policy and no agenda for anything more than getting themselves re-elected, and that will be borne out. I guarantee those listening and those who are in the chamber that tonight's budget will do nothing except try to buy them enough time to get themselves re-elected. That is what this budget will be about. But the choice at the election is going to be so clear. What the government say today and what they will deliver tomorrow will be extremely different. We know that, because that has been their track record. This is not just what we are saying; it is what they have delivered over the last 2½ years.

If the Australian people are, as I believe, concerned about their kids' future, they will vote Labor at this election—because they know we will deliver. It is a historic fact that Labor always delivers to the Australian people when it comes to education. We put people first. We put kids first. What we will not do is cut education funding. (Time expired)

Senator McKENZIE (Victoria) (16:46): It gives me great joy to stand in this chamber and be very, very proud of my government's commitment to the future of our young people here in this country through the investment we are making into their education, into their improved literacy and numeracy standards, into improved engagement with STEM and into the skills and knowledge that will provide us a strong foundation for our future economy—because, Senator Polley, we actually care about young people and their futures. It is about the future the deserve.

What those of you who have been listening to the debate have heard thus far from the Greens and Labor has been about the battle for the hearts and minds of the AEU and United Voice—Okay; the election is coming up and we need a little bit of mullah here and we need a little bit of help on the ground; who is going to win the hearts and minds of the AEU, the
That is the battle here. But what I think we should be inserting into this debate are some facts. I do not think some facts ever hurt a good debate in the Senate, and I am very, very happy to provide the chamber with some facts around this issue going forward.

What we have in this country around the debate on education and investment in our children is a national dialogue that is completely split. The research internationally shows that, if you actually want to make a difference, you get on the same page; you do not use the future of our young people as a plaything to score cheap political points. You will not win on this issue. That is what the research says. That is how Finland did it. If we want to argue about how they did it, that is what they did.

I go to the campaign that the Labor Party are running out there about Gonski. They take that man's name in vain. They take David Gonski's name and what he attempted to do in vain day after day at school gate after school gate. What did David Gonski want? He wanted a needs based funding model. That is what he suggested. But, instead, the Gillard government delivered 27 different models across different sectors and different states, buying votes here and buying union support there. Ultimately that experiment failed, because—hey, sorry—we won that election.

We are absolutely focused on ensuring that we focus on the facts and that we use the very best research, international research, about what works. It is not tipping a bucket of money; it is actually targeting funding. Senator McKim mentioned investing in our children's future. I am sure somebody on the opposite side will use the word 'investment' at some point in the debate. What you have to remember about investment is that it all about your return, Senator Polley. The return on investment is the important factor when you are putting money into an investment. If I want to focus on return on investment when it comes to education funding, when I invest in a young person's education, I want to ensure that, when they leave school, they can read and write. I want to ensure that, when they stand in front of a camera and do some rounding of numbers, there is not a $20 billion dip in those numbers. I want to ensure that our young people are numerate and literate. That is exactly what we are doing. We are focusing our funding where the facts and the research tell us to.

Another little fantasy line that Labor and the Greens like to trot out is that there are cuts to funding. What a joke! It just shows that Ms Macklin's faux pas at the front doors today was not the only innumerate statement that those opposite want to make. They say there are cuts. Let's go to the figures and see whether there is a cut. In 2014 it was $13.7 billion—

Senator Polley interjecting—

Senator McKenzie: Wait for it, Senator Polley. In 2015 it was $14.9 billion. I reckon a year 3 maths—

Senator Smith: Mr Acting Deputy President, I rise on a point of order. I cannot hear Senator McKenzie's excellent contribution about the budget through Senator Polley's interjections.

The Acting Deputy President (Senator Ketter): I remind the chamber that interjections are disorderly and speakers are entitled to be heard in silence.
Senator Polley: I would like to take a point of order. It is also in the standing orders that it is against standing orders to mislead the Senate, as the good senator is doing with her contribution.

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

Senator McKenzie: Senator Polley again shows her inability to read a budget paper and inability to actually understand numbers. As to funding put forward by successive governments, Senator Polley—not just my government; your former government as well—the Commonwealth as a proportional funder of state education in this country has improved education funding year on year. You might not think it is enough, but to say there have been cuts is a downright lie—an absolute lie. So, if anyone is misleading the Senate, it is anybody from the opposition who has spoken on this particular motion before us.

As I said, despite the rhetoric that you hear in this place, the states and territories are the major funders of state schools. They are also the majority funders and governors of recruitment direction, employment of teachers and accreditation. They are the ones getting the increased money from the government. When you look at Commonwealth government after Commonwealth government, budget after budget, pouring more and more money into and focusing on state education, I would argue that the states have been derelict in their responsibility. In my home state of Victoria, nearly one-third of our schools are non-government and 36 per cent of all students attend them. It is a higher proportion in years 11 and 12. I call on the Premier of Victoria, Daniel Andrews, who was wrapped to announce a $9 billion surplus over the forward estimates, to choose to invest some of that money into state schools, to choose to spend more of that money educating the 36 per cent of Victorian students who do not attend a state school, and to invest in their future, skills and knowledge that our state will need going forward.

Quality schools and quality outcomes mean improving literacy and numeracy, increasing engagement with STEM, enhancing teacher quality and ensuring students leave school equipped with the skills necessary for the jobs of the future. Our economy in the 21st century needs that type of citizen. I might also say that is exactly what parents want. They expect that when young people leave our schools they have been engaged and enriched and can read and write. It is not rocket science, but the sad fact in this country is that so many cannot. When you talk to employers about why they have to knock back young people and, indeed, even knock back people who are a little older, it is the lack of literacy and numeracy skills. So that is what parents want, and I would argue that it is absolutely what our Australian students deserve.

We have developed a needs based funding model. We are improving quality educational outcomes. We are seeking to make sure that we get a return on our investment, as our parents want, as our students deserve and as our economy needs. The total Commonwealth funding in my home state of Victoria will increase by $390.7 million by 2019-20. That is a 28.7 per cent increase. Sorry about that! Get you calculators out and work it out. It is actually an increase. Senator Polley, for you to stand up and claim that I misled the Senate—through you, Mr Acting Deputy President Ketter—is an absolute joke and just shows how much Labor is prepared to treat our students and our education of them as a political tool and a political football. It is not good enough. They deserve better.
Senator CAROL BROWN (Tasmania) (16:55): I, too, rise to speak on this matter of public importance on the Turnbull government's broken promise on school funding. I know the government senators do not like to be reminded of what happened prior to the last election. I know they do not like to be reminded that they said that there would be no cuts to education. I know they do not like to be reminded that they also said that they would match Labor on education funding dollar for dollar. They also said, famously, that they were on a unity ticket with Gonski funding. That is the reality; that is the truth of what we are talking about here today.

It really saddens me that the government senators, including Senator McKenzie, have stood up in their contributions and tried to say that this government is actually increasing education funding. It is absolutely a falsehood to assert that. It is absolutely wrong. We only have to look at the New South Wales state minister, who is up in arms about the cuts that have been levelled at his state. We only have to look at my home state of Tasmania, where the state minister is also crying out about the funding cuts to investment in education. That is what is happening. If we look at Tasmania, $660 million has been cut from schools in Tasmania. These are the facts. It does not matter how loud you carp on or shout about what you say you are doing in government, you have, with this new funding arrangement, cut $29 billion from the commitment you gave that there would be no cuts to education, and that you would match Labor dollar for dollar. Quite frankly, I think you knew from the very outset, when you said it in the election campaign, that you were never going to meet it. You had no intention of ever meeting that.

And then we have Mr Turnbull, who does not even want to put any money into public education. It is an absolute disgrace. The policy you put together on education is an absolute disgrace. Of course, we have heard in the contributions from this side that this is seen as a bandaid measure to get those opposite through the election. I would like to say that you are better than that, but, actually, you are not. It took a moment's notice for you to go back on your commitment during the last election, and this time around you have cobbled something together that is not about investment in our schools. It is not about investment in our children and it is not about investment in our teachers; it is about getting you past the next federal election. The mums and dads out there are not going to fall for it. They know that you committed to Gonski. They know that this policy is a short-term political fix.

Senator McKenzie talked about investment in literacy and numeracy, which really galled me. She could not be further from the truth about what their policy is. It is not about investment in literacy and numeracy. The Labor Party policy is an investment. It will mean more classroom support for students, it will mean early intervention programs in schools, it will mean additional literacy and numeracy programs and it will mean that teachers get the resources and tools to better track student achievement.

And we need this. This is what we need: we need to enable our children with this investment so they are able to have every opportunity to achieve. What we have from the government is a mean-spirited, short-term fix to get them through an election. It is a disgrace, and they should be ashamed.

Senator BACK (Western Australia) (17:00): There is certainly one area in this place where there needs to be investment of the money—particularly in mathematics—and that is in
the Labor Party, their leader, their shadow Treasurer, the assistant shadow Treasurer and, of course, Senator Carr!

I always start with the famous $100,000 degrees. The very renowned Vice-Chancellor of the University of Western Australia, Professor Paul Johnson, made the comment that there would not be more than $16,000 needed per annum for the cost of degrees. Now, for a three-year degree, that is 16 times three. If our Labor colleagues could only get out their calculators and take their socks off they will see that it is only $48,000. Sixteen times four, as my good colleagues know very well, is $64,000.

My good Western Australian colleague, Senator Pat Dodson, on his first day and in his first question was drawn into the $100,000 degrees. But that was not enough, was it, because we have only learned in the last 24 hours about the $20 billion blow-out! Of course, the $20 billion blow-out has blown out all of Labor's money for what they said they would have been doing. They go on about Gonski, but they never ever funded Gonski—we all know that.

And then I come to the Gillard memorial halls and Building the Education Revolution. This was the one that was going to cost about $13 billion or $14 billion. Senator Ruston here remembers it quite well. I was on that committee with Senator Cash and it was not until we started putting a lot of pressure on the government of the day and pointing out their financial errors to them that they actually appointed Mr Brad Orgill to have a look into the squalid waste that went on with the Gillard memorial halls.

The principals were saying, 'We don't need new classrooms, thank you very much. We want toilet blocks.' The answer was, 'No, you're getting new classrooms! Rip the old ones out and away you go!' That is the pattern of the Labor Party. And now we have come to a point of congratulations, in my view, to Senator Birmingham, because he has been able to lay out so clearly where the government is increasing its investment in education.

In 2012-13 I chaired a Senate inquiry into teaching and learning—not the Gonski-level stuff, but why kids are not learning and why teachers cannot teach. I remember that the predecessor of Senator Simms was on that committee—Senator Wright—plus Senator Gallacher and, of course, my excellent education colleague, Senator McKenzie. The areas that we came up with were really interesting: engagement of parents, particularly from the youngest age; the actual capacity of the universities to turn out competent graduate teachers; the need for literacy and numeracy assessment of teachers—new teachers and others; professional development of teachers themselves—developing the excellence of teachers; and literacy and numeracy in the children—back-to-basics.

As I recall, this was indeed a unanimous report in its recommendations and added rural, remote and regional students to those disadvantaged, along with Aboriginal and Torres Strait Islander groups, lower socioeconomic groups and disabled children. I am very proud to say that in government we have seen the recommendations of that report find their way into the coalition's policy on education.

So what do we have today? We have remarkable figures. I will just concentrate on those from our own home state of Western Australia, if I may, Mr Acting Deputy President Whish-Wilson. Commonwealth funding to government schools across Australia will grow by $1.9 billion by 2019-20. That is an increase—an increase!—of 33 per cent. That is for government schools across Australia. For non-government schools it will be a growth of $2.2 billion by
2019-20, a 22.7 per cent increase. In the case of Western Australia, of which I am very proud, we will see total Commonwealth funding to all schools increase by $600 million between 2015-16 and 2019-20. That is a 38 per cent increase. Where is the decrease in funding to education?

Let me break that down a bit further, if I can. For government schools in the West there will be an increase of $367 million by 2019-20, an increase of 65 per cent—65 per cent! And for the non-government school sector there will be an increase of $229 million, or 23 per cent. These are the sorts of statistics that we are talking about.

But in our inquiry, when we looked at teaching and learning we went to look at what Finland was doing. Our committee, which included my colleague, Senator Bilyk, the now Deputy President and Senator McKenzie—

Senator Bilyk: I never went to Finland!

Senator BACK: We went up to China and spoke to people in the primary, secondary and tertiary education sectors. When you examine closely the performance of those who are excellent in their delivery of education services you see that it is not just money. It is not just a question of throwing extra dollars. It is a question of parental engagement, it is a question of motivation of children and it is a question of teachers in front of children who themselves are qualified in the discipline that they are teaching, and that they have adequate resources to actually undertake that teaching. Do we know that these children and their teachers must be literate and they must be numerate before those children are going to learn? That is where the incentives are and that is where the needs lie. Just throwing money as a solution never works, as we know. It did not work in the Gillard memorial halls, as we know, and it certainly will not work if—well, Labor do not have the $20 billion now that they thought they had because it went up in smoke last night!

What we need to focus on is just where the coalition is taking education in this country. In the few moments left available to me I will just refer the Senate to Dr Jennifer Buckingham from the Centre for Independent Studies. She has praised the work that Senator Birmingham is leading in early phonics checking. Children who are deaf cannot learn: if you cannot hear you cannot learn. Only in the last few days, the Independent Schools Council of Australia—Ms Collette Colman—welcomed the coalition's plan. She said it ensured the ongoing affordability and sustainability of independent schools. And, of course, the National Catholic Education Commission executive director said:

… future funding that reflects real costs for schools.

The cost of educating a child in a Catholic school is 10 per cent less than in a government school. Where is the difference in that performance? It is not money, it is quality.

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (17:07): At the last election, at polling booths across the country, the Liberal government erected corflute posters saying, 'Liberals will match Labor's school funding dollar for dollar.' They went out of their way to say that they were on a unity ticket with Labor. We know that that was untrue. We know that they have comprehensively broken that promise. In fact, their promise on education was broken at the first opportunity. I suggest that maybe the government was not serious about school funding in the first place. After the election, Mr Turnbull's government decided to dump the Gonski reforms and rip over $30 billion from our schools. It is really interesting
to sit here and listen to the contributions from the other side. They were out there saying, 'Gonski is evil, Gonski is bad, Gonski is no good. But they said they were on a unity ticket', and the corflute posters said the Liberals would 'match Labor school funding dollar for dollar'. I do not think the people of Australia are likely to forget that.

What does $30 billion ripped from our schools mean for my home state of Tassie? Over 10 years, it will mean $682 million will be ripped out of classrooms in Tasmania—$295 million in the greater Hobart region, $116 million in the electorate of Franklin, $154 million in the electorate of Bass, $142 million in the electorate of Braddon, $178 million in the electorate of Denison and $90 million in the electorate of Lyons.

Yesterday's announcement by the government was truly pathetic. We have had so many thought bubbles about education. They said, 'We're not going to fund public education.' It might not be parliamentary to say this, but I was gobsmacked by that. Both of my kids went through the public school system in Tasmania—a state primary school, a state high school and the University of Tasmania—and they had an absolutely great education. My son has worked overseas for a few years. He came back and, a few months later, was able to pick up work. My daughter has never not worked.

I am astounded that the government could have so little regard for public education that they would actually say, 'We won't fund public education.' But then, oops-a-daisy, they realised what they had said. But I do not trust them not to do it. That was a little slip of the tongue, but my big concern is about what they will do in cutting money to public schools if they are re-elected. Having decided to rip $30 billion out over the next 10 years, they have committed to return just $1.2 billion over three years and they are trying to claim that they are heroes. It is absolutely astounding. It is not a genuine attempt to properly fund schools or education. It is a cynical attempt to make them look like they are providing extra funding to education when they have really walked away from it. They have walked away from the funding commitments that they promised the Australian people at the last election. It is an utter betrayal of the 81,132 students in government schools and the 39,798 students in non-government schools throughout Tasmania and their parents and their carers. Those opposite should truly be ashamed.

The failure of the Turnbull government to fully fund years 5 and 6 of the Gonski education model is going to have a devastating impact on Tasmania's budgetary position and educational outcomes for all of Tasmania's school children. Even the Tasmanian education minister understands the importance of this funding, the short-sightedness of the Turnbull cuts and the need for it to be maintained. I think there is a bit of angst happening there between the state minister and Mr Turnbull, because the state minister has said that he will actually fund it. That is money he is going to have to find somewhere that he will be cutting out of other services—and where that goes is anybody's business. But he will have to find the money and, obviously, that is money Tasmanians will not have to spend on health care or other essential services.

Mr Turnbull's belief that Australians will not notice the $30 billion cut if they return $1.2 billion is condescending and it is arrogant, which is pretty typical of what we have come to expect—*(Time expired)*
Consideration

The government documents tabled today and general business orders of the day relating to government documents were called on but no motion was moved.

COMMITTEES

Public Works Committee

Report

Senator SMITH (Western Australia—Deputy Government Whip in the Senate) (17:13): On behalf of the Parliamentary Standing Committee on Public Works, I present the 4th, 5th and 6th reports of 2016.

Ordered that the reports be printed.

Senator SMITH: by leave—I move:

That the Senate take note of the reports.

Report 4 addresses four projects referred to the committee in February and March 2016. The first project is the fit-out of the new leased premises for the Australian Taxation Office in Gosford, New South Wales. The estimated cost of the project is $20.8 million. The ATO will lease the new building in Gosford consisting of approximately 7,350 square metres and occupying around 27 per cent of the site of the former Gosford School of Arts and the Gosford Primary School. The new building will be constructed by DOMA, with the ATO responsible for the internal fit-out only. At the public hearing, the ATO reassured the committee that the tender process for the project had been rigorous. The ATO also outlined some of the benefits for the local community, including the creation of jobs during the construction and fit-out works and employment opportunities for around 600 staff delivering ATO services when the offices are operational. The committee notes that the ATO has a reputation of leadership and excellence in property portfolio management and has a sound track record of delivering projects on time and within budget.

This is ably illustrated by fit-out works in Dandenong, Box Hill, Melbourne Docklands, Albury and Wollongong. The committee is satisfied that the project has merit in terms of need, scope and cost and recommends that it proceed.

Two of the proposed projects considered by the committee in report 4 are to be delivered by the Department of Defence. The first Defence project is the upgrade of the Puckapunyal Military Area high-voltage power supply. The committee heard that the existing electrical distribution network at Puckapunyal has been developed in a piecemeal fashion over many years. In the event of a partial system failure, the network does not provide an alternate power supply route, and some parts of the network have now reached end of life. Also, looking forward to 2028, Defence has predicted that the demand for electrical power will exceed the available power. The estimated cost of the project is $32.7 million.

The second Defence project is the Air 5428 Phase 1 Pilot Training System Facilities Project. The main objective of the project is to deliver fit-for-purpose facilities to support a new pilot training system. The works will be conducted at RAAF bases in East Sale, Edinburgh, Williamstown and at Pearce and Gin Gin in my home state of Western Australia. The estimated cost of the project is $329.8 million.
The committee is satisfied that both these Defence projects have merit in terms of need, scope and cost and has recommended that both projects proceed. The committee made two additional recommendations for the Air 5428 Phase 1 Pilot Training System Facilities Project, requiring the Department of Defence to, first, provide updates in relation to the contamination levels detected at any sites associated with the project and, secondly, to provide an update on the outcome of the Australian Noise Exposure Forecast conducted at RAAF Base East Sale.

The final project in report 4 addresses the Australian Nuclear Science and Technology Organisation and its waste management facilities extension upgrade. Increasing domestic and international demand for the nuclear medicines produced at ANSTO as well as the need to decommission end-of-life nuclear facilities mean that ANSTO's available waste storage will be at capacity in early 2017. This is well before the new national radioactive waste management facility is expected to be completed in the year 2020. The proposed works will provide additional temporary storage of both low- and immediate-level solid waste at ANSTO's Lucas Heights campus. The estimated cost of the project is $22.3 million. Submissions from the Australian Conservation Foundation, the Medical Association for the Prevention of War and the Public Health Association of Australia supported the allocation of funds for extended interim storage capacity at Lucas Heights pending site selection for the new national facility. The committee is satisfied that the project has merit in terms of need, scope and cost and recommends that it proceed. In addition, the committee requires that ANSTO provide it with an update on any regulatory requirements, as sought by the Australian Radiation Protection and Nuclear Safety Agency and the Australian Safeguards and Non-Proliferation Office, which may affect the scope and cost of the project.

I commend report 4 of 2016 to the Senate.

Report 5 of 2016 addresses the proposed fit-out of new lease premises for the Australian Federal Police at 45 Commercial Road, Newstead in Queensland. This project was referred to the committee in March 2016. The lease for the AFP's Queensland state headquarters at 203 Wharf Street expires on 31 March 2017 and will not be renewed. The AFP intends to fit out newly leased premises at Commercial Road, Newstead, at an estimated cost of $25 million.

At the public hearing the committee queried the procurement process that led to the final selection of the Commercial Road premises. The committee was told that the process had started in May 2013. By May 2014 the AFP had shortlisted six of the 14 proposals received. This shortlist was further reduced to two options, and in September 2014 the Commercial Road site building was selected as the preferred site. In 2015 the project was suspended to reassess risks associated with a heightened security environment. Additional mitigations to the works were required, including the construction of bollards and treatments to the building perimeter and facade. These mitigations escalated the estimated costs of security treatments from $1.2 million to $9.1 million, representing a 650 per cent cost increase. The committee was told that the building security considerations had not been given significant attention until the later stages of the procurement process. The committee considers that earlier consideration of security needs could have led to a different outcome in terms of selection of the preferred building and may have reduced the security measures' cost escalation.

As lease approval has been finalised, the committee understands continuing with the Commercial Road premises, albeit with enhanced security, is the most appropriate way forward. The committee is satisfied that the project has merit in terms of need, scope and cost.
and recommends that the project proceed. The committee requires that the AFP review and amend as necessary its procurement processes to ensure the early identification and assessment of security requirements. The review should include consideration of site selection processes to ensure that it is not unnecessarily constrained.

I commend the report No. 5 of 2016 to the Senate.

Finally, report 6 of 2016 addresses the C17 maintenance facility, aircraft apron and associated infrastructure project at RAAF Base Amberley in Queensland which was referred to the committee in March of this year. Thirty-Six Squadron is located at Amberley and is responsible for operating eight C17A aircraft. These heavy aircraft assist with strategic air transport, military operations and humanitarian efforts conducted both domestically and abroad. The Department of Defence is seeking approval to supply new facilities at RAAF Base Amberley in order to support the C17A aircraft. The estimated cost of the project is $219.4 million.

Defence advised that Amberley's existing heavy aircraft maintenance facilities, which are currently shared, supporting both the C17A and KC30A aircraft, are insufficient. Acquisition of additional aircraft will place further pressure on existing facilities. New facilities, including a new maintenance hangar, aircraft apron and explosive ordnance and countermeasures facility, would improve efficiency. The committee is satisfied that the project has merit in terms of need, scope and costs and recommends that it proceed.

As this is likely to be the last report of the committee for the current parliament, I would like to take a moment to reflect on the work of the committee since I became its chair in March 2015. 2015 was an extremely busy year for the committee, which held more meetings and dealt with more referrals than in any of the proceeding five years. During 2015 the committee reported on 22 referrals, with a combined value of $3.1 billion. By comparison, in 2014 the committee dealt with 13 referrals an in 2013 just 14 referrals. In addition, in 2015 the committee approved 37 medium works, with a combined value of $253.3 million. The committee held a total of 44 meetings, comprising private meetings, inspections, and public and in camera hearings. Of these meetings, 26 were in Canberra and 17 were interstate, with the remaining meetings conducted via teleconference. The first part of 2016 is shaping up to be another very busy year for the committee. In the first four months of 2016, the committee has reported on 10 referrals, with a combined value of $1.37 billion, and approved 29 medium works, valued at $130 million.

In closing, I would like to extend my thanks and those of my fellow committee members to committee secretary Alison Clegg and all the staff in the committee secretariat for their continuing hard work, professionalism and dedication to the ongoing work of the Public Works Committee.

Question agreed to.

**Scrutiny of Bills Committee**

**Report**

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (17:23): On behalf of Senator Polley, the Chair of the Senate Standing Committee for the Scrutiny of Bills, I present the fifth report and Alert Digest No. 5 of 2016 of the Senate Standing Committee for the Scrutiny of Bills.
Ordered that the report be printed.

**Regulations and Ordinances Committee**

**Delegated Legislation Monitor**

**Senator O'SULLIVAN** (Queensland—Nationals Whip in the Senate) (17:23): On behalf of Senator Williams, the Chair of the Senate Standing Committee on Regulations and Ordinances, I present the 119th and 120th reports of the Senate Standing Committee on Regulations and Ordinances and Delegated Legislation Monitor No. 5 of 2016.

Ordered that the documents be printed.

**Human Rights Committee**

**Report**


Ordered that the report be printed.

**Senator O'SULLIVAN**: I seek leave to have the tabling statement incorporated.

Leave granted.

*The statement read as follows—*

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

The committee's report examines the compatibility of bills and legislative instruments with Australia's human rights obligations. This report considers bills introduced into the Parliament from 15 to 17 March 2016 and legislative instruments received from 4 to 17 March 2016. The report also includes the committee's consideration of ten responses to matters raised in previous reports.

Sixteen new bills are assessed as not raising human rights concerns. The committee has also concluded its examination of six bills and nine regulations.

This report concludes consideration of the Australian Border Force Bill 2015. The bill provides the legislative framework for the establishment of the Australian Border Force within the Department of Immigration and Border Protection. The minister's response in this instance enabled the committee to conclude that a number of measures were compatible with human rights. This includes measures which give the departmental secretary the power to delay an employee's resignation by up to 90 days in circumstances where the employee may have engaged in serious misconduct, and measures that may require border force workers to disclose matters that may be self-incriminatory. On two measures, relating to the application of additional employment screening measures across the department and extending alcohol and drug testing to the entire department, committee members came to differing conclusions as to whether the measures were compatible with human rights.

The committee did, however, find that the secrecy offence provision, which criminalises the disclosure by an immigration and border protection worker of any information obtained in their capacity as an immigration protection worker, is likely to be incompatible with the right to a fair trial. This is because the offence provision includes limited exceptions which reverse the onus of proof and place an evidential burden on the defendant to prove that the statutory exception applies in a particular case. An offence provision which reverses the onus of proof engages and limits the presumption of innocence. This is because a defendant's failure to discharge the burden of proof may permit their conviction despite reasonable doubt as to their guilt.
Reversing the onus of proof may be justified where an element of the offence is peculiarly within the knowledge of the defendant, and it would be significantly more difficult and costly for the prosecution to disprove than for the defendant to establish the matter. The committee considered that reversing the burden of proof in this case was not justified.

The committee also concluded that measures which would enable the exclusion of certain remedies for unfair dismissal under the *Fair Work Act 2009* may be incompatible with the right to just and favourable conditions of work. The committee considered that it was unlikely that the Fair Work Commission would order the department to reinstate an employee found to have engaged in serious misconduct and, accordingly, the committee considered the measure had not been justified as necessary and proportionate.

I encourage my fellow Senators and others to examine the committee's report to better inform their understanding of the committee's deliberations.

With these comments, I commend the committee's Thirty-seventh Report of the 44th Parliament to the Senate.

**Scrutiny of Government Budget Measures Select Committee**

**Report**

**Senator RICE** (Victoria) (17:24): On behalf of Senator Whish-Wilson, the Chair of the Senate Select Committee into the Scrutiny of Government Budget Measures, I present the third and fourth interim reports of the Senate Select Committee into the Scrutiny of Government Budget Measures, together with the documents presented to the committee.

Ordered that the reports be printed.

**Senator RICE:** I move:

That the Senate take note of the reports.

I want to speak in particular to the third report of this select committee, which was into the cuts to CSIRO science programs, and in particular the cuts to CSIRO climate science. The Senate committee heard extensive evidence from CSIRO management, from expert scientists from around the world, and from some former CSIRO scientists about these proposed cuts to CSIRO science.

I want to put this report into context, because we are talking about climate science at a time when the world is facing a climate emergency and when dealing with our changing climate is one of the most important things that we can be doing as a nation. It is in this context that we see the proposal to cut 350 scientists from CSIRO, including 100 of the 140 climate scientists in CSIRO. This is what makes this issue so significant and so worthy of attention by the Senate.

Our committee heard evidence of, to begin with, the appalling process that was gone through with this proposal to cut 100 of those 140 climate science jobs. We heard about the lack of consultation internally and externally, the lack of involvement by the CSIRO board in the process, and the lack of understanding by the CSIRO management of what in fact they were cutting. Internally, these cuts were supposed to have taken place after a strategic review—a so-called deep dive process. But many submitters to our inquiry told us, in fact, how shallow that process was and how it did not cut to the core of what was being lost and what should be retained.
We heard about the lack of consultation externally and that the key stakeholders that were directly impacted by this decision by CSIRO to cut these 100 climate science jobs were not informed of this process until the day before it was publicly announced. The Bureau of Meteorology heard the day before that programs that they did jointly with CSIRO were going to be directly impacted. The Australian Antarctic Division and other key stakeholders that work closely with the CSIRO were not informed of this major proposal to cut the capacity of climate science.

We also heard, very seriously—and this cuts to the heart of the problems with this process—that the CSIRO board were not actively involved in this process at all; that, when they had the early proposal put to them, it did not go into the extent of the cuts that were being considered; and, in fact, that the chair of the board was not informed of the extent of the cuts that were being proposed until days before these cuts were announced. The appalling process was a real indictment of the problems with the way that these cuts were undertaken.

It was not just cuts. What was being proposed was the dismantling, essentially, of Australia's capacity to do climate science, and that climate science is world renowned. It is not surprising that, when these cuts were first announced, there was outcry from across the world, that it made the front page of The New York Times and that there were letters from thousands of scientists internationally, shocked and dismayed about the impact that this was going to have on both Australia's capacity to do climate science and the global capacity to do climate science.

Of course, once we started investigating it, the backpedalling began. At the time we began the inquiry, the figure of 100 scientists whose jobs were going to be cut dropped back to 70. I think it is one of the good outcomes of this inquiry process, and I think it is only because of this inquiry process that they have now settled on only cutting 40 of those 140 positions. But that is still 40 too many. Almost 30 per cent of CSIRO's climate science capacity is still being proposed to be cut—again, at a time when we need this capacity. So that was the process.

The other evidence that the committee heard was how the whole concept of cutting our climate science capacity was totally the wrong thing to do. It was very evident to the committee that the contention by the CEO of CSIRO, Dr Larry Marshal, as to why these cuts were occurring was that climate change was proven to be real and so the CSIRO could move to adaptation and mitigation. It was very clear, with the evidence put to the committee, that this was simplistic and naive. We learnt that climate measurement data is not static and that robust data around the rate of climate change is critical to the development of successful and cost-effective adaptation and mitigation strategies. You cannot adapt and mitigate to climate change without knowing what you are adapting to and mitigating. We heard so much evidence of why the critical science that CSIRO did was so important. The measurement and monitoring of our science were so critical, and needed to be maintained and enhanced if we were to adapt effectively to climate change and to mitigate against it.

Evidence from Professor Tony Haymet, the former chief of CSIRO Oceans and Atmosphere Division, said:

...there is no use setting up a group to help us adapt to climate change if we do not know whether we have 20 years or 50 years. How long do we have before all of our ports have to raise their infrastructure a metre? How long do we have before we have to recraft all the sewers on the east coast of Australia because their outlets are too low and they are going to get flooded at an average high tide?
If we have 10 years, we are in big trouble. If we have 50 years, it is a better story … Sure, we can adapt to climate change—as long as we know what we are adapting to and how long we have to do it.

Dr Richard Matear emphasised that he viewed CSIRO's observations and modelling of our oceans and atmosphere as providing an insurance policy for Australia. He said:

We have a huge economy, a trillion-dollar economy, with multitrillion dollars worth of infrastructure, and to think that we cannot invest a little bit into the fundamental research that will help maintain and support that effort and make us a more resilient and more productive nation is ridiculous.

The other thing that very clearly came out through our committee's inquiry was that the CSIRO was moving away from public good research, the importance of maintaining that public good research and the fact that CSIRO, as our premier scientific institution, is the organisation that should continue to be tasked with doing that public good research. But the direction that was being headed in by the current CEO of CSIRO was absolutely shifting away from that emphasis on public good research. The research that was going to continue to be done at CSIRO was increasingly only going to be research that could have short-term economic benefits, not even taking into account what the long-term economic benefits to the country were going to be.

What the committee learnt was that there has been a massive hit to CSIRO's reputation and in fact to Australia's scientific reputation. So much damage has been done by the cuts that have been proposed, it is going to take a long time before people have trust in CSIRO again. It is not just a matter of saying, 'Oh well, we are only cutting 40 now; everybody else can feel okay.' There is a lack of trust now. And even the scientists that are going to be left do not have the trust that their jobs are valued and are necessarily going to be there in the future.

Where to from here? We heard the response in recent weeks of them saying, 'Everything is okay. We are now establishing a climate centre in Hobart which is guaranteeing 40 jobs in climate science.' Only 40, not good enough. From our 140 jobs, only 40 are guaranteed. Establishing a climate science centre in Hobart is a smokescreen. It is a sleight of hand to cover the fact that we are still cutting our essential climate science capability. The recommendations of our committee are quite thorough. We absolutely want a commitment. We are calling upon the government to reverse the cuts, to undertake a thorough review and to delay the implementation of the job cuts until after the election. It is very clear that CSIRO said that with an alternative government that valued climate science they would do things differently. So it is very clear that these cuts should be put on hold until after the election.

Finally, there is the issue of the CEO of CSIRO himself. I really do hope that the minister reads this report and seriously questions the ongoing renewal of his contract, which is currently up for renewal.

Senator KIM CARR (Victoria) (17:34): I would like to say a few words about the Select Committee into the Scrutiny of Government Budget Measures, the third interim report into the job cuts recently proposed for the CSIRO. There has been absolutely no doubt that these moves have been contentious. There is no doubt that morale within the CSIRO has hit rock bottom. There is no doubt in my mind or in Labor's mind that this is not just a matter for the CSIRO. The committee has heard extremely concerning evidence about the closed and chaotic decision-making process within CSIRO that has led to this point.
Contrary to the statements that have been made, the committee has had the opportunity to view extensive documentation about the way in which CSIRO has approached the issues concerning these job cuts. We have read CSIRO emails, which suggest 'public good is not good enough' and 'nature papers do not cut it', and even a suggestion that CSIRO should 'eliminate all capability associated with public good and government funded climate research'.

I repeat, despite the assertions to the contrary that have now been made, there is no doubt within the CSIRO there has been quite an extensive conversation about how the CSIRO could withdraw from its responsibilities for public good research or minimise its impact or turn the CSIRO into a commercialised consultancy arrangement.

There is no doubt in my mind that the conversation about cultural change within the CSIRO has been aimed at fundamentally shifting the scientific priorities of the CSIRO and using commercial or external revenue as the basis for the allocation of resources rather than the critically important role the CSIRO plays to the national good. One of the questions the committee has been interested in therefore was the extent to which the minister and the board had endorsed these discussions. The evidence on the board's involvement—to put it politely—is inconsistent. However, it is absolutely clear that the board did not sign-off on the job cuts before Dr Marshall sent out his all-staff email on 4 February. It is absolutely clear that the draft all-staff email did not even mention the cuts. It talks about new areas of priority. It makes none of the controversial claims on the state of climate science. And there has been a desperate effort made to retrofit and to obfuscate about the facts in regard to when the board members were taken by surprise when Dr Marshall's email actually appeared.

Many of the board members were new. Four of the current board members, and three who received that email, were appointed either before or after the so-called deep-dive process that was undertaken, which of course followed the release of the 2020 strategy. On the weight of evidence presented to the committee, I contend that the board was not expecting a public announcement of the major cuts to public good research and had not actually signed-off on those cuts. Indeed, it appears that at least one board member replied to the draft email saying, 'I don't think I approve.' But there was no opportunity for further discussion.

This is a failed process. The board should have been fully engaged in the decision—and that was always going to be highly contentious and a major cause of disruption within the organisation. The minister himself should have been fully engaged as well. I believe there is a very strong element of negligence in regard to the minister's role in these matters. Instead, the minister has said nothing except to hide behind the legal fiction of the independence of the CSIRO—because there are limits to independence. The minister sets out a statements of expectation. The minister has the power to direct the board. I certainly acknowledge the responsibility of the board and management to make operational decisions and to prioritise according to available resources. But I also, as minister, had to pay close attention to the decisions that were being made. This is my direct experience in this. In my experience, you work with the board and with the CEO to ensure that the national interest is being served and that they take staff concerns on board and consult properly.

Yesterday, the Senate called on the minister to intervene to stop CSIRO implementing these changes before the election. The Senate's motion has been met with the policy of this government, which is silence. We know that this minister does not care a great deal about science. It follows a pattern of this government—they did not even have a science minister for
pretty much the first-half of this parliament. But this is the same minister, I recall, who was willing to hold 1,700 scientists' jobs hostage to his unfair and unnecessary plans on the $100,000 degrees—a plan that has remained central to the government's higher education policies. I believe the minister has the same attitude to the CSIRO. It is a short-sighted attitude. It is not about doing what is best in terms of climate change science. That of course has meant that the anti-climate change scientists dominate Mr Turnbull now—that was the price he had to pay to get the keys to The Lodge. These people have been able to run rampant throughout this government. So it is not an approach that reflects the best interests of this nation's future.

Labor has a very different attitude. We have different priorities. We would not allow the CSIRO to cut these jobs. If I had the privilege to service as science minister in a Shorten Labor government, I would direct the board accordingly. This is not something that I take lightly. In all my time as science minister I never directed the CSIRO board in this way. But in this case the stakes are just too high. CSIRO's globally unique climate science capabilities are world recognised. If they are lost, they will never recover. So I call on the government once again to do the responsible thing and direct CSIRO to cease and desist in implementing these controversial job cuts. To stubbornly proceed in the way the minister seems to be doing despite the manifest evidence of failure in the process and consultations that we have seen during this inquiry is simply wrong. It is not a responsible way to govern.

Senator CAROL BROWN (Tasmania) (17:42): I rise to speak on the tabling of the third interim report by the Senate Select Committee into the scrutiny of government budget measures examining, in particular, Tasmania's energy crisis. But before I move on to that part of the report, I commend Senator Carr on his contribution here today on the issue of the CSIRO cuts. I absolutely support everything he had to say.

The Tasmanian energy crisis is regrettably a common theme in the report that has been tabled today and it shows the lack of transparency displayed by the Tasmanian government since the energy crisis began. Indeed, the first recommendation of the committee is for the Tasmanian government to be fully transparent about what has caused Tasmania's current energy crisis, how it will be resolved and the costs associated with this crisis. I want to quote directly from the report to show that the Tasmanian government—in particular, the Minister for Energy, Mr Groom—has been less than forthcoming with not only Tasmanians but also, I believe, with the committee. In discussing the response to the energy crisis the committee's report said:

The Tasmanian Government's response to the crisis has been insufficiently transparent, particularly in terms of the government's expenditure. Despite speculation in the media that the cost of the crisis is $400 million or more, the responsible minister, the Hon. Matthew Groom MP, was unwilling or unable to provide an up to date figure for the costs associated with the crisis.

It became very clear during the committee's hearing in Hobart that the Minister for Energy has failed to be transparent and has not informed or updated Tasmanians on this energy crisis. But it is not just Tasmanians who have been ignored. The minister also failed to talk to major industrial power users about the crisis. The committee heard that the minister did not consult or inform major industrial users of energy before the Tasmanian government decided to decommission and sell the Tamar Valley Power Station in August 2015. It was also revealed
that the commercial reputation of Tasmanian business has been damaged because they have had to cut their power usage.

As I said at the outset, this report raises very serious concerns about the handling of Tasmania's energy crisis by the Tasmanian government, particularly because of the lack of transparency and accountability on a range of issues, especially the cost of the crisis, which, as I have already mentioned, will cost taxpayers millions of dollars and could cost Tasmania more than $400 million. This report also questions the lack of transparency on several other issues, including the government's decommissioning of the Tamar Valley Power Station, the time line for repairs to the Basslink cable and the costs that Tasmanians will have to bear because of the energy crisis. The minister, in my view, has been very secretive and has kept Tasmanians in the dark. Worse than that, he has been less than convincing in his answers and has maintained a 'cone of silence'. The day after the hearing, my colleague the Tasmanian Leader of the Labor Party, Mr Bryan Green, highlighted inconsistencies between the minister's evidence to the committee and information in documents obtained under right to information. Further to this, the committee found that the Minister for Energy had frustrated the committee by not allowing the relevant energy businesses to appear, despite him not being able to answer some of the senators' questions himself.

In supporting a full independent inquiry into Tasmania's energy crisis, the committee report said:

The importance of a full independent inquiry is further supported by the fact that this committee was barred from questioning relevant organisations, specifically the energy businesses. Minister Groom's appearance before the committee on behalf of the Government and all of the energy businesses frustrated the hearing process which would have been best served by being able to direct questions to the relevant organisations. In the interests of transparency and accountability these organisations must be able to provide evidence to an independent inquiry.

Because the committee was unable to question energy businesses such as Hydro Tasmania and Aurora Energy, we must have a full independent inquiry, and evidence must be given by the energy businesses. As well, the committee expressed grave concerns that Tasmanians will face a hike in power prices because of the energy crisis and the measures that the Tasmanian government have taken. On this budget eve, I know many Tasmanians already struggle to pay their power bills. Any increase will hit them hard. I commend the report and its recommendations to the Senate.

Senator McKIM (Tasmania) (17:48): I rise to speak briefly about the report into the Tasmanian energy crisis. We have had a bit of rain in the last four or five days down in Tasmania, and the dams were actually 0.2 of a per cent fuller yesterday than they were one week ago, up from 12.8 to 13 per cent. No doubt Minister Groom, the Minister for Energy in Tasmania, is happy with that, but I have some words of warning for him: he is nowhere near out of the woods yet in terms of the energy crisis. He is spending like a drunken sailor, trying to keep his own job, and he is spending taxpayers' money doing it. We are looking at, on his own words, about 220 megawatts of diesel generation that will be in place in Tasmania within just a few short weeks. That is coming at a cost of $44 million in installation and lease costs and $11 million per month, per 100 megawatts, for the diesel generators. In round terms, we are looking at around $25 million a month to run those generators.
Hydro Tasmania's balance sheet, last time I looked, had that government business carrying about $860 million worth of debt. The minister has been clear that Hydro will have to carry the costs of the response to the energy crisis. Hydro is forgoing revenue from the major industrials, who are on power rationing in Tasmania, as we speak. We are losing jobs, as we speak, from the major industrials. They are on power rationing. Hydro Tasmania is losing revenue because of course it is not able to charge for power it is not delivering to the major industrials. What is the cost of that to Hydro Tasmania? The minister claimed not to know, when he was interrogated by the Senate inquiry. So we have got a $44 million establishment cost and about $25 million per month to run the diesel generators. On the minister's own figures, we are somewhere in the region of $100 million already that is on Hydro Tasmania's balance sheet. That is an increase already of 10 per cent in the amount of debt that Hydro Tasmania is carrying. Into the future, as we go forward, we are looking at—if the diesels are operating at full capacity—about $25 million a month. So, for every four months that they are operating at maximum capacity, Hydro will put another $100 million on the debt side of its balance sheet.

The question has to be asked: what is the level of debt in Hydro Tasmania that this minister and the Treasurer, the other shareholder minister, are prepared to sit by and watch? Where is the cut-off? Is it around $1 billion? Hydro have actually carried over $1 billion of debt in the past. They have managed, over the last 10 or 12 years, to pay that down, notwithstanding successive governments applying a special dividends policy and obtaining money from Hydro Tasmania to fund schools and hospitals in Tasmania. I ask here tonight—rhetorically, I know: where does the line lie; where have the shareholder ministers drawn the line in terms of Hydro Tasmania's debt?

One thing that you can be sure of: the Tasmanian taxpayers and the Tasmanian electricity consumers will be paying through their pockets for this response to the energy crisis.

How did we get here? Yes, as the minister said, there was a drawing down of the dams under a previous Labor-Green government in Tasmania, but it is worth pointing out that at the change of government in Tasmania—when the Liberals assumed office in 2014—the dams were above 30 per cent—that is, three zero per cent. When they were handed over they were above 30 per cent. What has happened in the interim is that this minister mothballed the Tamar Valley Power Station, which is a gas-fired electricity generator in Tasmania. They continued on the occasional day and on occasional moments in the National Electricity Market to draw down the dams and export power south to north over the Basslink cable. So, yes, there are legitimate questions to be asked about the long-term, but in the last two years we still have seen electricity exported south to north over the Basslink.

Interestingly, until the Tamar Valley Power Station was fired back up during the turn of the year between 2015 and 2016—so December-January just gone—we had a lengthy period of time where Hydro Tasmania were barely operating that facility at all, thereby having the dams draw down at a faster rate than they otherwise would have been had the Tamar Valley Power Station been operating. You have got to ask yourself why that is the case. I would submit very strongly that the Tasmanian government's dividends policy and last year's state budget made it clear that in the fourth year Hydro Tasmania would have to pay a $75 million dividend to the Tasmanian government. That dividends policy placed pressure on the Hydro board to raise cash. They have got a take-or-pay contract for the gas that is associated with the Tamar
Valley Power Station. Instead of burning that gas and keeping the dams higher than they otherwise would have been, Hydro were selling that gas on the mainland spot market. I have no doubt that that is what happened. In fact, I put that to Minister Groom during the committee, and Minister Groom said this:

I certainly understand why you have asked that question. I understand why there is interest in it.

My word, there is interest in it, Minister Groom! Tasmanians want to know why you mothballed the Tamar Valley Power Station. They want to know why you allowed Hydro Tasmania to raise cash, and why you allowed Hydro Tasmania to sell that gas onto the mainland spot markets. We have had no leadership on energy conservation from the minister on domestic consumption or small- to medium-sized business consumption, we have had a shocking lack of engagement with major industrials—which the committee has heard evidence about—and we have had no leadership on encouraging rooftop solar panels on homes and small businesses in Tasmania.

Because I want to give my colleague Senator Wong an opportunity, I am going to end my contribution with this thought and this message to Minister Matthew Groom of Tasmania: in five or 10 years' time the energy supply sector right around Australia is going to look very, very different than it does today. The advent of electricity storage technology that can be embedded at a local and small scale in Australia, through improvements in battery technology and in cost and efficiency of solar panels, is going to transform the way the energy supply sector works. We better all wake up to it, because it is coming to homes and small businesses near us.

Senator URQUHART (Tasmania—Deputy Opposition Whip in the Senate) (17:56): I also rise to speak on the third interim report of the Senate Select Committee into the Scrutiny of Government Budget Measures. I rise today to strongly commend the budget measures committee report of the inquiry into Tasmania's energy crisis. I agree wholeheartedly with the contribution from Senator Brown just a moment ago. The clear message that came through in this inquiry was that in the midst of the most serious energy crisis our state has faced, the state Liberal government has been asleep at the wheel. Not only that, but they have hidden information, they have failed to keep industry informed and they have sacked staff and decommissioned the Tamar Valley Power Station—a vital energy security pillar. In addition, they gagged Hydro Tasmania's executives from appearing at the inquiry in an attempt to avoid scrutiny. The minister himself gave testimony to the inquiry which blatantly contradicted documents released under freedom of information.

As Senator Brown mentioned, the repercussions of this mismanagement could be felt for years to come. The crisis has compromised the reputation of Tasmanian businesses, and the bill to the taxpayers could potentially exceed $400 million. There is no doubt that there are very serious questions that are yet to be answered. I absolutely support the committee's recommendations for an independent inquiry into the circumstances surrounding the crisis.

But today I want to focus specifically on recommendation 4 of the report, which calls for the Tasmanian government to support projects that would increase renewable energy generation in the state. You would imagine that, given the recent Tasmanian experience, any government would be pulling out all the stops to future-proof our energy supply. You would want to hope the state Liberals would be doing absolutely everything they could to fast-track renewable projects and lock in extra capacity in our energy network, but you would be wrong.
In fact, the Tasmanian Liberals already have a ready approved renewables project that they could get up and running with very little difficulty. It is a project that energy minister, Mr Groom, has said for months that he supports, and it is a project that he has done absolutely nothing to progress, even though it is well within his power to do so.

The project is the Granville Harbour wind farm on Tasmania's west coast. The wind farm truly is a golden opportunity. It will generate around 350 gigawatt hours of clean energy and, in doing so, abate more than 130,000 tonnes of carbon emissions. This is equivalent to taking more than 30,000 cars off the road—an impressive outcome indeed. Not only that but the project will also create 200 much-needed west coast jobs in the construction phase, and, of course, help to protect the stability of Tasmania's energy supply into the future.

Intensive environmental, heritage, engineering and survey work has already been done, and all the necessary approvals are in place. Westcoast Wind director, Alex Simpson, has already said that if work started soon we could see more renewable power hitting the grids by the end of next year. Sadly, there is one important thing that is standing in the way of this vital energy project: a sustainable power purchase agreement with Hydro Tasmania or Aurora. Without this agreement investors will simply not sign up. The onus to get this project over the line rests solely on the shoulders of Minister Matthew Groom.

As energy minister, he could direct that Hydro Tasmania and Aurora must deliver a sustainable power purchase agreement. That is exactly what he needs to do and the state government now has a very clear choice. It can put Tasmania in a situation where we continue to import dirty coal from Victoria and rely on generators if another crisis occurs or keep money and jobs in the state with a long-term sustainable power purchase agreement for clean, green Tasmanian energy. Today, I call on Mr Groom to act in the best interests of our environment, our economy and the west coast community. While Mr Groom's stated support for the Granville Harbour wind farm project may make him sleep better at night, it means absolutely nothing without strong action to get the project over the line. Right now, Mr Groom needs to step-up and broker a sustainable power purchase agreement as a matter of urgency.

Senator SINGH (Tasmania) (18:00): As the deputy chair of this committee, I would also like to concur with Senator Urquhart and some of the other contributions that have been made on this inquiry's findings. It is clear from the evidence that we heard that there is indeed an energy crisis in Tasmania and that we do not have a Tasmanian government fit enough to deal with it. The committee has put forward some very good recommendations and No. 2, recommending an independent inquiry to look into Tasmania's energy crisis—the bungled energy situation that Tasmania finds itself in based on the way in which the state minister has bungled the entire process—needs to be adhered to. Very good recommendations have been put forward and the committee did due diligence.

I would like to draw attention to an article raised by John Martinkus, a journalist in The Saturday Paper, last weekend which went into great detail about the crazy situation in which the Tasmanian government finds itself, in not being able to deal with this issue and not being able to show leadership on this issue. Whilst the Prime Minister might come to Tasmania and say, 'Yes, we'll have a feasibility study into a second Bass link'—and I do not say that that is a bad idea—it is completely separate issue to the current energy crisis facing Tasmania.
If we cannot get our only Bass link cable fixed in a timely manner and if the minister of the day cannot be honest and decent in telling the Tasmanian people what is going on in relation to our energy needs—and will not even let energy supplier Hydro Tasmania, a state government-owned energy business, to appear before our committee—then what faith can the Tasmanian people have?

I thank committee members for their participation in this inquiry. I ask the government to heed the five key recommendations that have been put forward. Let us hope that sooner rather than later this whole fiasco in Tasmania of us having to use diesel energy—with the effect that that is having on our clean energy brand—comes to an end, and we can have a repaired Bass link and some leadership and some investment in our renewable energy industries.

Question agreed to.

Rural and Regional Affairs and Transport References Committee

Report

Senator STERLE (Western Australia) (18:03): I present an interim report of the Rural and Regional Affairs and Transport References Committee on the future role and contribution of regional capitals to Australia, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator STERLE: I move:

That the Senate take note of the report.

I seek leave to continue my remarks.

Leave granted; debate adjourned.

Report

Senator STERLE (Western Australia) (18:03): I present an interim report of the Rural and Regional Affairs and Transport References Committee on the increasing use of so-called flag of convenience shipping in Australia, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator STERLE: I move:

That the Senate take note of the report.

I seek leave to continue my remarks.

Leave granted; debate adjourned.

Select Committee on the Establishment of a National Integrity Commission

Report

Senator WANG (Western Australia) (18:04): I present the interim report of the Select Committee into the Establishment of a National Integrity Commission, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator WANG: I move:

That the Senate take note of the report.
I seek leave to incorporate the tabling statement in *Hansard*.

Leave granted.

*The statement read as follows—*

Today I table a report of the incomplete parliamentary inquiry into the need for a federal corruption watchdog.

The Select Committee into the establishment of National Integrity Commission has been forced into delivering this limited interim report, because a full and proper inquiry is being shut down by the government's early election to wipe independent voices from the parliament.

The government should support a multi-agency, cross-jurisdictional project into an effective national integrity system—research that is currently pending a decision on an application for Commonwealth funding.

Given the short time frame, the government's support for further research was the sole recommendation of the, which was adopted this morning ahead of tabling in Parliament tomorrow.

We had just begun taking evidence on how a national integrity commission might be structured, yet an early election cuts that short. And in the crucial area of protected submissions, there is not even enough time to properly communicate with submitters about the appropriate course of action for their concerns.

The report, which was limited to considering anti-corruption measures in public administration in Australia because of the time constraints, cites evidence that:

- The federal government is seen as corrupt by almost one-in-three Australians (and more so than state or local governments), with 43 per cent of people believing corruption is on the rise.
- Most federal agencies' anti-corruption efforts go unsupervised—including half the total federal public sector not in the jurisdiction of the Australian Public Service Commission internal compliance systems.
- Corruption risks have increased in recent years due to increased government control of information, increased funding needs of political campaigns, privatisation of government services and projects, retired ministers and their staff becoming lobbyists, and large infrastructure funding decisions.
- There are no independent mechanisms supporting federal parliamentary integrity.
- Government complacency has driven Australia's plunge in a global corruption perceptions index.
- Corruption prevention, risk assessment and monitoring activities are patchy and uncoordinated, with the Commonwealth's fragmented and ill-defined integrity systems the result of decades of uncoordinated developments in law, public sector management, and political accident; and yet
- this government does not support the establishment of an overarching federal corruption watchdog because it claims existing measures are sufficient.
The commission would not only play a vital educative role in preventing corruption in the first instance, but perhaps almost as importantly, it would restore public confidence in federal politics.

Therefore, I call on the government to—before it enters caretaker mode—ensure funding is granted for the research being led by Griffith University with Transparency International Australia, the Qld Integrity Commissioner, the NSW Ombudsman and other public sector and academic stakeholders, to identify an appropriate federal anti-corruption system which, the inquiry heard, has overwhelming public support.

Senator WANG: I seek leave to continue my remarks.

Leave granted; debate adjourned.

Rural and Regional Affairs and Transport References Committee

Report

Senator STERLE (Western Australia) (18:05): I present an interim report of the Rural and Regional Affairs and Transport References Committee on aspects of road safety in Australia, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator STERLE: I move:

That the Senate take note of the report.

Leave granted; debate adjourned.

Report

Senator STERLE (Western Australia) (18:05): I present the interim report of the Rural and Regional Affairs and Transport References Committee on the Perth Freight Link, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator STERLE: I move:

That the Senate take note of the report.

The committee held a couple of hearings in Perth that were well attended by Labor and the Greens. The government came to one and could not be bothered coming to the second. We believe that the Commonwealth should withdraw its support for this failed project. It is an absolute cluster. The government was invited to attend to explain their position to the people of Western Australia. They refused to attend. They would not come. What do they have to hide? On that, I could go on for hours and hours, but I am mindful of my colleagues who worked just as hard on the committee who want to speak on this.

Senator LUDLAM (Western Australia—Co-Deputy Leader of the Australian Greens) (18:06): I thank Senator Sterle for the courtesy but also for the way in which he chaired this inquiry. This is a unanimous report and I think it is highly significant that those coalition senators who did bother to attend one of the hearings have not submitted a dissent or a minority report—in other words, we have a unanimous report that condemns, in the strongest possible language, a government appropriation which will be in tonight's budget of more than
$1 billion of Commonwealth funds for a road to nowhere. This report buries the case for the Perth Freight Link once and for all. It became clear during our work why the Barnett government was so desperate to hide the business case and to hide the assumptions that went into the cost-benefit analysis. This project is desperately flawed and completely unworkable. It is now turning into such an electoral liability that even the coalition senators who participated were unwilling to defend it.

When Mr Turnbull visited Western Australia only a couple of weeks ago he was very happy to take selfies on public transport. It is almost as though any time he rides on public transport, which is wonderful, he sees the need to document it. I guess that is fine, but in Perth we had the Abbott government cancel out of all public transport funding and just kill it stone dead. Instead, we have this behemoth of four to six lanes of tarmac proposed to be bulldozed through a wetland and obliterate more than 100 hectares of banksia woodland.

This report makes the case and brings the evidence together for the very first time that there is no need for this road and also there are viable alternatives. There is another way. Fremantle Port Authority records show and the evidence in this report shows that the port of Fremantle will be at capacity at about the time that the Perth Freight Link is meant to come online. However, the government intends to actually get it into the port of Fremantle. We did hear evidence, coherently and cogently put for the first time, by groups like the Kwinana Industries Council and the cities of Kwinana, Rockingham, Cockburn and Fremantle that there is another way and that what is needed now is proper rigorous assessment of an overflow port in Cockburn Sound, which will provide a durable and scalable solution to Perth's freight task.

I want to thank everybody who was involved in this report. I thank Senator Sterle again for the courtesy of giving me a few minutes to make some comments on this report. The government needs to think twice. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Joint Select Committee on Trade and Investment Growth

Report

Senator SMITH (Western Australia—Deputy Government Whip in the Senate) (18:09): I present the report of the Joint Select Committee on Trade and Investment Growth on Australia's future in research and innovation, together with the minutes of the meeting. I move:

That the Senate take note of the report.

Senator SMITH: I seek leave to incorporate my tabling statement in Hansard.

Leave granted.

The report read as follows—

Inquiry into Australia's Future in Research and Innovation

Mr President, Australia faces a world of rapid change as technology creates opportunities to develop new solutions to social and economic problems. Through the Inquiry into Australia's Future in Research and Innovation the Committee examined whether Australia's innovation system is enabling the realisation of these opportunities and creating valuable new products, processes and industries.

Delving deeper, the Committee considered how ideas created through research and innovation are developed and commercialised. The Committee heard from a diverse range of participants in the
innovation system; from university researchers to venture capitalists; from start-up software businesses to world-leading medical companies.

Inquiry participants welcomed the Government's National Innovation and Science Agenda or NISA. The NISA contains a suite of initiatives designed to encourage innovation and entrepreneurship across all sectors of the Australian economy.

As research and innovation is a progressive field globally, the Committee has recommended that the NISA initiatives be reviewed after three years to assess their effectiveness and determine whether they should be continued.

Mr President, the foundations of Australia's innovation system are strong. Australia has a well-educated population, globally recognised research organisations, and a stable business environment.

It is questionable, however, whether we are taking full advantage of the opportunities that this foundation provides. The Committee heard that Australia's record of translating investments in the research sector into outcomes with social and economic benefit could be improved.

One area of potential improvement is the exchange of knowledge between the research sector and business. Rates of collaboration between Australian universities and business are amongst the lowest in the OECD.

Increased collaboration with researchers and universities could assist business to develop novel solutions to the real-world problems being faced. Collaborative research is also crucial to developing the disruptive technologies that could form the basis of new companies and industries.

In view of this, the Committee has recommended that the Department of Education and Training examine successful overseas models which could be adapted and used to encourage greater collaboration between universities and business in Australia.

Mr President, innovative ideas are the fuel for new and improved goods and services, but their development requires capital investment. Australia's innovative start-up companies have often struggled to attract the early stage investment needed to grow their business.

While still small, the Committee was pleased to see signs of growth in Australia's venture capital market. This positive development should be enhanced by initiatives announced in the NISA. These include the establishment of the Biomedical Translation Fund and reforms to the tax treatment for early stage investments.

The Committee has recommended that Innovation and Science Australia identify emerging industries where Australia has the potential to become a world leader. The Committee has also recommended further examination of possible measures to encourage innovation raised by participants during the Inquiry.

Mr President, I would like to thank all those who participated in the inquiry by providing submissions and appearing at public hearings. In particular, I would like to extend the Committee's appreciation to the Chair, Mr Ken O'Dowd, Member for Flynn, for the great professionalism, stewardship and enthusiasm for the work of the committee.

I commend the Report to the Senate.

Question agreed to.

Select Committee on Health
Report

Senator CAMERON (New South Wales) (18:10): I move:
That the Senate take note of the report.
This Senate Select Committee on Health report entitled *Black lung: ‘It has buggered my life’* clearly identifies that black lung, which is a terrible disease known as CWP, coal workers pneumoconiosis, is a totally preventable disease. It can be prevented by mitigating the dust in a coalmine and controlling the dust before the disease even starts. I want to quote Mr Percy Verrall, who appeared at a hearing. He is dying from pneumoconiosis. He said:

I said to my wife that if I had found out then that I was going to be like this I would have got out of the mine straight away. It has buggered my life.

I know I have only a couple of minutes, but this is what we found. The answers provided to the questions by the committee showed that state and stakeholder submissions revealed a litany of regulator failure and regulatory capture, industry indifference and incompetence, inconsistent risk mitigation and patchy and sometimes compromised health monitoring throughout Australia.

I thought the regulator's evidence to the committee was terrible. I thought the regulator had basically been captured by the industry. The regulator really needs to lift its game. The Queensland government have started doing good work on this but they need to target this regulator to make sure the regulator does the right thing by coalmine workers in that industry. Workers are dying because of regulatory capture. Workers are dying because of poor regulation. Workers are dying from a preventable disease. If the regulator did its work, workers would not be dying in Queensland and elsewhere in this country.

This disease is totally preventable. This disease should not be in this country now. There are ways it can be resolved and the first point to start is the regulator in Queensland, who has failed mine workers in this country. The regulator needs to be completely revamped to ensure that workers can achieve a long life and a healthy life after working in the mining industry. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

### Intelligence and Security Committee

**Government Response to Report**

**Senator RUSTON** (South Australia—Assistant Minister for Agriculture and Water Resources) (18:13): I present the government's response to a report of the Parliamentary Joint Committee on Intelligence and Security on its inquiry into the review of the relisting of terrorist organisations. I seek leave to have the document incorporated in *Hansard*.

Leave granted.

*The document read as follows—*

**Australian Government response to the Parliamentary Joint Committee on Intelligence and Security's report:**

*Review of the re-listing of Al-Shabaab, Hamas’ Izz al-Din al-Qassam Brigades, Kurdistan Workers Party (PKK), Lashkar-e-Tayyiba and Palestinian Islamic Jihad as terrorist organisations*

**APRIL 2016**

**Parliamentary Joint Committee on Intelligence and Security**

*Review of the re-listing of Al-Shabaab, Hamas’ Izz al-Din al-Qassam Brigades, Kurdistan Workers Party (PKK), Lashkar-e-Tayyiba and Palestinian Islamic Jihad as terrorist organisations*

Tabled 12 October 2015
The Government's Response to the Committee's Recommendations

**Recommendation 1**

The Committee recommends that the regulations, made under the Criminal Code section 102.1, to list Al-Shabaab, Hamas' Izz al-Din al-Qassam Brigades, Lashkar-e-Tayyiba, and Palestinian Islamic Jihad as terrorist organisations not be disallowed.

**Response**

The Government agrees with the recommendation.

**Recommendation 2**

The Committee recommends that the regulation, made under the Criminal Code section 102.1, to list the Kurdistan Workers' Party as a terrorist organisation not be disallowed.

**Response**

The Government agrees with the recommendation.

**Consideration**

The following order of the day relating to committee reports and government responses was considered:

Health—Select Committee—Black lung: ‘It has buggered my life’—Fifth interim report. Motion to take note of report moved by Senator Cameron. Debate adjourned till the next day of sitting, Senator Cameron in continuation.

**MINISTERIAL STATEMENTS**

**Anzac Day Commemorations**

**Senator RUSTON** (South Australia—Assistant Minister for Agriculture and Water Resources) (18:13): On behalf of the Minister for Veterans' Affairs, Mr Tehan, I table a ministerial statement on the Anzac Day commemorations.

**DOCUMENTS**

**Department of Agriculture and Water Resources**

**Order for the Production of Documents**

**Senator RUSTON** (South Australia—Assistant Minister for Agriculture and Water Resources) (18:13): I table a document relating to the order for the production of documents concerning the former Secretary of the Department of Agriculture and Water Resources.

**BILLS**

**Financial System Legislation Amendment (Resilience and Collateral Protection) Bill 2016**

**National Disability Insurance Scheme Amendment Bill 2016**

First Reading

Bills received from the House of Representatives.

**Senator RUSTON** (South Australia—Assistant Minister for Agriculture and Water Resources) (18:14): I indicate to the Senate that these bills are being introduced together. After debate on the motion for the second reading has been adjourned, I shall move a motion to have the bills listed separately on the Notice Paper. I move:
That these bills may proceed without formalities, may be taken together and be now read a first time. Question agreed to.

Bills read a first time.

**Second Reading**

**Senator RUSTON** (South Australia—Assistant Minister for Agriculture and Water Resources) (18:15): I move:

That this bill be now read a second time.

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

Leave granted.

*The speeches read as follows—*

FINANCIAL SYSTEM LEGISLATION AMENDMENT (RESILIENCE AND COLLATERAL PROTECTION) BILL 2016

Today I introduce the Financial System Legislation Amendment (Resilience and Collateral Protection) Bill 2016 (the ‘Bill’).

This Bill will create a more resilient and stable financial system, and provide for the continuing participation of Australian entities in international capital markets.


In response to the global financial crisis (GFC), the Group of Twenty (G20) committed to improve transparency, mitigate systemic risk and protect against market abuse in derivatives markets. Significant progress has already been done in pursuit of these aims, in Australian and international over-the-counter derivatives markets.

However, there is still work to do. The international over-the-counter derivatives market is large, and requires further regulation. The Bank of International Settlements reports that the notional amount of outstanding over-the-counter derivative contracts was US$553 trillion (at end-June 2015).

The next significant stage in the post-GFC reform of over-the-counter derivatives is to establish margin requirements for non-centrally cleared derivatives. The Basel Committee on Banking Supervision (BCBS) and the Board of the International Organisation of Securities Commissions (IOSCO) have agreed on an international framework, to be implemented by national regulators. These margin requirements are expected to be phased in from 1 September 2016.

However, under existing law, Australian entities may not be able to comply with all of the relevant requirements. Without this Bill, they will likely face increasing costs and other barriers to participation in international markets.

This Bill creates a facilitative regime which will allow Australian entities to comply with the new requirements, and in so doing, remain globally competitive and efficient traders. The Bill does not establish the margin requirements per se, but will complement and support any margin requirements for derivatives and risk mitigation standards set by Australian Prudential Regulation Authority, in accordance with the international framework, and by international regulators.

This Bill also resolves other issues of concern to regulators and industry participants in Australian financial markets. For example, this Bill strengthens the protection of certain payment systems, settlement systems, exchanges and central counterparties. These are fundamentally important to the
stability of the Australian financial system and it is critical that they benefit from robust legal protections in all market conditions.

This Bill is a result of careful and rigorous consultation with the Council of Financial Regulators (the Council, which is comprised of the Reserve Bank of Australia, the Australian Prudential Regulation Authority, the Australian Securities and Investments Commission, and the Australian Treasury); as well as a range of industry bodies, market participants and their advisers.

The Government has consulted the public on various forms of the measures in this Bill, and made a call for submissions on the entire reform package following the release of the draft Bill. Submissions primarily came from the financial services sector, including from Australian and international industry bodies and other market participants. As a whole, they were highly supportive of the reforms.

THE LEGISLATIVE FRAMEWORK

This Bill will ensure Australian law continues to provide a strong foundation for modern, and truly international financial markets; and for the effective participation of Australian entities within them.

This Bill establishes a functional and protective framework which is flexible enough to cope with a range of sophisticated financial market structures and inevitable changes in market practice.

It contains reforms which are technically sophisticated and which are expected to provide a pragmatic and practical regime for market participants and their advisers.

This Bill does not impose onerous regulation. Rather, it allows entities which are subject to Australian law to provide and enforce rights in respect of, margin provided under derivatives transactions in accordance with internationally developed regulatory requirements. It does this by expanding the protections afforded to close-out netting, to cover the enforcement of security.

This Bill resolves an inconsistency in Australian law as to the circumstances in which a counterparty to an Australian regulated body may exercise its termination rights (i.e. when it can close-out transactions related to a contract). This brings Australian law into line with international best practice, and supports efficient resolution of Australian financial institutions in distress.

This Bill strengthens the protection of certain payment systems, settlement systems, exchanges and central counterparties. These are fundamentally important to the stability of the Australian financial system and require robust legal protections in all market conditions.

This Bill also contains a number of regulatory powers to allow the Government to move quickly to adapt to significant upheaval in financial markets and any events which could otherwise threaten systemic stability.

In addition to the reforms I have described, the Bill also contains a number of more technical and consequential amendments to certain Australian Acts related to Australian financial markets.

The new regime draws on a wealth of sources. It builds on lessons learned in other jurisdictions, including in the United Kingdom and European Union; the products of extensive consultation; and the input of technical experts.

MINCO APPROVAL

This Bill will alter the effect, scope or operation of the Corporations Law. Accordingly, as required by clause 510 of the Corporations Agreement between the Commonwealth, the States and the Northern Territory, the Commonwealth has notified the States and the Northern Territory of the Bill.

SUMMING UP

This Bill advances the Australian Government’s reform agenda for financial systems, by enhancing the integrity and safety of the derivatives markets in particular, and the financial system as a whole.

Passage of this Bill will complement other important reforms to the regulation of Australian over-the-counter derivatives markets, and corresponding international efforts.
Passage of this Bill will ensure Australia maintains its position as a regional financial centre with a strong regulatory and legislative framework, and that Australian entities can continue to transact with domestic and international counterparties – supported by Australian law.

NATIONAL DISABILITY INSURANCE SCHEME AMENDMENT BILL 2016

This Bill amends the National Disability Insurance Scheme Act 2013 to increase the maximum number of members of the Board of the National Disability Insurance Scheme Launch Transition Agency (known as the NDIA).

Replacing the current provision for eight Board members, the Minister will now have capacity to appoint up to 11 members, aside from the Chair. As a minor consequence, quorum arrangements for Board meetings will also be clarified.

The National Disability Insurance Scheme (known as the NDIS) is a significant social reform, and the Government has an intense focus on its design, administration and implementation.

It is a significantly complex reform, with governance shared between the Commonwealth and state and territory governments. It requires close oversight of financial sustainability, potential risks to scheme participants and providers, and delivery of the scheme across Australia.

The NDIA will be responsible for implementing the transition from trial to the full roll-out of the NDIS across Australia, which, when fully established, is estimated to provide support to over 460,000 participants, with a full scheme budget of around $22 billion per annum.

Over the next four years, the NDIS will be moving into a rapid growth phase, where participant numbers will increase from 19,758 people across its trial sites as at 30 September 2015, to over 460,000 people across the country in 2019-20. As the NDIS enters the transition stage, the NDIA will commence increasing the size of its workforce, outsourcing arrangements for many NDIS functions and implementing its full scheme Information Communications Technology solution.

The NDIA Board is responsible for overseeing the implementation of the NDIS and its long-term sustainability. The Board manages the financial and delivery risk of the scheme, including maintaining an actuarial and insurance approach to decision making within the scheme. The Board develops the NDIA’s business strategies, manages risks to the organisation and the NDIS and, through its Chief Executive Officer, handles the day-to-day management of the NDIA.

The Government, along with the states and territories, has therefore reached the view that the NDIA needs a Board with a broader range of skills and experience to manage the rapid increase in participants, and to address the emerging challenges that come with a reform of this scale.

Governments have agreed that the Board requires skills suited to the specific challenges of the transition phase, including strategy, risk, insurance, corporate governance and implementation, as well as experience in large enterprises of an equivalent national scale and complexity.

An independent review of the skills and experience required in the NDIA Board for the transition stage found that the next iteration of the Board should have strong ASX50 or large Government Business Enterprise-level experience in operation and financial systems and controls. The review identified a need for better representation of experience in change and financial management, and deep expertise in the management of insurance-based schemes.

Following this independent review and consultation with state and territory governments, the Commonwealth Government has concluded that a Board of eight members plus a Chair does not allow for the diversity and strength required of a Board that is managing the anticipated rapid increase of participants and administering a $22 billion insurance-based scheme.

A larger NDIA Board will ensure it has a balance of skills, knowledge and experience in disability services, financial management and corporate governance management of insurance or compensation schemes, to enable the Board to meet the challenges of the next phase of the NDIS effectively.
To implement this measure, a staged approach to changing the membership of the NDIA Board has been agreed with members of COAG’s Disability Reform Council, to ensure continuity while also producing optimal governance outcomes during the transition to full scheme. Our view is that, until the NDIS reaches maturity, the Board should consist of 11 members and a Chair.

The size of the NDIA Board is set out in section 126 of the National Disability Insurance Scheme Act 2013. This Bill amends section 126 to change the number of members (aside from the Chair) from eight to up to 11, providing the Minister with the flexibility to decrease the size of the Board at a point when it is considered appropriate and prudent to do so.

As a minor consequence of this change, section 138, providing for a quorum for Board meetings, is also amended to ensure a quorum is constituted when a majority of the members are present.

This Government remains committed to the full roll-out of the NDIS, with its attendant benefits for people with disability, their families, their carers, and for the broader Australian community of which they are a valued part.

These changes ensure the NDIA Board overseeing this major social policy reform has the mix and diversity of skills, capabilities and leadership to bring the NDIS to full scheme within the timeframe agreed to with states and territories, and within the allocated Budget.

Debate adjourned.

Ordered that the bills be listed on the Notice Paper as separate orders of the day.

Northern Australia Infrastructure Facility Bill 2016

Consideration of House of Representatives Message

Message received from the House of Representatives returning the Northern Australia Infrastructure Facility Bill 2016 and informing the Senate that the House has disagreed to the amendments made by the Senate but has made identical amendments in place of those amendments, and requests the reconsideration of the bill in respect of the amendments disagreed to and the concurrence of the Senate in the amendments made by the House.

Ordered that the message be considered in Committee of the Whole immediately.

House of Representatives message—

(1) Clause 5, page 3 (after line 25), after the definition of Investment Mandate , insert:

Local Government Area means a local government area recognised by the Australian Bureau of Statistics.

(2) (3) (d) the following Statistical Areas level 2:

(i) Gladstone;
(ii) Gladstone Hinterland;
(iii) Carnarvon;
(e) the Local Government Areas of Meekatharra and Wiluna (despite paragraph (b));
(f) the territorial sea adjacent to areas covered by paragraphs (a) to (d).

The CHAIRMAN (18:16): When the Senate considered the government amendments to the bill, I made a statement indicating that the three amendments would be dealt with as amendments rather than as requests, in accordance with the precedents of the Senate in relation to these matters.

The amendments in question amend the definition of 'Northern Australia' which could potentially change the destination of the money appropriated by clause 41 of the bill. Clause
41 of this bill appropriates up to $5 billion from the Consolidated Revenue Fund for the purpose of 'providing grants of financial assistance to the states and territories for the construction of northern Australia economic infrastructure.'

Amending a bill to change the allocation of proposed expenditure and the purposes for which money is to be appropriated has long been considered to be within the power of the Senate, provided that the total proposed, or available, expenditure is not increased. In these circumstances, the Senate has taken the view that changing definitions to extend the allocation of funding are appropriately made by amendments rather than requests for amendments. As I indicated at the time, Quick and Garran, in their famous commentaries on the Constitution, stated:

…the Senate is only forbidden to amend [bills imposing taxation] and the annual appropriation bill; it may amend two kinds of expenditure bills, viz.: those for permanent and extraordinary appropriations. …The Senate may amend such money bills so as to reduce the total amount of expenditure or to change the method, object and destination of the expenditure, but not to increase the total expenditure originated in the House of Representatives.

However, as the substitute amendments made in the House are now the same as the amendments made by the Senate, it is suggested that the Senate can now agree to the amendments which it originally made.

Senator RUSTON (South Australia—Assistant Minister for Agriculture and Water Resources) (18:18): I move:

That the committee agrees to the amendments made by the House of Representatives which are identical to the Senate amendments.

Question agreed to.

Resolution reported; report adopted.

REGULATIONS AND DETERMINATIONS

Social Security (Administration) (Trial Area—East Kimberley) Determination Disallowance

Senator SIEWERT (Western Australia—Australian Greens Whip) (18:20): I move:

That the Social Security (Administration) (Trial Area—East Kimberley) Determination 2016, made under subsections 124PD(2) and 124PG(1) of the Social Security Administration Act 1999, be disallowed.

I am standing yet again to draw the attention of this place to the impact of the cashless welfare card and give this place another opportunity to change their minds and realise that the evidence shows that this approach does not work.

It is clear that this is an ideological push from the government, supported by the ALP, to foist onto a community a particular means of control that will have significant impacts on those people who are affected and their communities. The evidence is really clear. I have read the evidence out to this place time and time again yet, still, in the face of the evidence, the government and the ALP refuse to acknowledge that income management—because that is what this is—does not work. That is what this is. I acknowledge it is not quite the same—it is in fact on steroids—but that is what this is.
Senator Sterle: You are on another planet, Rachel, you really are. The last thing they need is a white fella to tell them.

Senator SIEWERT: If I could please not be interrupted that would be appreciated, Deputy President.

The DEPUTY PRESIDENT: Yes. Thank you.

Senator Sterle interjecting—

The DEPUTY PRESIDENT: Order!

Senator SIEWERT: If Senator Sterle would stop interrupting, I will describe what the Aboriginal community in Geraldton is saying about the attempt to foist the cashless welfare card upon them. They are at least being afforded the opportunity to have a significant debate about this particular issue, whereas other communities are not.

Senator Sterle interjecting—

The DEPUTY PRESIDENT: Order! Senator Siewert has asked to be heard in silence. As she has made such a request, I require the Senate to hear her in silence.

Senator SIEWERT: As I was saying, this is essentially income management. The evidence clearly shows that it does not work. Yes, communities are desperate to find some ways forward on the issues of drug and alcohol abuse and gambling. I share their very deep concerns. I have been in many communities and I have seen the impact on them. The point is that this particular approach does not work. Income management does not work. The Northern Territory evaluation showed that. It shows it in other places. Voluntary income management in some places and on some things can work. Again, I have acknowledged that many times in this place. But foisting this cashless debit card—some people call it a welfare card—on communities is the wrong way to go.

In Ceduna, where this card has been rolling out for about a month, we are already seeing examples of some significant problems, going way beyond the initial teething problems that people have been talking about. I am getting a lot of emails from people in community over there that the problems with the card are more than teething problems. Just yesterday, I received another email from someone who was trying to use the card. Their partner has been unable to use the BPAY option on the card, so they are unable to pay their water bill. I have heard an account of someone being unable to pay their other bills. This person has had to rely on their neighbours' help to buy groceries, because they have not been able to pay their bills. She has not been able to pay for her car registration or her insurance bills. These are just a few of the types of problems that people are facing every day because of the government's unfair and inefficient cashless welfare card.

When I raised the issue that people have to pay an EFTPOS cost at particular merchant places to use EFTPOS, the minister said: 'It's okay. Contrary to the evidence that we gave in estimates, or since the information that we gave in estimates'—where they said, very clearly, that they had not been able to achieve an agreement with the merchants in Ceduna about EFTPOS costs—'we've now reached an agreement. That's not happening.' On the same day the minister said that, I received a message that said: 'I'm one of those merchants. I charge a cost on my EFTPOS, and the government hasn't been anywhere near me.' Clearly, there were merchants in Ceduna, at that point in time, who were still charging for the use of EFTPOS even for small purchases. So I do not accept that these issues are plain sailing.
There has also been much made during the debate on this particular card about the community panel: 'It's okay. You can go to the community panel, and you can get the amount that is quarantined reduced from 80 per cent down to the minimum of 50 per cent.' The most you can take it down to is 50 per cent. People have talked to me about the excessive length of time required to achieve any agreement—that is if you feel like going to the people on the panel, who may be your neighbours or people in the community that you do not get along with or people with whom you have had no say about them being on the so-called community panel.

Things are not going swimmingly with this particular card. People in the Kimberley have talked to me about not being consulted about the card rolling into town in the first place. People from the department are going round talking to people—in the park, for example—about the possible introduction of the card, but they are talking to people whose first language is not English, and to some people for whom English is not their second language. People think they are enabled to opt out: when they were first told about the card, it was done in such a manner that they understood they would be able to opt out. In Geraldton, the member for Durack is telling people they can opt out, so I am not surprised if the message is going through to the East Kimberley that perhaps people could opt out of this particular card. But you are not able to opt out of this card if it applies to you in the trial sites—that is, if you are on a range of working age income support payments. But I have also heard it said for the Geraldton that maybe the government could change it and it would just apply to people on Newstart, whereas in Ceduna and in East Kimberley, if this disallowance does not go ahead, people on DSP—disability support pension—on Newstart, on other working age payments are forced onto this particular card, which quarantines 80 per cent of their income support payments.

I have also talked extensively in this place about the impact that has on people's ability to make their own funding decisions. Clearly, for the examples that I have just articulated from Ceduna, people are having trouble being able to manage their money—exactly what they were warned about is in fact happening. People are not able to manage their money effectively; the card is not working. I do not know if anybody has seen one of these cards. Andrew Forrest, the major proponent of this particular card, said in evidence to the committee of inquiry into this bill: 'This will just be like anybody else's debit card. Nobody will be able to tell the difference. It will be operating just like normal.' Well, clearly, it is not operating just like a normal debit or credit card; it is simply not. It is a particular type of card with Indue on there, so anybody in community or in your town knows that you are on income support because you use that card. You have to use that card. It is the only way that you can make purchases. So it is simply not true to say, 'This will operate like anybody else's debit card.' I will tell you what, with my debit card—

Sitting suspended from 18:30 to 20:30

BUDGET

Statement and Documents

Senator CORMANN (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (20:30): I table the following documents:

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The Budget 2016-17—Statement by the Treasurer (Mr Morrison), dated 3 May 2016.

Budget papers—
No. 1—Budget strategy and outlook.
No. 2—Budget measures.
No. 3—Federal financial relations.
No. 4—Agency resourcing.

Ministerial statement—Investing in regional growth 2016-17—Statement by the Minister for Regional Communications (Senator Nash), dated 3 May 2016.

I seek leave to move a motion related to the documents.

Leave granted.

Senator CORMANN: I move:
That the Senate take note of the budget statement and documents.

Debate adjourned.

**Proposed Expenditure**

Senator CORMANN (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (20:30): I table the following documents:

Particulars of proposed expenditure in respect of the year ending 30 June 2017.
Particulars of certain proposed expenditure in respect of the year ending on 30 June 2017.
Particulars of proposed expenditure in relation to the parliamentary departments in respect of the year ending on 30 June 2017.

I seek leave to move a motion in relation to the documents.

Leave granted.

Senator CORMANN: I move:
That the documents be referred to legislation committees for the consideration of the estimates.

Question agreed to.

**Portfolio Budget Statements**

The ACTING DEPUTY PRESIDENT (Senator Gallacher) (20:31): I table portfolio budget statements for 2016-17 for the Department of the Senate, the Parliamentary Budget Office and the Department of Parliamentary Services. Copies of these documents are available from the Senate Table Office.

Senator CORMANN (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (20:31): I table portfolio budget statements for 2016-17 for portfolios and executive departments in accordance with the list circulated in the chamber. Copies are also available from the Senate Table Office.

*The list read as follows—*

Agriculture and Water Resources portfolio.
Attorney-General’s portfolio.
Communications and the Arts portfolio.
Defence portfolio.
Department of Human Services.
Department of Veterans’ Affairs.
Education and Training portfolio.
Employment portfolio.
Environment portfolio.
Finance portfolio.
Foreign Affairs and Trade portfolio.
Health portfolio.
Immigration and Border Protection portfolio.
Industry, Innovation and Science portfolio.
Infrastructure and Regional Development portfolio.
Prime Minister and Cabinet portfolio.
Social Services portfolio.
Treasury portfolio.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Gallacher) (20:31): Order! I propose the question:
That the Senate do now adjourn.

Animals in War

Senator LINDGREN (Queensland) (20:32): On 25 April every year since World War I, Australians have gathered to remember those who lost their lives in war and those who served this great country. So I thought it was fitting that I also speak about the contribution animals have made to our Anzac story.

A short time after midnight on 2 March 1942, after fierce fighting, HMAS Perth, along with USS Houston, were sunk in the Battle of the Sunda Strait. Of the 354 lives lost from the Perth, one was the ship's cat, Red Lead. We know this, because at the end of the war those survivors who lived through Japanese imprisonment were able to confirm this.

It is not known if he survived the battle to drown as the ship went down, struggling to stay afloat, or if he had lain there on the deck, injured and dying with his shipmates, or was killed outright. Like so many sailors, we just will never know what this cat's final minutes were like. But we do know that he shared death with many of his shipmates.

Interestingly, the log of HMAS Perth showed that Red Lead had tried to leave, or 'desert', ship three times just prior to sailing to its fate. Each time a sailor stopped him and returned him to the ship. The log reads:

Red Lead, ship's kitten, endeavoured to desert, but was brought back on board, despite vigorous protests.

Today's HMAS Perth has a painting of Red Lead on the bridge, a fitting memorial to an animal who shared the life and dangers of a sailor.

Animals have been with our armed forces either as working animals or as mascots, and many a time they have shared the same fate as their human mates. We all know the story of Simpson and his donkey, Murphy, but he was not the only donkey that carried wounded to the
beach. We know of at least two others: one with Bert Latrobe of the 1st Australian Field Ambulance and the other with Dick Henderson of the New Zealand Medical Corps.

There were horses and considered fit enough to be sold to the Indian Army after World War I. There are plenty of stories of the stress felt by the Light Horsemen, leaving the horse that had faithfully carried them. One of our former senators, Major General Harold 'Pompey' Elliott left behind his trusted mount in England; after it served him well in Europe during World War I. He was so distressed that he had done this that he left a note with his horse, Darkie, outlining his service as a trusted mount. He was delighted later to receive a letter from the new owner assuring him that Darkie was being well cared for.

At the end of Australian involvement in Vietnam, the Australian Army left behind 11 labrador tracking dogs due to quarantine regulations and attitudes of the time. I am, like most Australians, happy to see that today's animals, such as Sabi, are returned to Australia. And we no longer see other shameful acts, such as animals being treated badly due to quarantine issues back home. Some animals, such as a small dog called Horrie, did not serve as either a working animal or mascot but became a pet of some soldiers during the North African campaign in World War II.

Why do servicemen and woman become attached to animals while on the battlefield? Well, no doubt, some were taken in by soldiers out of sheer human decency, because they were hungry and abandoned. But what did they offer in return? Often cats and kittens were adopted by troops on the battlefield, and cats have performed other essential roles, such as raising morale. With their amusing and affectionate behaviour, they helped remind men and women far from Australia of 'normal' life, and the comforts of home.

I could name many other animals that went to war as working animals, mascots or pets. There are the names of animals that are known to us, but there are many more who are unknown but which were no less important to those who they served with.

I have been fortunate to have met a man called Nigel Allsopp, who leads an organisation called the Australian War Animal Memorial Organisation. I congratulate Nigel on his efforts to share the stories of our war animals, and I support his endeavours to ensure Australians appreciate and understand their contribution to our war efforts.

I will conclude with words from the Australian War Animal Memorial Organisation:

Throughout history, in war and in peacetime, animals and mankind have worked alongside each other. As beasts of burden, messengers, protectors, mascots, and friends … (Time expired)

**Tourism**

**Senator SINGH** (Tasmania) (20:37): I rise to draw the Senate's attention to an exciting opportunity that has the potential to attract more tourists and create sustainable jobs in my home state of Tasmania. Perhaps most importantly this project has the potential to help heal divisions and unite traditional Tasmanians adversaries. In the modern economy, I firmly believe Tasmania's future lies in its precious natural advantages. Our ability to employ our people, fund vital services and maintain good standards is ever more dependent on three key things: our ability to become a world leader in producing clean renewable energy; our ability to innovate and create globally coveted produce from our climate, soils and waterways; and our ability to attract more visitors to come and spend more money sampling Tasmania's beauty. So imagine a project that genuinely has the environmental, social and economic
credibility to unite all sides. I believe the infrastructure upgrade currently proposed for Cradle Mountain is that project.

Cradle Mountain is part of the Tasmanian Wilderness World Heritage Area, one of the most special places on earth. It is a place of ancient rainforests found nowhere else on earth, with ancient alpine species such as King Billy pine. It is host to precious wildlife. It is a place of incredible Aboriginal heritage and stunning scenery around Lake St Clair and Dove Lake. Cradle Mountain has become an iconic Tasmanian symbol. Lonely Planet has ranked Cradle Mountain as the world's 32nd best visitor experience. In Australia, only the Great Barrier Reef and MONA outrank it. It rates ahead of both Uluru and Kakadu National Park.

However, Cradle Mountain's tourism infrastructure is run-down and needs significant improvement. Tourism demand is moving well beyond what the current infrastructure can handle. In particular, disability access to the mountain is very poor. As things stand, the access road will have to be widened and upgraded to carry bigger buses within about 12 months. In turn, those buses will create more pollution and wear and tear on the local environment. Compared to widening the road and bringing in more and bigger vehicles, the Cradle Mountain master plan proposal highlights a sustainable alternative that will remove most vehicles from the sensitive mountain area altogether and, instead, provide visitor access, including disability access, via a low-impact, world's-best-practice cableway stretching 7.2 kilometres up the mountain. This will also help to attract an extra 60,000 tourists a year to Cradle Mountain, currently averaging 200,000 visitors each year. The extra visitation would be possible because the cableway will provide all-weather access all year around, instead of relying on the access road staying open.

The project will create almost 150 full-time jobs in construction and more than 110 full-time jobs in operation in a region that particularly needs sustainable jobs. It will create market potential for about 200 extra accommodation rooms in the Cradle Mountain area. It will provide low-impact shelter pods around Dove Lake and create a new wilderness village that consolidates visitor parking and retail outside of the national park, removing the ugly Dove Lake car park, which is currently among the first things visitors actually see from the top of Cradle Mountain. This master plan project will save Tasmanian taxpayers up to $40 million in recurrent costs over the life of the project. Most crucially, it will help to protect the precious Cradle Mountain environment and reduce the carbon footprint.

In contrast, doing nothing will actually see that environment degraded over time. But, unfortunately, in tonight's budget that is exactly what the Turnbull government has gone with—the doing-nothing approach for tourism in Tasmania and the Cradle Mountain master plan. That is very much a shame for Tasmania, for Tasmanian jobs, for the Tasmanian people and, most importantly, for the Tasmanian brand—which, as I said, Lonely Planet rates so highly. This is a $100 million public-private project being actively championed by the Tourism Industry Council Tasmania, the Parks and Wildlife Service, the Cradle Coast Authority and all nine Cradle Coast councils. The Commonwealth government could have made this happen; instead, it has chosen to do nothing. In the meantime, it is happy to continue to invest in Kakadu National Park but do virtually nothing for Cradle Mountain. Where does this stack up? Where is the government in standing up for Tasmania? It is doing nothing in this budget tonight.
Welfare Reform

Senator SIEWERT (Western Australia—Australian Greens Whip) (20:42): Tonight I rise to speak about the cashless welfare card. The government said it was going to consult with the local community and only introduce a cashless welfare card if the community accepted it. I have a copy of letter to the Prime Minister from Aboriginal organisations in Geraldton. It reads:

Dear Prime Minister

On 28 April 2016, representatives from Aboriginal non-government organisations were united in a decision to not support a Commonwealth cashless welfare card in Geraldton. This decision is based on the feedback from the Aboriginal community who have shared their concerns about the effects that this card would have on their lives. Whilst we understand and accept that our community has social issues—including drug and alcohol misuse, child abuse and domestic violence—a mandated card would not be successful in addressing these multiple and complex issues. It will not assist people to better manage their money or make healthy informed choices. With this in mind, we do support a card that is voluntary and case managed by professionals who demonstrate competent practice in addressing the needs of Aboriginal people and the wider community of people who require support to make changes to address the fundamental underlying causes of dysfunction.

At the community engagement meeting hosted by the Bundiyarra Aboriginal Community Aboriginal Corporation and facilitated by the Department of Social Services, the Aboriginal community were invited to share their opinions and concerns with the government representatives present. During this meeting the Aboriginal community openly shared their concerns and offered practical solutions to address the issues in our community. To blatantly ignore the voices of those who contributed to this discussion is disrespectful, contrary to efforts made to close the gap and further disadvantages the already most disadvantaged group of people in this country.

This card has been described by the community as being out of alignment with the declaration of human rights and clearly disregards recommendations from reports such as the Bringing them home report, which recognise the detrimental impacts of paternalistic policies by government and non-government organisations. For Aboriginal organisations and people to accept a cashless welfare card is to revert to past practices of control and oppression of human rights. We look forward to working collaboratively with relevant government agencies to close the gap in such a manner as to uplift the nobility of the Aboriginal people of Australia.

This is a very clear rejection of the cashless welfare card by Aboriginal people in Geraldton.

Further, there is a media release that in fact came out today. It says, 'Local Aboriginal elder and community advocates reject the introduction of a trial cashless welfare card system in Geraldton, calling on the federal government to take their social experiment elsewhere. To date in the community there has been no suitable consultative process with recipients of welfare payments, federal government officials organising meetings with select community members behind closed doors and suggestions of millions of dollars to accompany the introduction of the card, which Aboriginal members believe could be better used to develop wraparound services now with existing resources and services in Geraldton.'

Clearly, the Aboriginal community has spoken loudly and clearly. They do not support a cashless welfare card being rolled out in Geraldton. If the government is dinkum in their comments on the cashless welfare card that they will do community consultation, if the community does not want it, they will not push ahead with it. The public meeting that I was
at, helped convene and reported to this chamber last sitting very clearly said, 'No, we do not want this cashless welfare card.' Aboriginal organisations have clearly carefully considered this issue and on 28 April, last week, held another meeting and decided that they did not want to accept this card, as is reflected in that letter to the Prime Minister. There has been a media release issued. It is very clear that the community is rejecting this card.

The government said that they would not go ahead with the card if the community rejected it. They have clearly rejected it. The government has gone ahead and put money in the budget for another trial of the cashless welfare card. Take it away and spend it on wraparound services that truly support the most vulnerable in our community. The Prime Minister said in his closing-the-gap speech not long ago in Parliament House that they should listen to Aboriginal people about what they want. They clearly do not want this cashless welfare card. I urge the government not to proceed with another trial site for the cashless welfare card and to let Geraldton know that they will not proceed with this card in Geraldton. I urge Melissa Price, the member for Durack, to reconsider her support for this card. Her constituents do not want this card.

Budget

Senator McKENZIE (Victoria) (20:47): I want to rise tonight and say how very proud I am of the Liberal-National government, who tonight brought down a significant economic plan for the future of our nation—a plan that will actually help us to take advantage of the economic opportunities that this century will bring, particularly as we are a nation uniquely situated in our region of the world. It is a plan that I believe will also significantly assist us to overcome the challenges of the 21st century, because it is focused on being fair, being responsible and investing in a way that targets our strengths and assists us to grow our economy so that we can support more jobs doing forward in innovative and transformative areas.

Today we saw a youth unemployment package: the PaTH, which I am incredibly excited about. In regional Victoria, my home state, we have very high youth unemployment, particularly in the areas of Murray and Indi. I know that that particular program, which looks at a new way of approaching this hideous problem, will get young people off the intergenerational welfare bandwagon and have them trained, interned and mentored in local businesses so that they can go and have fulfilling lives, support themselves and their families and contribute to the local economy.

I believe superannuation changes are absolutely going to be very welcome out in the regions, because this is about targeting the top one per cent of superannuants and ensuring that they pay a fair amount of tax and that those most vulnerable in our community are supported into a retirement which means they will be able to support themselves more easily. I am very proud of the measures that go to ensuring that those who operate a business in our country actually pay the tax required. That is an exciting move forward.

With regard to innovation programs and free trade agreements, I know there are so many businesses right throughout regional Victoria which are already exporting and are going to take full advantage of those free trade agreements, but the sustainable four-year path back to surplus from where we are today, paying over $1 billion a month in interest on the deficit, to a space where our deficit is $6 billion is absolutely credible and is a testament to the economic nous of our government.
In terms of regional Victoria, I am incredibly excited for the seat of Murray, which sees a significant infrastructure investment. I know they will be very excited about the over $7 million that the Community Development Grants Program has delivered them and the Inglewood town hall community hub development. We have a range of bridges and roads, which are so crucial not only to the way we socialise and interact but indeed to building our economic future.

As somebody who has before the Senate a bill on the ABC, I see the government will provide $4 billion over three years to the ABC and SBS. The ABC will receive an additional $41.4 million towards local news and current affairs services, particularly those located in regional Australia. This is something that I have been very proactive about, and I am very excited to see that additional investment to ensure that regional communities have access to current affairs, weather and emergency service broadcasts which are relevant to them and help them to live, interact in their lives and grow their businesses.

Licence fees for commercial television and radio broadcasters will be reduced by 25 per cent, and I think the investment in the Mobile Black Spot Program is incredibly important for us to participate in the digital economy out in the regions. That focus on innovation, hubs and collaboration does not just occur in the city. It is a welcome recognition by my government, and I am looking forward to regional Australia—regional Victoria—showcasing what we can do with our innovation, entrepreneurship, drive and resilience to contribute what we can to continue to grow and invest in this country.

I am from a small business. The majority of our local economies in regional Victoria are made up of small businesses. We do all the hiring. We are the great contributors to local economies, and our government has backed small business in a way that has not happened before. I am looking forward to seeing that grow, expand and reinvest in business and jobs in the regions so that we can all grow together. (Time expired)

Aboriginal Deaths in Custody

Senator LINES (Western Australia) (20:52): In August 2014 Ms Dhu died in tragic, preventable circumstances in a South Hedland police cell. Police who were responsible for her wellbeing and safety failed Ms Dhu. In fact, according to *The Age* newspaper, evidence to the recent coronial inquest into Ms Dhu's death showed that police officers 'mocked, ignored or dismissed' her calls for help. It is extremely concerning that the last words Ms Dhu heard before she died may have been that she was 'faking it' and to 'shut up'.

The WA Premier, Colin Barnett made a 'personal commitment' to work with ministers in reducing the number of Aboriginal people in the state's jail system and deaths in custody. 'I will do that, you then judge me on whether I succeed or not, but I give you that commitment today,' he told the family, who attended a public protest at the state Parliament House in 2014. Well the Premier has done nothing. More recently, the federal member for Pearce and former WA Attorney-General, Christian Porter, had this to say:

My view when attorney-general is the same view I hold now, being that if a person refuses to pay their fines, or refuses to enter into a time-to-pay program, imprisonment must remain a final option otherwise hoons, vandals and anti-social offenders would be allowed to commit crimes without an ultimate consequence.
What a heartless, uninformed point of view.
The death of Ms Dhu in police custody should be of concern to all of us. There is a crisis in the incarceration of ATSI peoples, best summed up in a poem by Dion Harris, Ms Dhu's uncle.
I think of my niece & the pain she endured
Them nights in the cells when her voice wasn't heard
The cruel, sick mistreatment at the hands of the law
Must surely be exposed in a criminal court
But for W.A. Police it's a grain in the ocean
'Cause they mistreat their "Blacks" with love & devotion
Their record on it's own could stand mountain high
'Cause we all know how many of our family have died
They say that there is more than one way to skin a cat
And I think Australian governments have often showed us that
For they've killed us & maimed us in so many different ways
And we've suffered from birth to the end of our days
But this type of murder it really was callous
So nasty it would make South Africa jealous
They murdered my niece there's no other way to say it
She could've been saved with antibiotics instead of delaying it
So gather your ears our international friends far & wide
Because you know it was legal murder the way my beautiful niece died
My brother's led the fight to try & get our family justice
Please support us in our fight against this island full of racists.

Budget

Senator McKIM (Tasmania) (20:55): Well, they will be popping the champagne corks in corporate boardrooms around the country tonight after the budget that we have just seen brought down, but they certainly will not be popping the champagne corks in the public education system or in the public health system, and I can tell the Senate one thing: they will not be popping the champagne corks down in Tasmania as a result of this budget, because, as this budget looks after the top end of town at the expense of the less well-off, driving the gap even further between the haves and the have-nots in this country, of course those states that are the most economically disadvantaged will lose the most, and that particularly applies to my home state of Tasmania, where only 20 per cent of Tasmanians are earning above the $80,000 that you will need to be earning to feel any benefit at all from the income tax measure that has been put in place to address a very small part of bracket creep in this country. For most Tasmanians, there is very little to nothing in this budget.

One thing that I can inform Tasmanians about, after a preliminary look through this budget, is the ideologically driven attack on wilderness that is contained in this budget. I am glad Senator Abetz is in the chamber to hear this contribution. When you look at the national partnership for managing the World Heritage values of the Tasmanian Wilderness World
Heritage Area, you will see that in the current financial year that was worth $5.2 million to Tasmania; in the next financial year, 2016-17, the funding falls off a cliff, down from $5.2 million to $1.8 million; it drops further in the following year, to $1.7 million; and then, from 2018-19 through to 2019-20, it disappears entirely.

We should not be surprised, because of course this is the government that tried to shrink the Tasmanian Wilderness World Heritage Area and was snubbed by the United Nations and the World Heritage Committee. When you look at this national partnership and at the specifics of what it is for, it is actually funded to support the management of the World Heritage values of the areas added to the Tasmanian Wilderness World Heritage Area in 2013, as well as progressing the cultural heritage values study of the entire property. This money, in significant part, was designed to enhance the management of the values for which this property was protected on behalf of all of humanity by the United Nations. It is specifically designed to help manage the World Heritage area extension that this government tried to remove. So what you have is an ideologically driven government that, less than two years after the UN agreed to extend the World Heritage area, has gone to the United Nations to try to shrink it. It has been told—very politely, I am sure—to just go away by the United Nations: no, the UN will not accept the Liberal government’s recommendation to remove the vast majority of that extension from the World Heritage area. So the next best thing is to attack the funding that is there to manage the values of this extension. That is what this budget shows. It is an ideologically driven attack on wilderness by a government that would not know the value of wilderness. And if they want to know the value of wilderness to the Tasmanian economy, I refer them to the Tourism Tasmania study that showed that, by some margin, it is the Tasmanian wilderness, more than any other asset that our state has, that influences people in making a decision to visit Tasmania.

I do not know where the minister for tourism, Senator Colbeck, is—he is probably trying to salvage his position on the Liberal Senate ticket—but what we should see is Senator Abetz, Senator Colbeck and all of the Tasmanian Liberal colleagues actually explaining to their government colleagues here in Canberra that in fact wilderness is a primary asset for the Tasmanian tourism industry. If you cannot understand the value of wilderness for its carbon or for its intrinsic value or for its value to the hearts and souls of so many Tasmanians and Australians, for goodness sake, understand its importance to the tourism industry and stop cutting funding designed to manage its values. (Time expired)

Rose, Reverend Peter

Senator ABETZ (Tasmania) (21:00): Eleven years ago this month, the parliament was adorned by Reverend Peter Rose commencing as our chaplain. The Reverend Rose has regrettably yet understandably announced his intention to step down from this important role, a role that seeks to look after our spiritual wellbeing and practical needs. Reverend Rose had a distinguished career in our Defence Force serving as an engineer captain based in Nui Dat during the Vietnam conflict. He has tertiary qualifications in engineering, theology and creative writing. He is a husband, father and grandfather. He has also worked with an international humanitarian aid organisation. He is an author and professional trainer. In short, Reverend Rose brought with him a wealth and breadth of experience that uniquely qualified him to be of real and practical value to senators, members, our staff and indeed all people within this building. His personable caring approach, his empathy and his compassion all bore
witness to his Christian faith and was the reason so many sought his counsel, advice and guidance. He was a trusted confidant to many.

Many in this Parliament House building can bear testimony to Reverend Rose’s—or as he prefers to be called 'Peter's'—wonderful Christian witness. Through the lows and highs of daily life be it in matters associated with this place or with one's personal life, Peter was always prepared to listen, sit with you, talk and, if you wanted, pray with you. His weekly devotions were always a blessing. The guidance and wisdom imparted through them was a lift and boost for all who had the privilege of hearing them. His commitment to our individual welfare, our deliberations and our nation were shown by his alternating and unflaking presence at the TV monitors outside the House of Representatives and Senate chambers when prayers were said each day to commence proceedings. This daily quiet, unobtrusive, discrete presence was always a welcome and reassuring sight.

Whilst Peter has generously agreed to remain in the role of chaplain until a suitable replacement can be found, it is his expressed intention to retire when this, the 44th Parliament, is dissolved—and if speculation is a guide, it is believed that that could be rather soon.

As one of the many beneficiaries of our chaplain's counsel, company, guidance and prayerful support, which he so freely, generously and graciously gave to me, let me seek to speak on behalf of all the others he has helped and blessed by saying thank you to Reverend Peter Rose, and to his superiors both in the church and spousal—namely his wife Marion—in lending him to us over the past decade. Individuals, our parliament and our nation have been blessed by Peter's service to us. My prayer for our retiring chaplain is that he may be blessed with good health and happiness in his retirement and that, as he reflects on the past 11 years, he be reassured that his service was treasured by many. I for one and, I suspect, on behalf of the very many others in this place, want to say a very heartfelt thank you to the Reverend Peter Rose and may God richly bless you for your faithful witness and service to us.

Broadband

Senator URQUHART (Tasmania—Deputy Opposition Whip in the Senate) (21:05):
Tonight I would like to talk about the betrayal of the people of the west coast by local Liberal member for Braddon, Brett Whiteley. Under the former Labor government, the west coast was slated to receive the superior 21st-century fibre-to-the-premises NBN. This decision was made in recognition of the vital importance of the west coast and of the pressing need to create a strong diverse economy with a reduced reliance on mining. Labor understands that the superior full-fibre NBN is one of the best ways we can open up new market opportunities and attract investment and jobs to regional communities. Before the 2013 election, the Liberals were very clear in their commitment to honour Labor's existing fibre-to-the-premises contracts in Tasmania. Even Mr Turnbull came out to reassure Tasmanians that this is what would happen when he said:

…the alternative would be to breach them and that is a course we would not countenance.

True to form, the Liberals trashed their promise soon after the election, telling Tasmanians that instead of their vastly superior full-fibre NBN, great swathes of the state would now be saddled with the second-rate fibre-to-the-node NBN based on the decrepit copper network that was built so many decades ago.
But the situation was going to get even worse for the people of the west coast. In fact, in February, we found out through questions I asked at Senate estimates that the government had dumped its plans for west coast fibre-to-the-node NBN and the entire west coast would only be served by the very slowest internet technology satellite. There were no announcements, no explanations, just a sneaky backflip. Of course the community was outraged. They knew they had been betrayed and they knew their future economic prosperity was on the line so they mobilised to fight the plans and fight they did. But sadly, their local member, Brett Whiteley, did not go into bat for his community: instead, he treated them with absolute contempt by trying to pretend that there were never any plans for a fixed line rollout to the west coast in the first place despite the fact that it was written in black and white in the government's own publicly published rollout plan released only a few months earlier.

When he realised his blatant misrepresentation would not fly, Mr Whiteley went on the defensive and expended great energy to tell the people of the west coast why they did not deserve the full-fibre NBN they were promised before the election anyway. While Mr Whiteley was telling anyone who would listen that it would be much too expensive for the Liberals to honour their NBN promise, the Labor candidate for Braddon, Justine Keay, and I lobbied Labor's shadow minister for communications, Jason Clare, relentlessly. We wanted to ensure that, under Labor, the west coast of Tasmania would get exactly what they were promised in 2013. I am pleased to tell the Senate tonight that Mr Clare visited Tasmania last week to announce that this is exactly what will happen. Unfortunately, Mr Whiteley did not even bother to inform himself about the basic details of the policy before claiming that we had not outlined the technology that we would be delivering. So today, for Mr Whiteley's benefit, I will clarify.

Under a federal Labor government the key west coast towns of Queenstown, Rosebery and Zeehan will get the superior full fibre-to-the-premises NBN that they were promised by both parties before the last election. The day after Labor's announcement, Mr Whiteley cobbled together a story about a proposal he says he had made to the Prime Minister on west coast NBN technology. The problem is that, if Mr Whiteley's proposal is nothing but another broken promise, it will mean these key west coast towns will only get Malcolm Turnbull's second-rate fibre-to-the-premises NBN, which is based on the ageing copper network. Without the benefit of Labor's full-fibre NBN the west coast will struggle to attract the investment it needs to build a diverse economic base to create jobs and attract people to the region. That's right, a $370 million plus economy will be stuck for decades to come with last century's infrastructure. It simply will not be able to compete with other Australian regions that have the real NBN. This is nothing short of economic vandalism and the west coast deserves better. Today I call on Mr Whiteley to back in the people that he supposedly represents and commit to matching Labor's promise to deliver the vastly superior full-fibre NBN to Queenstown, Rosebery and Zeehan.

Health Care

Senator CAROL BROWN (Tasmania) (21:09): I would firstly like to commend and congratulate Senator Urquhart for highlighting again the failure of the member for Braddon, Mr Whiteley, to stand up for his constituents. He has failed time and time again in this parliament to stand up for his community. That brings me to the point of my contribution.
today, which is again about the failure of Tasmania's federal Liberal MPs—Mr Whiteley, Mr Hutchinson and Mr Nikolic—to stand up for their constituents.

I recently had the opportunity to visit the Radiology Tasmania facilities in Hobart. I was accompanied by Mr Shorten; by the Labor candidate for Lyons, Brian Mitchell; and by the Labor candidate for Denison, Jane Austin. We were briefed by the owner and radiologist, Dr Pip Taplin, on the impacts of the Turnbull government's cuts to bulk-billing incentives for pathology and radiology services which are due to take effect from 1 July of this year. These cuts will mean Tasmanians will have to pay more for blood tests, X-rays and scans. To call these cuts irresponsible is an understatement. These cuts will hurt, and people know this.

I have heard from hundreds of Tasmanians who are concerned about the Turnbull government's decision to slash the bulk-billing incentive for pathology and imaging. And based on yesterday's contributions in the other place by the members for Lyons and Braddon, I would say that they too have heard from these Tasmanians. But instead of standing up for their constituents, for their communities and for Tasmanians, Mr Hutchinson and Mr Whiteley attacked the health providers. In essence, they ignored their constituents' views. Singing from the same song book, Mr Hutchinson and Mr Whiteley highlighted the incredible campaign that is running on this issue. Mr Whiteley actually said:

People coming in to have their pathology tests are being asked to sign a petition to say that an incentive that was put in place of between $1.40 and $3.40, depending on the respective schedule number, is going to require payments after 1 July of $50, $60, $70, $80, $100. This is extraordinary.

And, I have to agree, this is extraordinary—though I doubt we would find it extraordinary for the same reason. It is extraordinary that Mr Whiteley, Mr Hutchinson and those opposite do not understand that the changes they have flagged will force patients to pay up-front for tests and treatment. That is the reality. It is extraordinary that they cannot understand that it is not simply a matter of people having to find the extra money to cover the gap. It is extraordinary that they cannot understand that having to find $100, $80, $70, $60 or $50 to pay for tests and treatments up-front will actually stop many individuals and families from getting necessary pathology and imaging.

What is extraordinary is how out of touch those opposite are. We are talking about people delaying and avoiding necessary tests and treatments. For people who require regular scans and treatments, for those with cancer or other serious health issues such as diabetes or heart conditions, this could have a devastating impact on their lives. A woman called Pam told me in a letter that she will have to put off appointments for pathology. Her husband has type 2 diabetes, heart problems and arthritis. As a result, he has to have numerous blood tests. Pam said her husband is adamant that if he has to pay he simply will not go. She ended her letter by saying, 'I cannot believe that, after working all our lives, the government can do this to pensioners.' This is what I have heard time and time again from people across Tasmania. The Turnbull government's $650 million cuts are going to have a serious impact on many patients, forcing them to pay higher fees and, in some cases, skip important scans and tests. These cuts are not only unfair; they are also out of touch and incredibly short sighted. What I can say to those many hundreds of people who have emailed me is that Labor will not support this fundamental attack on Medicare because we believe that every Australian needs access to affordable and quality health— (Time expired)
Budget

Federal Election

Senator BACK (Western Australia) (21:15): This evening I had the pleasure of watching, listening and learning as Treasurer Scott Morrison brought down the economic plan for Australia for the next four years and beyond. It lays the path for an election which will take place on 2 July this year. The choice that Australians have could not now be more in contrast: between a government led by Prime Minister Malcolm Turnbull—a man who was a visionary in his business life prior to politics, a man who is an outstanding leader as Prime Minister of Australia—and the alternative, a gentleman by the name of Mr Bill Shorten, who in a recent statement said, 'If I gain the prime ministership, if I get to lead this country, I will lead it as I have led the union movement.' Those who are in any doubt as to Mr Shorten's track record in leading his union and the union movement generally need look no further than the recent royal commission into union corruption.

There are three platforms upon which the coalition government will go into the 2016 election. They are growth in the economy; jobs, building on the 300,000 jobs that the coalition has created in the time it has been in government; and investment—growth, jobs and investment. But let me point out, to those who might be interested, the fundamental difference between our two political philosophies. The philosophy of the coalition is that of promoting the individual. The coalition asks, and will continue to ask, the individual what it is they want and what is standing in the road to their own personal improvement and progression. We will continue to develop policies that will allow individuals to reach their maximum potential. As opposed to that, our political opponents, the Labor Party, should they win government, will return to the collectivism which has been the principle of the Labor Party since its inception. In other words, the Labor Party will continue to tell people what is good for them and it will get about the process of socialising to achieve it.

I will return for a moment to the first of those three platforms, that of growth. The best predictor of future performance and future behaviour is always past behaviour. It is the only predictor of future performance or future behaviour. When we look at growth, I would point immediately to the excellence of our recent trade minister, Mr Andrew Robb. His time as minister built on a career of some 40 years—and the absolute zenith of his career was to gift to the Australian people not one, no two but three free trade agreements, with three of our best and longest-standing trading partners, being Japan, South Korea and China. Those three free trade agreements are now in place, are already having an amazing effect and will continue to have an incredible effect on this country's economic wellbeing and its employment opportunities well into the next 30 or 40 years.

Whilst it is possible to reflect on the value of the FTAs in goods and commodities, I want just for one moment to mention the question of the value of services in the free trade agreements, particularly the agreement with China. It is the case at the moment, as Senator McGrath knows only too well, that the services sector only contributes 17 per cent of our net export wealth. China, for reasons best known to itself, values highly Australia's services sector—our prudential regulation and our capacity, for example, with services such as health, aged care, architecture, building, construction and mining. If it is possible for us to increase the component of export income for this country from services from 17 to 34 per cent, the
value to this country and to the young people—those now in school, going through university or seeking employment in the professions and in the trades—will be massive.

It is the case that the Labor Party has supported the development and the signing of those free trade agreements, and I congratulate and acknowledge the Leader of the Opposition in the Senate, Senator Wong, for her consideration in the way in which those negotiations have taken place. But I also say that we are moving to the opportunity of the Trans-Pacific Partnership, in which we can open up our relationships further not only with Asia, with countries such as Vietnam, but also particularly with North, Central and South America, because the TPP gives us access to countries such as Mexico, Chile and Peru. You and I, Mr Acting Deputy President Gallacher, participated in a Senate inquiry last year into the potential for Australia’s further relationships with Mexico, this year marking, as it does, the 50th anniversary of our relations with that country. I could talk at length about the value to agriculture, to agricultural exports, from the free trade agreements and the TPP, and the value to our mining services sector, because the excellence with which Australia undertakes its mining—its hard rock mining and its oil and gas activities—is known internationally.

I will turn now to the second of those platforms, employment, and focus on one program that was presented to us tonight by the Treasurer in the budget statement, and that is the Youth Jobs PaTH. This absolutely visionary concept that has been developed by the Treasurer and the Minister for Employment, Minister Cash, is a program that prepares, trials and hires young people. I was very proud this evening to hear that some $840 million is being invested towards opportunities for permanent employment for some 120,000 young people under the age of 25 years. This is a program in which the funding from the Work for the Dole scheme can follow a young person into an apprenticeship or an internship so they can work with an employer. The employer will top up that wage and give them the opportunity to develop those skills that we all know are so necessary for a young person to develop employment opportunities. And then, at the end of the process, hopefully—should they have worked themselves into employment—get it. Again, the employer will receive support financially under this scheme, or, in fact, move to a different form of employment—but it is to get them off that shocking process of long-term unemployment, which we cannot afford to have in our country if we are to achieve the enormous benefits of the economic plan for this country as outlined by Scott Morrison this evening.

I turn to the third of those principles: growth, jobs and investment. I talk about overseas investment in this country. We have seen this evening the actions that will be put into place by this government to ensure that those who earn income in Australia, be they Australian companies or offshore companies, will pay tax. But we need that $200 billion of investment that we currently have in the oil and gas sector—principally offshore from my own state of Western Australia, but also Queensland and elsewhere. I talk also about the need and opportunity for investment by Australians. That is why it is so disappointing that Mr Shorten has indicated with his economic team that he will impact severely on negative gearing. The actions of this Labor Party, should they win government, would not only severely impact those middle and other income earners who use negative gearing on property but they would also impact on negative gearing for shares and for business start-ups. In other words, the exact opposite of what we need in this country.
The coalition wants to encourage investment. It wants to back winners. The Labor Party wants to put shackles around them. Of course, added to that insult of reducing negative gearing on existing properties and on other investment forms, the Labor Party, should it win government, wants to add another shackle to investment in business in this country, and that is to double the capital gains tax.

Six points were outlined this evening by Treasurer Morrison, and I want to finish on them: an innovation and science program for start-up businesses; a Defence plan for high-tech manufacturing and technology; export trade deals to generate new business; tax cuts and incentives for small businesses; a sustainable budget for crackdowns on tax avoidance; and guaranteed funding for health, education and roads. I commend this budget—(Time expired.)

**Workplace Relations**

**Senator BILYK** (Tasmania—Deputy Opposition Whip in the Senate) (21:25): Tonight I rise to speak about penalty rates. I know that is an area of interest to you, Acting Deputy President Gallacher. Penalty rates have been a feature of the industrial relations system in Australia for over 100 years. They are a time-honoured tradition, and while I realise that they are not unique to Australia, they do reflect our egalitarian value of a fair go for all—particularly for our most vulnerable, highly casualised workers. But, of course, now they are under threat.

The industrial umpire, the Fair Work Commission, is conducting a review into hospitality and retail penalty rates. In December a Productivity Commission review recommended that penalty rates on Sundays should be no higher than on Saturdays. After considering more than 6,000 submissions, the commission’s final hearing was held on 15 April. It announced its intention to release its decision within 12 weeks. Interestingly enough, that decision may well end up coming down during the election campaign. If I was the government I would think quite seriously about how many people are involved with and work in the retail sector and the service sector who rely on penalty rates.

It is also worth remembering that over the years penalty rates have attracted a lot of support. Much of it has been bipartisan. For example, the ex-Prime Minister Mr Abbott is on the record conceding that penalty rates are very important to people. He said:

> If you're a low-paid worker one of the things you often love to do is work late nights, weekends, because it does substantially increase your income.

I do not actually know if you 'love' to work it because it substantially increases your income, but you might need to work it to increase your income. They are fine sentiments by the ex-Prime Minister—in fact, they are great sentiments—but they are not apparently unshakeable, because we currently have a government that is more concerned with lining the pockets of the rich than ensuring the poor have enough to make ends meet. The budget tonight makes that clear with every issue being seen through the lens of the big end of town, with Australians who earn the most getting a double tax cut while three-quarters of Australian taxpayers receive absolutely nothing. What does it matter if a person misses out on family time over the holidays or on weekends, so long as the company profits go up while their taxes go down? Mr Morrison's budget shows exactly where his priorities lie. Let us never ever forget the contention of his predecessor, Mr Hockey, that penalty rates are 'profit murder'.
I am proud to stand here and speak on behalf of the millions of workers who are typically required to work at nights and on weekends while the rest of Australia is enjoying time with families and friends. These are not the fat cats of big business; they are people without investment portfolios or negatively geared properties. They know they are lucky to have a job at all in some cases—these people who work in hospitality and retail, who are expected to be available to serve or assist us when we dine out or shop in our spare time.

Let us remember the nurses and emergency service workers who are on hand to care for us and possibly even save our lives when the need arises. Labor rejects the idea that these workers' inconvenience and time away from their families is not deserving of compensation. The principle of honest pay for honest work has stood the test of time, and, as the old saying goes, 'If it ain't broke, don't fix it.' Penalty rates are not broken, and Labor wants to see them left alone, because any reduction would hurt many hard-working Australians.

We have heard a lot recently about infrastructure and the growth of cities, but I represent Tasmania, where our cities are small and a lot of our people live their whole lives in small, rural communities. I want to talk about how reducing or abolishing penalty rates would have particularly severe repercussions in regional and rural areas, not just in Tasmania—which Senator Polley and I represent—but around the country. Let us be clear: we are not talking about wealthy workers raking it in by 'murd...ers profits'—thanks Joe; we are speaking about workers whose average income is amongst the lowest of any industry in the country, if not the lowest, according to census data.

The 2011 ABS census calculates the total income earned by workers in the retail industry in rural Australia at $9.1 billion per annum. In 2011, the estimate of average income per worker, including full time, part time and casual work, was $32,200 per annum, whereas in non-rural areas it was $34,500. That is right—retail workers in rural areas already earn, on average, seven per cent a year less than their city counterparts. And in the hospitality industry, the estimated average income per worker was a mere $28,700 per annum.

When you think of somebody in hospitality or retail trying to live on about $30,000 a year, remember that that amount nearly always includes penalty rates. So it is clear that any proposal to lower the income of workers in retail or hospitality is of great concern to anyone who cares about the wellbeing of local communities.

Reducing the incomes of a group of workers who are already receiving the lowest incomes in rural Australia would mean less money available for spending on local goods and services. And I am not just talking about a handful of people. Over 18 per cent of rural workers in Australia are employed in the retail and hospitality sectors.

A recent analysis by The McKell Institute estimates that a cut to penalty rates would result in these workers losing between $370 million and $1.55 billion each year, depending on the extent of the cuts. That would mean a reduction in income in regional areas of between $174.6 million and $748.3 million. Whenever I hear the argument that cutting penalty rates would result in increases in both companies' profitability and the nation's level of productivity, I wonder if the people who talk about 'profit murder' have ever stopped to think about where money earned from penalty rates is spent.

If penalty rates are cut, small businesses that rely on the wages of local employees to survive will suffer, their workers and their families will suffer, and there will be less money in
circulation to boost the economy. How is economic growth helped by reducing the amount of money in circulation?

As anyone who comes from or even visits rural Australia will know, small local business are under threat, and efforts to keep people shopping and trading locally are continually challenged by the intrusion of chain store outlets. Let us just pause and consider the effect in a small town where a business owner does not live locally. The lower levels of workers' income is accompanied by the transfer of profits to where the business owner lives—usually the city.

We would have to be blind not to see the irony that the retail and hospitality areas are the ones that would feel the greatest impact if penalty rates for workers in the retail and hospitality trades are cut. My own state, Tasmania, is already burdened with a high level of unemployment. If penalty rates in the retail and hospitality sectors are abolished, workers in Tasmania would lose between $31.5 million and $58.7 million per annum. This would result in a loss in disposable income of between $15 and $29.4 million per annum to local economies. That would be a devastating loss.

If the statistics do not make us stop and think, perhaps some individual stories will. As a member of Labor's Fair Work task force, I have heard firsthand from some of the people whose lives clearly demonstrate that penalty rates are no luxury—people such as Carol, a hotel receptionist, who works 15 hours a week on a three-week rotating cycle. For this, she earns $20,000 a year, with the penalty rate component accounting for 25 per cent of that amount. Carol supports a child and a profoundly deaf mother. She did not seek out working those penalty rate times; that was what was required of the job and sometimes the hours are not at all convenient for her. But work is hard to get. It took her 62 job applications over 33 weeks to find this position, and she wants to hold on to it.

Nobody in their right mind would envy Carol or think she was a 'profit murderer', but her employer once referred to her penalty rates as money 'supporting her lifestyle'. That is a line we have heard before too—lifestyle, indeed! It is people like Carol, often in part-time or casual work at low rates of pay, who need their penalty rates to make ends meet. It is people like that whom Labor are determined to stand up for.

So let us hold on to penalty rates and not bend over backwards to help big companies make even bigger profits at the expense of ordinary workers, which is so unfair. Labor have a better plan for our country: we will put people first.

South Australia

Election of Senators

Senator DAY (South Australia) (21:34): Well, what a week it has been for Adelaide. First, the government delivered on its 2013 election commitment to build 12 submarines in Adelaide. Better yet, it chose a French partner, leaving open the potential for nuclear submarines, or even a South Australian nuclear industry. But it got better for Adelaide. The Crows won against Fremantle. Port Power turned their season around, beating Richmond. Then on Sunday, over 50,000 football fans, or soccer fans, if you like, poured into the temple of AFL and cricket, the Adelaide Oval, to watch the Adelaide United Reds triumph for their first ever A-League grand final victory after three attempts, beating Western Sydney Wanderers 3-1.
The grand final was played in the home state of the highest ranked team in the finals series. I hope the AFL took note. The final was also played at a renovated Adelaide Oval, not at the Reds' home ground of Hindmarsh Stadium. There were three times the number of fans at the game than would have been possible at Hindmarsh, or Coopers Stadium as it is known. Hindmarsh Stadium's capacity and quality challenges will be with us for a while, until higher attendance numbers drive a purpose-built stadium in the city. Speaking of purpose-built facilities, the Reds recently set up their training base at suburban Elizabeth, north of Adelaide. I advocated that the Reds were confined for training space at Hindmarsh and not sufficiently connected with local community clubs at their training base. I advocated for the Modbury area, my local area, to become the club's training base.

I met with the Football Federation of South Australia and we were, I believe, making some progress. Regrettably, my local council was not supportive and noted that the Playford council at Elizabeth had, supposedly, more room, though I had identified local space for the facility. Lo and behold, the Reds subsequently ended up at Playford—good on them, and good for the northern Adelaide community but it was the north-eastern suburbs loss.

I put on record my admiration for those who have made Adelaide United this year's national Cinderella story. The Reds' rags to riches 2015-16 season mirrors the club's history. Modelled on nonpartisan Perth Glory, Adelaide United was born out of the ashes of Adelaide City Force in the old National Soccer League. South Australian football fans were desperate to continue being represented on the national stage. Philanthropists like Gordon Pickard, Nick Bianco and Rob Gerard were called upon at times to keep the club alive. South Australians came out in droves to watch the newly formed Reds beat the then Brisbane Strikers 1-0 at Hindmarsh in front of a capacity crowd of 16,000 people. They have been coming out in droves ever since, through thick and thin. Sunday night's victory was for them.

The fans have endured dark days after grand final losses to the archenemy Melbourne Victory and glory days like playing in and hosting the second leg of the Asian Champions League final in 2008. After that high, the club was soon on the ropes again with Football Federation Australia taking ownership of the club for 18 months, until a management team led by current chair Greg Griffin took over. Greg had also helped rescue the great North Adelaide Football Club in the SANFL. I have to record my admiration of the great job Greg and his team have done at the Roosters and since 2010 resurrecting Adelaide United's fortunes.

The on-field personnel quite rightly get their moment in the sun after winning the championship, but the off-field club management also deserve praise. They have copped a fair bit of flak and negative press. What I admire most about the club management is that they have always tried to get the club to stand on its own two feet—as we talk about in Family First, self-reliance not dependency. The management stuck at it, made the hard decisions and now they have the Premier's Plate and Championship Trophy sitting on the sidelines at Adelaide United. Sponsors and transfer suitors are no doubt banging on the door.

The theme of my contribution today is all the positive things that have happened in Adelaide of late. I remember the great days of the early 1980s when more than a dozen of the top 100 ASX publicly listed companies had their head offices in Adelaide—companies like Faulding, Southcorp, Elders, Adelaide Brighton, Adelaide Bank, Normandy Mining, Standard...
Chartered Finance, Santos and of course News Limited. They all had their head offices in Adelaide. Now there is only one left—Santos.

The submarines decision is a $50 billion positive for my home state. The coalition went to the election pledging to build 12 submarines in Adelaide. Whether that was wise or not, they had to deliver on it and it appears that they will. It is never economically wise to put all your eggs in the one basket and a $50 billion submarine build does not a state make. So, correctly in my view, the Premier has been in France lately seeking ways to expand upon the new submarine partnership into other economic opportunities. An obvious opportunity is France's nuclear industry. They were the only bidder for the submarines who have nuclear powered subs. They also have nuclear energy. There are great opportunities for broader technology transfer in the nuclear space. It is worth noting that when it comes to uranium, South Australia is the world's resource superpower. It makes sense for us to use it. In a week of good news, perhaps this Friday the final report of the nuclear royal commission will chart a nuclear future for our state.

The thousands of submarine jobs will not save South Australia nor, I hasten to add for the umpteenth time, will the state be saved by picking winners—also known as Keynesian economics. Those best placed to diversify the state's economy are those who create jobs—small business and business in general—not governments picking winners, favourites. Like the federal government tonight, the state government needs to relax the taxation and regulation barriers that are killing our state and allow individuals, families, communities and businesses to create new opportunities.

Before concluding, I reflect upon the last one or two days of hearings in the High Court. I filed the High Court challenge as I feel it is vital to ensure that laws designed to radically and fundamentally change how senators are elected are confirmed to be constitutionally valid. The government assured us they were, but we know better than to take government at their word. I am hopeful of a ruling in the next few days, but of course it is up to the High Court.

If the government goes to an election on or before 11 May without knowing the court result, we could have the previous voting system back. That will result in a bigger, very interesting and, might I say, once-bitten twice-shy crossbench in the next Senate. I, for one, will be pulling out all the stops—whatever the voting system may be—to return here to put families first and represent the great state of South Australia.

Workplace Relations
Valedictory: Senator Ludwig

Senator POLLEY (Tasmania) (21:44): I rise tonight to speak on a number of matters, but I turn first to the government's intention to cut penalty rates in this country. Over the last couple of months we have witnessed once again the government's gymnastic talent for backflips, infighting and dysfunction. It has been chaotic. It has been the parliament's equivalent of Game of Thrones or Lord of the Flies, the one where the little boys try to govern themselves but fail. When it comes to cutting penalty rates for low-paid workers this government stands united with a shared purpose and that is to put their hand in the pockets of low-paid workers and steal their income, because they do not believe in penalty rates.
Last Thursday the Minister for Employment, Michaela Cash, made the outrageous claim that Labor and the Liberals have the same position on penalty rates—a statement that could not be further from the truth.

The difference between the Liberals and Labor when it comes to penalty rates could not be more stark. The Abbott-Turnbull government wants to slash them and Labor will do everything within its power to protect the rights of Australian workers.

The Liberal government has endorsed the Productivity Commission's recommendation to take away the penalty rates for Sundays—to take a wrecking ball to people's penalty rates. We know that Mr Turnbull and his Liberals are not interested in making sure that when people go to work they get paid their penalty rates. The government does not care about the 4.5 million Australians who depend on penalty rates to put food on the table, to put petrol in their care and to pay their rent, and it does not care about the sacrifices made by these people who rely on these penalty rates—the sacrifices they make because they are away from their families on public holidays and on Sundays. This government just does not care about those people who are working when the rest of us are enjoying times with our family. Those opposite come in here and espouse the values of family when it suits them. But, when it comes to penalty rates, they have no conscience—none at all. In fact, one could say that this is in the Liberal's DNA.

It is clear that the government established the Productivity Commission for one reason and one reason only, and that was to attack workers' rights. The Productivity Commission has already recommended slashing penalty rates for Sunday for retail and hospitality workers—and we know that the Turnbull government supports this proposition. If Mr Turnbull and his Liberals get their way, Sunday penalty rates for retail and hospitality workers will be cut and then they will move on to other workers. Be assured that the government will move on to the next group of workers that they want to target.

Only last week at a hearing that we had in Melbourne growing concern was expressed that the aged-care sector may well be the government's next target for cutting penalty rates. This would have a devastating effect on this workforce. The government have no vision and no plan, and they really do not think it is their responsibility to show leadership when it comes to the crisis that is facing the aged-care sector in attracting people to work in this sector. I have said in this place many, many times that, in my home state of Tasmania, over the next five to 10 years, we are going to need 5,000 additional people to work in the aged-care sector. Instead of seeing it as an economic advantage—one that will be a key factor in pushing along the economy—to have those sorts of jobs created, not only in the caring roles but also in architecture, accounting and administration, the government see older people as a burden.

That is evident from tonight's budget. What have the government done tonight? They have cut a further $1.2 billion out of the aged-care sector. That is $1.2 billion on top of the cuts that they made over the previous two budgets. We on this side have been out talking to the sector and we know that it is an enormous challenge for the aged-care sector to attract people to work in this important sector within our community. But the government are intent on attacking ordinary Australians, the lowest paid workers in our country, and taking away their penalty rates. It is common sense that, after they are able to wipe away penalty rates in the retail and hospital industry, the next operatives would be those working in the aged-care sector.
There is a difference between the strategy that this government have about how they deal with lower paid workers in this country and what the Labor Party will do. We put in a submission to the Fair Work Commission’s review of penalty rates and modern awards, arguing against any cuts to penalty rates. The Turnbull government also made a submission. What did that submission recommend? It recommended slashing Sunday penalty rates. What else would you expect from those opposite? So at the next election there will be a very stark and clear choice when it comes to who people can rely on to protect their penalty rates in this country, and that quite clearly is the Labor Party.

A countless number of people from the hospitality and retail sectors have contacted me, but I will give you an example of one of the aged-care workers who has been speaking to me and made contact with my office. We will call her Jenny. She is a single mother and has a daughter and a grandson with special needs. Jenny said that penalty rates are the difference between having a roof over their heads, food on the table and decent clothing or not. The state secretary of the Health and Community Services Union has said that a lot of their members cannot afford to stay in this sector if penalty rates go. Reducing penalty rates for aged-care workers will further deter people from entering this profession and worsen the current workforce shortage and crisis that this sector is facing. We will not be able to meet the challenges of an ageing population or meet the care expectations of our community if this Liberal government are returned and they have their way and slash penalty rates.

We already know how high the unemployment rate is in my home state of Tasmania, particularly for our youth. And what did we see in this budget? We saw nothing that is going to help the Tasmanian community. It is very apt that Senator Bushby is in the chamber tonight—because he, along with his House of Representatives three amigos, have failed the Tasmanian community yet again. When the Liberal state government of Tasmania called on the federal Liberals to help fund the university campus move from Newnham to the Inveresk site—the $150 million that they need to ensure that, between the state government and the Launceston City Council, this will happen, because it will be so beneficial in creating jobs and giving opportunities for young Tasmanians—they were silent. They have failed.

Before I finish, it would be very remiss of me tonight if I did not put a few comments on the record in relation to one of our colleagues, Senator Joe Ludwig, who is leaving us when the double-D is called. I would like to place on the record that he has been an inspiration in the way that he considers the issues and in the advice that he gives you not only on legislation but also on the working of this chamber. We are going to miss his calming influence over on this side of the chamber as well as within the caucus of the Labor Party. I am sure I speak for many others in this chamber when I say that we will sorely miss Joseph Ludwig and the contribution he has made, not only as a minister and as a senator for Queensland—his work across a range of portfolios that he held has been so beneficial—but also, just as importantly, for his understanding of the workings of this chamber. He is a colleague who, over a long period of time, I have grown to have an enormous amount of respect for.

He did remind me tonight that there have been occasions in the past when I would have been the wiser had I sought his counsel a little earlier. I will remember that Joseph! All I can say is that you may want to run, but you can never hide! So, on behalf of others in this place, I wish to place on record our appreciation and thanks, not only to Joseph for his contribution
but also to his lovely wife, Leanne, and his two daughters, who have lent him to the country over such an extended period of time. I wish them all the very best for the future.

**Working Women's Centres**

Senator MOORE (Queensland) (21:53): Working Women's Centres have a long record of delivering sound and proven services to vulnerable women in our country. Operating in three states—in South Australia, where the first Working Women's Centre opened in 1979; in the Northern Territory, where the centre was established in 1994; and in my home state of Queensland, where the Queensland Working Women's Service began in 1995—they have provided a free specialist employment advice service for vulnerable women and established a voice on systemic gender employment issues. We value these centres. They provide effective advice on development of policy.

The services that they provide are targeted towards vulnerable women who have neither the means nor the capacity to access assistance elsewhere, particularly women who are Aboriginal or Torres Strait Islander or those from a culturally or linguistically diverse background. Some of the women who have been coming to the services for many years have disabilities or they live in regional and remote areas or have family responsibilities. These Working Women's Centres also produce educational materials, deliver community education sessions all over their states, provide very worthwhile policy advice to government, make public comment as required—and I think we might be hearing some comments from them about the budget—as well as organise the acclaimed Our Work Our Lives national conference on women and industrial relations.

Women experience particular issues that impact on their ability to participate in or maintain connection with the workforce. These issues are well documented. They include, based on the work studies that have been done by the Working Women's Centres, issues such as pay and equity. We know that women make up 42 per cent of the workforce but earn 17.2 per cent less than men. On average, women are earning less than men now than they were 20 years ago. It is an astounding statistic when you think about it. We are actually going backwards!

Another issue is the superannuation gap, which we hear much about. Average superannuation balances for women at retirement are 52.8 per cent less than those for men. The very valuable work of the recent finance and public administration committee inquiry into this issue, chaired by Senator Jenny McAllister—the committee reported this week—provides an extraordinarily important snapshot of what is happening with women and superannuation in Australia today. It sends a lot of messages to us about how we need to ensure that women have effective retirement incomes so that they are not living in poverty or are not homeless.

On the issue of sexual harassment, the Working Women's Centres have records of women who have experienced sexual harassment in their workplaces. Figures indicate that up to one in four women have experienced some sexual harassment in their workplaces. Another issue is the under-representation of women at the top levels of management. These levels remain heavily male-dominated, with just 15.4 per cent of CEO positions and 27.4 per cent of key management personnel positions held by women.

We know that the Australian workforce is highly gender segregated. Women continue to be concentrated in the health, education and retail sectors, with those industries traditionally
offering lower pay and less security than male-dominated industries. Women are more likely to be part-time or casual work, are more likely to be award-reliant and less likely to be unionised. In fact, the formation of the Working Women's Centres was done in close relationship with the trade union movement. Women who were less able to be actively involved in unions were seeking a place where they could receive some effective advice about their working situation, and the Working Women's Centres have provided that service.

Another issue is discrimination in the workplace. Women continue to experience gender based discrimination in the workplace. One in two mothers reported experiencing workplace discrimination as a result of their pregnancy, parental leave or on returning to work; one in five mothers were made redundant, restructured, dismissed or did not have their contracts. Importantly, in the area of domestic violence, Working Women's Centres over the years have provided an extraordinarily valuable service. They have been a safe place, where women who have been the victims of domestic violence can receive advice about their workplace issues. As we know, when women are involved in domestic violence situations often their employment security is threatened because they need to seek solace and are not able to fulfil their natural working responsibilities and end up losing the lot—not only their safety but also their work. That important element of maintaining an income was, again, very much brought out in the finance and public administration committee report—it sounds like a free advertisement for our committee! The inquiry looked into domestic violence and that important element of how security of work gives financial independence must be remembered when we are looking at plans to tackle domestic violence in our country.

We also need to ensure that women are seeking a service that responds to them, that understands the issues of family responsibilities and caring responsibilities and where people are valued for the work that they are doing. That is exactly what the Working Women's Centres have provided in the states which are lucky enough to have them.

In discussion with the Working Women's Centres about issues of funding—and I will get to that—they did provide me with some fascinating studies of the work that they did with the real and complex issues faced by vulnerable working women. I will just mention a couple of these—certainly, these have been done with the full knowledge of the women that their stories will be told.

There was the issue of sexual harassment and exploitation of a young overseas worker in Brisbane. The young woman, whose name I will not mention, experienced unwelcome and frequent touching and sexual advances. She was a chef, working in an area where she had not very strong English. The young woman responded to the chef's requests for a relationship by telling him that she did not want to have a relationship, and that she respected his family. Her coping mechanism was to remain focused on her work and to remain polite. Nonetheless, and to no avail, she consistently declined the chef's request for a sexual relationship. The chef's unwelcome sexual advances continued for 12 months, and over that time he became more coercive in his manner and threatened her that if she made a complaint it would lead to her dismissal.

The young woman, an international student, felt powerless to challenge the unwanted behaviour and knew that her impending 457 visa application could not be made without her employer's support. Eventually, she became very disturbed; her mental health deteriorated and she told a young friend about her situation. Fortunately, the person who she told knew about
the Queensland Working Women's Service. It was through the Queensland Working Women's Service's advocacy that this woman was linked to antidiscrimination law, so she was able to secure financial compensation for her losses and an apology. And the employer became aware that his behaviour was not only unwanted but illegal. Through that process, the working relationship in that workplace was improved for both of the people involved.

Around the DV process, we have stories about how a woman can actually come to a working women's centre and be opened up to a range of support networks—not just for employment law but also for family law and safety. Through this process, which is in a woman-friendly environment, there is this aspect of support.

Madam Acting Deputy President Peris, you may be aware that I asked a question of the minister only in the last sitting period about the fact that the funding for the working women's services is due to finish at the end of this financial year. At the time the minister said that she would 'consider' the arrangements for Working Women's Centres. We hope that tonight's budget has actually picked up something in that area.

But we know that these services are funded traditionally by a combination of state and federal funding. That has been there from the start, and in many times over the past these services have been threatened financially. To this date they have been able to survive and to provide the kinds of services which I have spoken about tonight. We believe that there is a real opportunity to make sure that these services can continue to operate into the future—not be involved in open tender processes that look at inclusive processes, which would mean that Working Women's Centres would have to cross out that term 'women' in their name. They would have to provide services for all genders.

I believe in inclusion, but I strongly believe that to ensure the safety, security and accessibility of effective advice for women that we need to value the services of the Working Women's Centres. We need to fund them effectively. We will know then that women will continue to have an option to ensure that they can be safe and that they can have independent advice, and that they know they will be the focus of their own services.

**Foreign Policy**

Senator LUDLAM (Western Australia—Co-Deputy Leader of the Australian Greens) (22:03): I recognise that election campaigns are mostly argued on the basis of local issues that have direct impacts on our community, such that the phrase 'all politics is local' is considered self-evident.

But some things are missed in our helter-skelter three-year electoral cycle. The biggest gap in our national conversation is the place of Australia in the world. Foreign policy takes a back seat during an election and, if it presents at all, it is as caricature—foreign wars, the nameless families who flee from them or massive defence procurements to meet undefined future threats. The rest of the planet is meant to form a sort of one-dimensional backdrop to our domestic drama.

Whether we like it or not, this is all going to change. Australia remains an island in geographical name only. In terms of culture, economics, security and, yes, even the weather patterns that threaten our homes or ruin our crops, our lives are bound up now with people all over the world who are also trying to build safe and prosperous lives for themselves and for their families.
The Greens understand that UN Security Council reform, or torture in West Papua or the bitter, endless siege of Gaza, are subjects unlikely to make it onto talkback radio or into the election coverage over the next few fevered weeks. Tragedies like the Syrian civil war may seem incomprehensible from this distance. They probably seemed incomprehensible to people watching from Calais or Lesbos as well, until suddenly there were tent cities and families piled up against barbed wire fences, and children washed up on beaches. Here in Australia the razor wire contains those fleeing the disintegration of Afghanistan or the unspeakable aftermath of the Sri Lankan civil war—but nonetheless, the stories must be the same.

How we respond to those seeking safe harbour from collapse will ultimately bear directly on our own survival. As hard as it seems, we must leave behind the comfortable illusion that we are somehow separate; that we can remain insulated from the tides of nationalism and extremism rising around the world, or from the shock waves from wars our own government helped to start or from the collaborations of quiet convenience with authoritarian regimes who serve some temporary commercial end dressed up as the national interest.

Right now, the world is engaged in multiple arms races; from the military build-up in the South China Sea to the modernisation of nuclear weapons arsenals still deployed by a handful of countries in defiance of the overwhelming majority of the world's peoples. On a troubled, overcrowded and rapidly-overheating planet, these are arms races that our human family can no longer afford—money and expertise squandered on another generation of weapons whose use cannot even be contemplated. The real reason that we have to bring foreign policy into the heart of our political conversation is because the present generation of leaders are carrying us, seemingly helplessly, into a world in which there will no longer be anywhere for refugees to run.

In 2011, researcher Christian Parenti published a work titled *Tropic of Chaos: Climate Change and the New Geography of Violence* in which he visited failed and failing post-colonial states and war zones around the world's equatorial regions from Mexico to East Africa to the Golden Crescent. Underlying these widely dispersed conflicts and regional traumas and fragilities, he discovers the unmistakeable signature of climate change. It expresses not as a primary cause but as a forcing agent—a blowtorch of drought or flood or crop failure—held to fragile regimes and bureaucracies, edging them towards collapse.

In a dynamic that will be familiar to anyone who has come across *The Shock Doctrine: The Rise of Disaster Capitalism*, by Canadian author Naomi Klein, he also found the militaries of the world's most powerful advanced nations exploiting this instability for wider political and economic ends. It is no coincidence that the United States—which accounts for one-third of the whole world's military spending and has an unmatched, unparalleled overseas basing footprint—also has the most advanced and carefully considered scenario planning for when the 'Tropic of Chaos' spills across the border. Parenti terms this near-future scenario 'the armed lifeboat'. In the armed lifeboat world, the pinch points and edge places of global inequality are places of intense misery and perpetual conflict. Whether in occupied Palestine, in occupied Tibet, on the Mexican border with the United States or in our own benighted prison islands, nobody is really spared in this scenario. As the front-line diffuses and washes back into those places of privilege from where these armed lifeboats are piloted, mass surveillance of domestic populations morphs into soft authoritarianism, erosion of the rule of
law and the kind of cultivated paranoia and division that accompanies the militarisation of civil society.

That is the world into which we are being led by those same leaders who violated the founding principles of the United Nations in their rush to unleash the invasion of Iraq, those same leaders who brought regime change to Libya but did not stick around to prevent its collapse into a failed state, the same leaders who assure us that all we need for our own national security is a massive investment in new military hardware and a tightening net of driftnet surveillance to distinguish ordinary Australians from enemy combatants who suddenly arise in our midst. We cannot seriously believe that the struggling fragile states around the ’Tropic of Chaos’, and elsewhere in the global south, will collapse politely without consequence to the rest of us. Jared Diamond describes it in the closing chapters of his book *Collapse: How Societies Choose to Fail or Succeed*. The way he phrases it is that ’the rich world simply buys itself the privilege of being the last to starve’. We are all in this together and, in our interconnected age, we stand or fall together as a global community.

The tropical cyclone that hammered Fiji this February was the most powerful to ever make landfall in that part of the world. Australia, as a regional first responder, sent an Australian Medical Assistance Team, including 21 doctors, nurses and medics, who provided emergency medical care for more than 1,700 people. HMAS *Canberra* landed 60 tonnes of emergency relief and humanitarian supplies, helicopters and approximately 760 personnel, including engineers, carpenters, electricians and plumbers. These are our neighbours and, when we were needed, we were there. In the aftermath of the great Tohoku earthquake and subsequent nuclear meltdowns, emergency services personnel from across Australia were among the first on the ground to join their Japanese counterparts in combing the wreckage for survivors. When we were needed, we were there.

Our overseas development aid budget, the softest target of all for lazy treasurers, is responsible for reducing infant mortality in our near region, for helping to conduct an election in Myanmar and for providing primary health care in Tibet. This is what global citizenship looks like. Prime Minister Bob Hawke’s response to the Tiananmen Square massacre enabled 42,000 Chinese students to remain in Australia advocating strongly against the ‘systematic repression of legitimate democratic aspirations’ in China. His immediate predecessor, Malcolm Fraser, wrote the template for bipartisan consensus on raising the humanitarian intake to give safe harbour to those fleeing the war in Indochina. These isolated examples, rare but powerful, speak to the possibility of a new kind of international accord in which we agree, collectively, not to arm the lifeboats. Close to home, we all have local examples of solidarity and heroism in the face of disaster, whether in the midst of the Brisbane floods or the Victorian fires, when communities showed their true strength in defence of the collective.

Anthony Banbury was a UN assistant secretary general—a fierce defender of the organisation who also spares it no honest criticism. In a recent piece he wrote for *The New York Times* titled ’I love the UN but it is failing’, he describes the organisation as ’a Remington typewriter in a smartphone world’. He then runs through a forbidding list of failures and breakdowns that hint at an institution that may no longer be fit for purpose. He said:

... these criticisms come from people who think the United Nations is doomed to fail. I come at it from a different angle: I believe that for the world’s sake we must make the United Nations succeed.
And so, in the teeth of an election campaign in which these issues are almost certain to be subsumed beneath more immediate concerns, we will be trying to provoke a discussion about UN Security Council reform. It is time we loosened the 1945-era stranglehold of the nuclear armed powers, whose lock on that institution now threatens their own collective survival. We will be making the case that human rights should stand front and centre in our foreign policy instead of being trampled under the imperative to remove the remaining democratic constraints on global commerce. We will be making the case that mass surveillance and global militarism are two sides of the same coin and that no-one survives if the lifeboats are armed.

Tonight, we are mourning the death of a young man who sought safe harbour from the tragedies that are overwhelming less fortunate parts of the world. We met him with despair and, as a nation, we failed him. Tonight, we are breathing in hope for the survival of a young woman who sought safe harbour in this country and met only despair—as a nation, we failed her. Imagine if we recognised these young people as family—not as metaphor but in truth. They are part of the global family in an age where there is no place anymore for foreign policy because we can no longer afford the delusion that anyone is so foreign to us that we would let them die when all they sought was safety. In the age of the 'Tropic of Chaos', as we decide whether or not to step irreversibly into the armed lifeboat, we must recall that we are all in this together; and it is time that we grew up as a species and started behaving like it.

**Family Law**

**Senator MADIGAN** (Victoria) (22:14): Thirteen years ago, this parliament recognised the need for a completely fresh approach to family separation. It recommended a new, non-adversarial system to protect hundreds of thousands of Australian kids and their families from the harm caused by our family courts and adversarial legal system.

Three months ago, the Senate passed a motion calling upon the government to recognize that thousands of our children continue to be harmed by the slow, unaffordable and adversarial system that remains in place to this day. What has the government done in those three months while thousands more children have suffered? Nothing. From the Attorney-General, silence—no response to the Senate, no response to my letters and, most importantly, no answer for the children and families who continue to suffer from a system that is not fit for purpose.

And what has the opposition done? Nothing. In fact, their stated policy remains that our family law system generally operates effectively. Millions of Australians will soon be at the ballot box to vote on whether they agree with that extraordinary statement. And the Greens? We'll, they are quite vocal enough when they want to be but, when it comes to the lifelong harm caused to thousands of Aussie kids, they are silent too.

Perhaps it is too much to expect of the major parties, stacked as they are with former lawyers. After all, one should not be asking a fox to redesign the henhouse. But Australia deserves better. Our children deserve better. Let's for once put aside the politics of this place. Please, go back to your electorates, every one of you, and listen, as I and my fellow independents have done, to the voices of the people, not to angry men, bitter women or any of the usual cliches that have allowed people in this place to ignore this issue for 13 years and more but to ordinary Australian mothers and fathers, grandparents, children, aunts and...
uncles—men, women and children who suffer daily because this place does not care enough to do something to help them and their kids, the families of our future.

I have just spent the last two hours going through the budget and looking for the government's investment in the Family Court of Australia, where the future of vulnerable children is decided. I could find nothing. I could find nothing in the budget. I could find no mention of the Family Court in the post-budget press release. What I did see was an allocation of $160 million for the plebiscite on same-sex marriage. Whilst I welcome a plebiscite, I am appalled and saddened at the deep harm being done to Australian heterosexual families because the Family Court receives no attention whatsoever. I am appalled and saddened that the deep harm being done by the Family Court to Australian children receives no attention whatsoever. And I am appalled and saddened by the government's abandonment of this issue and these people. I am appalled and saddened at the waste the Family Court continues to perpetrate on this country, the heartache and financial ruin it perpetrates on Australian families and the cost to our services if only because the government was not brave enough and visionary enough to tackle this problem.

Senate adjourned at 22:18

DOCUMENTS

Tabling

The following documents were tabled by the Clerk pursuant to statute:


Aboriginal Land Grant (Jervis Bay Territory) Act 1986—Aboriginal Land Grant (Jervis Bay Territory) By-Laws 2016 [F2016L00619].


Civil Aviation Act 1988—

Civil Aviation Regulations 1988 and Civil Aviation Safety Regulations 1998—

Authorisation, permission, direction and exemption—helicopter winching operations—Helicorp Pty. Ltd.—CASA 41/16 [F2016L00593].

Exemption, permission, direction and authorisation—helicopter search and rescue operations and training for such operations (CHC Helicopters)—CASA EX65/16 [F2016L00592].

Civil Aviation Safety Regulations 1998—

Exemption—from holding an aerial application rating for aerial baiting operations and from Part 137 of CASR 1998—CASA EX69/16 [F2016L00596].

Manual of Standards Part 66 Amendment Instrument 2016 (No. 4) [F2016L00612].

Corporations Act 2001—


Defence Act 1903—

Section 58B—

Individual payment—Defence Determination 2016/18 [F2016L00609].

Overseas club membership and post indexes—amendment—Defence Determination 2016/17 [F2016L00613].

Woomera Prohibited Area Rule 2014—Determination of Exclusion Periods for the Green Zone for May 2016 [F2016L00591].

Environment Protection and Biodiversity Conservation Act 1999—Amendment to the lists of threatened species, ecological communities and key threatening processes under sections 178, 181 and 183 (190) (14 April 2016) [F2016L00590].


Small Pelagic Fishery Overcatch and Undercatch Determination 2016 [F2016L00597].

Small Pelagic Fishery Total Allowable Catch (Quota Species) Determination 2016 [F2016L00598].


Fuel Indexation (Road Funding) Special Account Act 2015—Fuel Indexation (Road Funding) Special Account Determination 2016 (No. 1) [F2016L00620].

Higher Education Support Act 2003—

Revocation of Approval as a VET Provider (Australian Teachers of Dancing Limited) [F2016L00611].

Revocation of Approval as a VET Provider (Sydneylearning Pty Limited) [F2016L00615].

National Health Act 1953—

Amendment Determination under section 84AH (2016) (No. 2)—PB 36 of 2016 [F2016L00602].

National Health Determination under paragraph 98C(1)(b) Amendment 2016 (No. 3)—PB 31 of 2016 [F2016L00603].

National Health (Efficient Funding of Chemotherapy) Special Arrangement Amendment Instrument 2016 (No. 4)—PB 34 of 2016 [F2016L00605].

National Health (Highly specialised drugs program) Special Arrangement Amendment Instrument 2016 (No. 4)—PB 33 of 2016 [F2016L00607].

National Health (Listed drugs on F1 or F2) Amendment Determination 2016 (No. 4)—PB 37 of 2016 [F2016L00608].

National Health (Listing of Pharmaceutical Benefits) Amendment Instrument 2016 (No. 4)—PB 29 of 2016 [F2016L00604].

National Health (Originator Brand) Amendment Determination 2016 (No. 3)—PB 38 of 2016 [F2016L00606].

National Health (Paraplegic and Quadriplegic Program) Special Arrangement Amendment Instrument 2016 (No. 2)—PB 35 of 2016 [F2016L00622].

National Health (Pharmaceutical benefits—early supply) Amendment Instrument 2016 (No. 4)—PB 32 of 2016 [F2016L00601].
National Health (Price and Special Patient Contribution) Amendment Determination 2016 (No. 3)—PB 30 of 2016 [F2016L00600].

Private Health Insurance Act 2007—Private Health Insurance (Benefit Requirements) Amendment Rules 2016 (No. 2) [F2016L00589].


Tabling

The following documents were tabled pursuant to standing order 61(1) (b):

International Labour Organisation—Submission report on ILO instrument: Transition from the informal to the formal economy recommendation, 2015 (No. 204).


Tabling

The following documents were tabled by the Clerk pursuant to order:

Departmental and agency appointments and vacancies—Budget estimates 2016-17—Letter of advice pursuant to the order of the Senate of 24 June 2008—

Department of Human Services.

Environment portfolio.

Departmental and agency grants—Budget estimates 2016-17—Letters of advice pursuant to the order of the Senate of 24 June 2008—

Cancer Australia.

Department of Employment.

Department of Human Services.

Environment portfolio.

Estimates hearings—Unanswered questions on notice—Additional estimates 2015-16—Statements pursuant to the order of the Senate of 25 June 2014—

Environment portfolio.

Office of National Assessments.

Prime Minister and Cabinet portfolio.