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SITTING DAYS—2015

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- **MELBOURNE** 1026AM
- **PERTH** 585AM
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FORTY-FOURTH PARLIAMENT
FIRST SESSION—SIXTH PERIOD

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

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

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

Printed by authority of the Senate
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**Casual vacancy**

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.

**Casual vacancy to be filled (vice B. Mason, resigned 15.4.15), pursuant to section 15 of the Constitution.

**PARTY ABBREVIATIONS**

Heads of Parliamentary Departments
Clerk of the Senate—R Laing
Clerk of the House of Representatives—D Elder
Acting Secretary, Department of Parliamentary Services—D Heriot
Parliamentary Budget Officer—P Bowen
## ABBOTT MINISTRY

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<tr>
<td><strong>Prime Minister</strong></td>
<td>The Hon. Tony Abbott MP</td>
</tr>
<tr>
<td><strong>Minister for Indigenous Affairs</strong></td>
<td>Senator the Hon. Nigel Scullion</td>
</tr>
<tr>
<td><strong>Minister Assisting the Prime Minister for the Public Service</strong></td>
<td>Senator the Hon. Michaelia Cash</td>
</tr>
<tr>
<td><strong>Minister Assisting the Prime Minister for Women</strong></td>
<td>The Hon. Charles Porter MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Prime Minister</strong></td>
<td>The Hon. Alan Tudge MP</td>
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<tr>
<td><strong>Minister for Infrastrucure and Regional Development</strong></td>
<td>The Hon. Warren Truss MP</td>
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<tr>
<td>(Deputy Prime Minister)</td>
<td>The Hon. Jamie Briggs MP</td>
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<td><strong>Minister for Foreign Affairs</strong></td>
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<td><strong>Minister for Trade and Investment</strong></td>
<td>The Hon. Andrew Robb AO MP</td>
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<td><strong>Parliamentary Secretary to the Minister for Foreign Affairs</strong></td>
<td>The Hon. Steven Ciobo MP</td>
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<td><strong>Parliamentary Secretary to the Minister for Trade and Investment</strong></td>
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<tr>
<td><strong>Minister for Employment</strong></td>
<td>Senator the Hon. Eric Abetz</td>
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<tr>
<td><strong>Attorney-General</strong></td>
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<tr>
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<tr>
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<td><strong>Minister for Small Business</strong></td>
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<tr>
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<td>The Hon. Barnaby Joyce MP</td>
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<tr>
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<td>Senator the Hon. Richard Colbeck</td>
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<td>Senator the Hon. Michael Ronaldson</td>
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<td>The Hon. Michael McCormack MP</td>
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Wednesday, 17 June 2015

The PRESIDENT (Senator the Hon. Stephen Parry) took the chair at 09:30, read prayers and made an acknowledgement of country.

DOCUMENTS

Tabling

The Clerk: I table documents pursuant to statute in accordance with the list circulated in the chamber. 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

Foreign Affairs, Defence and Trade Joint Committee
Legal and Constitutional Affairs Legislation Committee
Legal and Constitutional Affairs References Committee

Meeting

The Clerk: Proposals to meet have been lodged as follows: by the Joint Standing Committee on Foreign Affairs, Defence and Trade, for a public meeting on 18 June from 9.20 am; by the Legal and Constitutional Affairs Legislation Committee, for a private meeting today from 3.05 pm; and for a private meeting by the Legal and Constitutional Affairs References Committee today from 3.10 pm.

The PRESIDENT (09:31): Does any senator wish to—Senator Bushby?

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (09:31): Mr President, I do wish to object to the private meeting by the Legal and Constitutional Affairs References Committee today.

The PRESIDENT: The question is that the Legal and Constitutional Affairs References Committee be authorised to meet during the sittings of the Senate today.

Senate divided. [09:37]

(The President—Senator Parry)

Ayes .................. 34
Noes .................... 30
Majority .............. 4

AYES

Brown, CL
Cameron, DN
Collins, JMA
Dastyari, S
Gallacher, AM
Hanson-Young, SC
Lambie, J
Ludlam, S
Marshall, GM
McEwen, A (teller)

Bullock, J.W.
Carr, KJ
Conroy, SM
Di Natale, R
Gallagher, KR
Ketter, CR
Lines, S
Ludwig, JW
McAllister, J
McLucas, J

CHAMBER
Question agreed to.

BILLS
Labor 2013-14 Budget Savings (Measures No. 1) Bill 2014
Second Reading

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

Senator KIM CARR (Victoria) (09:39): I would like to say a few words about this Orwellian titled bill. The Labor 2013-14 Budget Savings (Measures No. 1) Bill 2014 is part of a growing tradition within this parliament to see legislation presented in the most partisan and most cynical of ways so that you get a highly politically charged description of a bill rather than its title going to the content of the bill.

What we see is the government calling upon this chamber to adjust its deteriorating budget position—a position that the Labor Party acknowledges, but you would not get any sense of that from the discussion of the government. I recall just before the last election the proposition
that the current government could fix the deficit; they could reduce the debt. They gave no recognition whatsoever throughout the term of the previous Labor government of the deteriorating revenue position of the Commonwealth. Those positions have now come back to haunt the government itself.

Let me again put the facts on the record. This government has actually doubled the budget deficit in just 12 months, after promising to fix it. This was their biggest election promise, but like all their election promises it is a promise that has just evaporated. The Treasurer, Mr Hockey, has doubled the budget deficit in one year from $17.1 billion to $35 billion in 2015-16. Over the four-year period from 2013-14 to 2016-17, Mr Hockey has presided over a cumulative deterioration of some $96 billion in the deficit compared to the figures he inherited from Labor. We can see these figures quite clearly set out in the Pre-election Economic and Fiscal Outlook—a position that was made independently of the previous government and a position made very clear by the Public Service in the run-up to the last election. This change, the subject of this bill, was already factored into the forward estimates, and so if the bill does not pass by 30 June the consequence will be a further blow-out in the budget deficit, which is, as I say, already at $35 billion.

We have a government which, having abandoned all of those election promises, went through and produced a budget in its first year, which, of course, went down like a lead balloon. The government's political position has deteriorated so badly that it has now even abandoned that proposition in its public rhetoric. It has abandoned the rhetoric around fiscal rectitude in a desperate pursuit to rebuild its electoral fortunes and it is now in the process of preparing itself for an early election. But the reality is simple: the budget is built on a house of cards. The projected budget surplus is built on a change in the accounting rules that allows for the earnings of the Future Fund to be recorded and calculated in the deficit—not through any responsible measures. As we know, Mr Hockey's number are underpinned by unfair measures, which will never pass the Senate. We have seen this chamber on several occasions now reject measures which are fundamentally unfair and offer nothing in the way of rebuilding the prosperity of this nation.

When we talk of a house of cards, we need look no further than the proposals that the government is seeking to pursue in higher education. Not content with its unfair and unnecessary plans for the $100,000 degrees, which have been voted down twice by this chamber, the government continues to maintain its quixotic crusade. Embedded—in fact, hidden—in this year's budget, is the 20 per cent cut in university funding. There are cuts to the training of our research students. There are cuts to the funding to address student equity. There are $5.4 billion worth of cuts to universities, to students and to research.

These are cuts that the government cannot deliver but underlie the assumptions within this budget. So we have these phantom arrangements that the government seeks to pursue. The cuts that have been included in this budget are of course aimed at bodging up the figures to make them look better than they are. It is truly a fantasy budget—a fantastical dream in the imagination of Senator Cormann and his partners in crime, the Treasurer, the Prime Minister and of course the hapless fixer, the minister for education. But the Australian people understand that, if these measures ever were implemented, the enormous costs that they would have to this nation's future.
The stated purpose of this bill—and this is the really interesting point; we do not find this in the title. This is not an amendment bill; in effect, what it is is a proposition that in reality is nothing more than an attempt to change the Clean Energy (Income Tax Rates Amendments) Act 2011 and the Clean Energy (Tax Laws Amendments) Act 2011 so that both acts have their future operative provisions repealed. You would have thought that would be the appropriate way to actually to present these bills as amendments to those measures.

Both acts have provisions already in operation, and these would not be repealed. As such, the bill would repeal an increase in the nominal tax threshold from $18,200 in 2014 to $19,400 in 2015-16. They maintain the second personal marginal tax rate at 32.5 per cent rather than increase it to 33 per cent from 2015-16. They maintain the maximum value of the low-income tax offset at $445 rather than change the maximum value of the offset to $300 million in 2015-16 and they seek to maintain the threshold below which a person may receive the offset at a taxable income of $66,667 and the withdrawal rate at 1.5 per cent rather than the income threshold increasing to $67,000 and the withdrawal rate falling to one per cent from 2015-16.

Of course in these circumstances these were perfectly fair measures introduced at the time in which, as a package of measures, we proceeded in government to ensure that there was fairness about the climate change polices that we were pursuing. So we are now faced with this difficult position and, as a result, if the legislation does not pass by June, these measures of course will further undermine the fiscal position of the Commonwealth.

The shadow Treasurer said in the other place that the opposition has reflected on these matters and the circumstances of the management of the budget placed upon this Commonwealth. Ultimately, we have resolved to support the bill.

The opposition notes that the tax-free threshold trebled from $6,000 to $18,200 during our time in office. The change that this bill will repeal, while it would have been welcome, would have been a smaller percentage of the increase increasing the amount to $19,400. But, despite the spin that the government has sought to put on this, this action is not something we would have done in office. These are not measures that the Labor Party would have pursued in office. The difficulty of the decision is that we have to pick our battles, and we are trying to the best that we can to ensure that people enjoy the support of this parliament who need it most. Our focus will always be on protecting the most vulnerable from this government just as we are the only party that is responsible enough to call out this government on the issue of the unsustainability of our superannuation system, which of course rewards for those who are most advantaged in this country, or making it clear about the need to change the taxation arrangements for multinational companies so that multinational corporations actually pay their fair share of tax.

That is why we are opposing as well the government's latest rounds of cuts to the pension. I noticed overnight that the Greens have had their Meg Lees moment where they are seeking to adopt the position of the conservatives on the issues of the defence of the pensioners of this country. I look forward to seeing how that goes, because we know how this story ended for another great party, the Democrats. We understood the consequence when the Democrats went down this road of accommodating the reactionary forces in this country. And of course we saw the circumstances whereby, in time, the Democrats were obliterated. So, we are going to see the great party of protest, the great party that wants to express its views about the need
to fundamentally transform this country, lining up with the reactionaries to defend this government's attack on the most vulnerable in our country, the pensioners. I look forward to seeing how the latter-day Meg Leeses get on in this circumstance!

This government, unfortunately, has sought to attempt to rewrite history. This is a government that made a number of commitments prior to the last election, all of which have been broken. This is a government that played big on the rhetoric of deficit and debt, all of which have been demonstrated to be hollow. This is a government that we now see wants to present to this parliament measures that of course would continue the great inequalities of this country—in fact, make it much worse—by the pursuit of a tax upon the most vulnerable. This is a government that wants to undermine our universal health system, wants to undermine our highly effective pension system. This is a government that wants to smash equity in higher education. And this is a government that of course is now desperate to present itself as something other than it really is.

We have suggested that there needs to be an alternative approach, and that is what the Labor Party will argue strongly for and defend vigorously in the run-up to the next election—which I say, on all the science, is not that far away. The opposition has outlined alternative measures that can be taken to secure the fiscal position of this country while maintaining fairness and social justice. The Labor Party has a very, very different view about ensuring that we have a country in which prosperity is genuinely shared throughout the community and in which we can ensure that our industries are innovative and modern and able to provide the employment opportunities so that everybody in this country has the right to expect the living standards that a country like ours can afford.

We have to make sure that this is about building priorities into the budget process that defend the fundamental democratic values, and I am afraid you will not find that on the opposition benches. Unfortunately, I now see that the Greens are falling for the old line about how responsible they are, how thoroughly respectable they are, how desperate they are to actually appease those on the other side. I look forward with interest to how that unfolds.

Senator LEYONHJELM (New South Wales) (09:52): I rise to oppose the Labor 2013-14 Budget Savings (Measures No. 1) Bill 2014. Under the law of the land, the tax office will start taking slightly less of your income in a fortnight's time. This is good news, but the coalition and Labor cannot stand it. So today the coalition and Labor will combine to pass a bill that cancels the slight reduction in income tax scheduled for July—a reduction I was responsible for retaining in my first week in the Senate last July. This bill proves that the coalition and Labor are a unity ticket. If you want big taxes to fund a government that can spend your income better than you can, vote for either of them. They will give you what you want.

The tax cut we are talking about is not huge. If you earn $66,000, the tax office currently takes away around $14,300. Next year, with no change, they would take away around $14,220. So, around $80 less would be taken from you. The coalition and Labor believe they can spend that $80 better than you can. In fact, as this bill gets waved through the Senate, they will say that they cannot afford to give you the $80—as if the $80 is theirs.

The mindset of the coalition and Labor is that of someone who believes that all your income is owned by the government, and you get to keep some of it only because of government generosity or absentmindedness. This mindset leads to tax increases being called budget savings. We would not put up with this abuse of language anywhere else. If a business
claims that it is making savings, that means it is spending less; it does not mean that it is jacking up prices. This mindset also leads some in the coalition and Labor to treat tax deductions, offsets and exemptions as a government handout, to be withdrawn when the going gets tough. In reality, tax deductions, offsets and exemptions just represent instances where the tax office is taking less money than some imagined tax take. The approach of some in the coalition and Labor is akin to a pickpocket skimming your wallet of notes and then expecting gratitude because this time they left the coins behind.

Yes, governments need to spend money and raise taxes, but our governments are spending more money and raising more taxes than ever in Australia's history. Fifty years ago, taxes were around $5,000 per person after adjusting for inflation. This grew each decade, until now the tax burden is around $19,000 per person. Those bleating about crashing revenues are on another planet. Their complaint, in essence, is that taxes ought to grow even faster. There is no justification for the ever-expanding tax burden. Living standards for all groups of people have risen over the last 50 years, which means the need for government welfare services has declined, and we have not uncovered new forms of effective government intervention either. To the contrary, the prosperity-promoting effects of free markets and the many failings of government involvement have been demonstrated time and time again.

Yes, governments need to spend money and raise taxes, but our taxes are high even by the standards of the stagnant economies that make up the OECD. The average tax burden in the OECD is 30 per cent of GDP. This average accounts for the different populations of OECD countries, as well as the social security contributions in many OECD countries that serve a similar purpose to Australia's compulsory superannuation guarantee payments. In contrast, Australia's tax burden, after including Australia's compulsory superannuation guarantee payments, is 31 per cent of GDP. Having a higher tax burden than the OECD average is extremely concerning, particularly as the OECD average is high compared to prosperous and dynamic non-OECD countries like Singapore.

Yes, governments need to spend money and raise taxes, but every tax expert knows that income tax is the most damaging tax on the Commonwealth government's books. It discourages working, saving, starting a business and taking risks. At times, this coalition government has raised concerns about bracket creep imposing ever higher income tax burdens on middle Australia, but we have experienced considerable bracket creep since the last time there were income tax cuts, and, when a scheduled income tax cut comes along that would return just a fraction of this bracket creep, the coalition government nips it in the bud. For the coalition, this is akin to the cry of St Augustine: 'Lord, give me chastity and continence, but not yet.'

The Liberal Democrats have a comprehensive plan to significantly reduce government spending and an unshakable conviction that your income is yours, not the government's. That is why I am defending the $80 tax cut that is due to each Australian taxpayer in a fortnight's time. But, sadly, the conspiracy of the big government forces of the coalition and Labor will cancel this tax cut through the bill before us today. When the date of the election comes, the taxpayers of Australia will remember.

**Senator WHISH-WILSON (Tasmania) (09:59):** We have been told in the last 18 months by this government that we have a budget crisis in Australia. If there is a budget crisis in this country, it is not an expenditure crisis, it is not an entitlement crisis; it is a revenue crisis. My
party, very proudly, played a significant role in the clean energy package and a price on carbon. That price on carbon over the forward estimates under a costing by the Parliamentary Budget Office would deliver $18 billion in revenue to this country.

With the ruthless and cynical campaign by this government going into the last election about axing the mining tax and the carbon tax, what they did not tell you was that they were axing billions of dollars in revenue that could be used in our economy. It could be reallocated towards transformative behaviour to move the Australian economy and to diversify the Australian economy in areas of renewable energy, science, technology and innovation, diversifying the risks of being reliant on a mining economy and creating new, clean, green and clever jobs across this country. That revenue could be used for a whole range of important things in this country like giving a tax break to low-income earners. That is exactly what we did. With the mining tax we reallocated money towards the small business sector—$5.4 billion to be precise—which, incidentally, was ripped up by the Liberal government at the last budget. It was replaced in this new budget—rather cynically as a new measure—but most of the measures were similar.

A budget, to be balanced, needs revenue and, of course, we have expenditures on the other side. A focus on cost saving that attacks the most vulnerable in our society was never going to get through the Senate because we understand that we need to make brave decisions around tax reform to raise revenue in this country. Governments play a number of critical roles in our society, and we do have some differences of philosophy in this place as to what the role of government should be. My party believes that one of the key roles is levying a fair and equitable tax system, a tax system that is progressive and that, as much as it possibly can, puts equity and equality right up there with efficiencies. Some of the money from that carbon price that was going to be collected from some of the dirtiest polluters on the planet—those who are creating the emissions and the gases that lead to global warming and the devastating effects that that is forecast to have in terms of its impact on a whole range of not just the economy but ecosystems around the planet—was going to be used to support a tax break for the poorest and most vulnerable in this country.

It is very disappointing to see the Labor Party, in 24 hours, turn their back not once but twice on low-income earners in this country. These are supposedly the bread-and-butter supporters of and voters for the Labor Party. Senator Carr talks about our support of the government's measures to bring in a more progressive system on pension payments to help low-income people get more money on the full pension. That is a progressive tax policy. When the Howard government changed it in 2007, the Greens took a very strong stance opposing that because it was not a progressive tax policy. We wanted to help low-income earners in this country, and it is exactly the same situation today. If we abolish this break for low-income earners, it is just going to put more pressure on the poor and vulnerable in our society who actually need the assistance the most. Giving them a leg up and helping them where we can not only takes pressure off other roles of government—the provision of emergency services and other services such as health care and education—but also helps our economy and also helps the circular flow of income. It helps the circular flow of income. So there are all sorts of secondary effects that are really important.

My party is proud to stand in here today and say that we oppose taking away tax breaks for the poorest Australians. Senator Carr said that these decisions are difficult when you are in
opposition—if they were in government, they would not do it. I have heard the same thing said about supporting dangerous ISDS clauses—giving corporations the right to sue governments in free trade deals. That is a total cop-out. If you do not stand for something, Senator Carr, you will fall for anything. You need to make a strong statement in this chamber, to those people listening, that you support low-income earners in this country. My party does. We support a progressive tax system that levies money right across the economy from different categories of income, and that is what our society should be based on—the fair and equitable distribution of taxes and incentives.

How many times was this explained by our Prime Minister in the lead-up to the last election and how many times has it been explained by Senator Cormann? In the three short years I have been in the Senate I have heard him talk about axing the tax, getting rid of the job-destroying carbon tax and the mining tax. How many times has this government ever been honest and said that they were revenue raising measures and that revenue was necessary—necessary to balance budgets, necessary to provide a fair and equitable society. It is easy to come in here and cut spending, especially for the most vulnerable in our society. It is a lot more difficult to make brave decisions to support a progressive taxation system, to support a progressive pension system, to tax the bads, the pollutions. When I was at university I remember the rules being pretty simple in any economics textbook—a government should tax the bads, like pollution and health risks like sugar and tobacco; they should levy taxes so our common pool resources, like our mineral wealth, are equally shared amongst those who own them—the Australian voters, Australian taxpayers; and, just as importantly, where possible they should reduce taxes on work and effort.

My party has supported taking a tax off small business to allow them to get a leg up, but we want to see a progressive taxation system in this country. We want to see the bads taxed. We want to see a really simple, sensible, rational, logical price on carbon, and we want to see that money reallocated in the economy to where it is needed the most. If the government come in here and remove this tax break for low-income earners, I want them to explain why they were too gutless to do this when they removed the carbon price last year. I did not hear any of you in here telling low-income Australians that they were going to lose their tax break when you removed the carbon price. In fact, I remember you saying exactly the opposite—that they would get to keep their tax breaks. Now you are taking them away. These are the people who need a leg up, and I am deeply disappointed that the Labor Party are taking the weak decision of saying they would not do this if they were in government but they are going to have to do it in opposition. Low-income Australians want to see someone standing up for them in parliament. I think most Australians support a progressive taxation system, and the Greens will not be supporting this measure in the Senate.

Senator IAN MACDONALD (Queensland) (10:09): I thought for a moment the Greens under their new leadership might be starting to show some economic sense and rationality. Indeed, today's headlines in the newspaper seem to suggest that they are not just going to take the 'we are against anything the Liberal Party wants to do' approach, which has been the approach of the Greens political party, particularly under their former leadership. And I thought, 'Gee, there's a glimmer of hope!' I am not sure that that was real good for the Liberal Party, Mr Acting Deputy President Back, because if the Greens start looking like they are a sensible, mature political party then perhaps they will take a couple of votes off us! I think
they know they will take a lot more off the Labor Party, as they have been doing. But that
glimmer of hope and rationality that I thought might be around has just been dissipated by the
previous speaker.

I do not know which university he went to, but they must have been teaching him some
funny economics there. I might say, Senator Whish-Wilson, that I did not go to a university; I
could not afford that. I started work as an articled clerk and did my university qualifications
externally, at night-time after working all day. So I did not get the privilege of popping into
an economics class run by what sounds to have been a very left-wing group of tutors and
lecturers. I am just not sure where it comes from. But I always thought it was the Greens
political party's approach that we did not tax people enough in Australia—that there had been
too many cuts. Again, it is a bit difficult to find out where the Greens are, economically.

As for the Labor Party, I am delighted that they are, at last, going to support a measure
which they did actually introduce, Senator Whish-Wilson. I am not here to defend the Labor
Party, I can tell you that! But you wrongly accused them. The Labor Party did do something
about this when they were in government. They actually made a commitment to the
Australian people before the election that they would do exactly what this bill does now. So,
far from berating the Labor Party, you should at least be giving them credit for actually
carrying out the promise they made before the last election. We know that Labor Party
promises before elections are not particularly reliable. We all remember, prior to the 2010
election, the commitment: 'There will be no carbon tax under the government I lead.' We all
remember that commitment on the eve of the election. But then, having watched the last
couple of episodes of *The Killing Season*, one can never quite understand the personalities,
the bitternesses and the hatreds in the Labor Party which seem to be their modus operandi.
That is what seems to direct policy decisions in the Labor Party.

_Honourable senators interjecting_

**The ACTING DEPUTY PRESIDENT (Senator Back):** Order! Order, colleagues. Senator Macdonald, resume—through the chair, if you would, please.

** Senator IAN MACDONALD:** Senator Carr, shout all you like, but I have actually taped
the first two episodes and I can send them to you, if you want just a bit of a reminder about
the part you and most of your friends
on the front bench played in the atrocious disloyalty and
dishonesty that has been so clearly exposed in those two episodes of *The Killing Season* about
the Labor Party and how it operates.

And, Mr Acting Deputy President Back, why would you expect better from the Labor
Party? I just have to divert a fraction and mention that I read an article in the Hobart *Mercury*
the other day from a dear old friend of mine, former Senator Margaret Reynolds. She was a
Labor senator based in Townsville when I first entered the Senate. And I liked Margaret; I
was disappointed when she left the north and went down to Tasmania. But she wrote this
article for the Hobart *Mercury* berating the major political parties for the way they select
Senate candidates. I was obliged to reply to the Hobart *Mercury*—I suspect they did not print
it, but I did reply—and I said, 'My old friend Margaret Reynolds was clearly talking about the
Labor Party, not the Liberal or National parties,' because, as I pointed out, there is a
difference. We have just been through a preselection for a senator in Queensland, and we
were very fortunate in having Senator Jo Lindgren elected. But I have to tell you: Senator
Lindgren was not selected on a 'captain's pick' or by a couple of union cabals getting together
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and determining who they would put into the position; Senator Lindgren actually faced over 300 ordinary Australians who make up the selection process of the LNP in Queensland, and she contested against eight other candidates all of whom were people of quality. And Senator Lindgren, through her own abilities, and through the presentation she made, was selected. So I said to Margaret Reynolds, 'You might be talking about the Labor Party, where the Northern Territory branch of the Labor Party preselects a sitting senator and Julia Gillard comes in over the top and says: "Forget about the Labor Party; forget about the ordinary people who select this in the Northern Territory; I want that person."' So the difference could not be more stark. That is why I say you would not know where the Labor Party is coming from.

I might mention, as to my own last preselection, that I had been a sitting senator for some time, but there were actually 15 people opposing me. We had a preselection panel of over 450 people. I am delighted to say that I won on the first ballot, and I thank the LNP for that; I am always grateful to them for that. But that shows the stark difference between how the Liberal and National parties make economic decisions—make any decisions—and how the Labor Party does.

I will get back to the bill—just in case there is anyone listening to this and they might be interested in what this bill, the Labor 2013-14 Budget Savings (Measures No. 1) Bill 2014, is all about. The Labor Party introduced a carbon tax. They knew it would put up the cost of living of ordinary Australians. So, in an attempt to in some way ameliorate that bad policy decision of the carbon tax, they did say: 'We will give carbon tax related personal income tax cuts, just to compensate for the increased cost of living'—which they knew would happen with the carbon tax. They based that on a floating price for the carbon tax of $29 per tonne. Originally, when the carbon tax came in, the price was at $25.4 per tonne. It was going to float up to $29. And so the Labor Party said, 'We'll introduce these tax cuts to compensate.' But, lo and behold, the Labor Party suddenly realised how corrupt the market was for carbon tax permits, and they realised that their floating price estimate of $29 a tonne was not going to really achieve more than about $12 a tonne—less than half of what was originally expected. So the Labor Party, in a flash of economic responsibility, said: 'Well, the price is not going to go up quite as much as we thought; therefore, those personal income tax cuts that we were going to give won't now be necessary. So, as a budget repair measure, we're going to cancel them.' So, Senator Whish-Wilson, the Labor Party actually acknowledged that and said it was a tax that did not have the same substantive underlying reason as it originally did. So the Labor Party announced that they were going to get rid of these cuts.

Having promised that before the last election, they did a typical Labor-Greens thing: promise something before the election, and after the election come in and do the exact opposite. Twice the coalition has attempted to introduce Labor's removal of their promised income tax cuts. We have tried twice already in this parliament to allow the Labor Party to honour their commitment. Twice we have failed. But I am pleased to say—and all credit where credit is due—that the Labor Party are now, fortuitously, and sensibly, I might say, going to support this government measure, which is purely and simply the proposal that the Labor Party put before the last election.

The coalition made a commitment before the last election, and that commitment was broad; it was clear; it was sensible; it was direct. Nobody—no Australian voter—could have misunderstood what the coalition's principal election promise was before the last election. It
was: to fix the budget. We all know that when the Labor Party came into power they had a credit, $60 billion, in the ‘piggy bank’. The $60 billion was there for the incoming Labor government because of the good work of Peter Costello and John Howard in the Howard government over many years. The Howard government had paid off previous Labor governments' debts and, more than that, they had put some money away for a rainy day. There were $60 billion sitting there waiting for the new Labor government.

It took the Rudd-Gillard-Rudd government only a few months to blow that $60 billion and run up a debt which, if it had not been addressed, would have got up to around $700 billion. Senator Whish-Wilson is happy about that, I guess. He must be, because the Greens political party supported the Gillard and Rudd governments every time they took measures that would blow that out to $700 billion. Senator Cormann might help me here. That means we are currently paying—how much a day in interest, Senator Cormann?

Senator Cormann: Way too much: $1.2 billion to $1.3 billion a month.

Senator IAN MACDONALD: Australian taxpayers are paying $1.3 billion a month to overseas lenders. They are paying $1.3 billion a month on Labor's debt runner—from $60 billion in credit to approaching $700 billion in deficit and already costing the Australian taxpayers over $1 billion a month in interest on those payments.

The promise the coalition made before the last election was to prepare the budget, and everybody knew that. Everybody was concerned about the unsustainable nature of Labor's borrowings and reckless spending. That is why they voted for the Abbott government and—in spite of continuous opposition by the Labor Party—the Abbott government has already started to turn around that approach to $700 billion in debt that the Labor Party left us.

Our government has not been perfect. I had some concerns about the 2014 budget, which I thought did not quite meet our targets or the aspirations and understanding of the Australian voter. I am pleased to say this is a government that is not too proud to say, 'Perhaps we didn't get it right, then,' and it has done something about fixing it. That never happens with the Labor Party—until today. Today the Labor Party have decided that (a) they will, at least, keep this promise, (b) they will do what they said they would do and understand should be done, and (c) in this small measure, the Labor Party will appreciate that the current government has a huge job to do in repairing the budget balance run up by Labor.

Senator Whish-Wilson: do not be surprised. The Labor Party are not catching you out. They are doing exactly what they said they would do. They have since voted against it, twice, but credit where credit is due. Now they are agreeing with that. In this small way, the coalition will be able to continue on its path of repairing the budget measures that Labor created for this country.

Senator MILNE (Tasmania) (10:24): I rise today to speak on this Labor 2013-14 Budget Savings (Measures No. 1) Bill 2014. What an interesting situation. We have so much talk about tax reform—when what we are actually talking about is a tax grab. Tax reform suggests you might seriously consider how you are raising taxes in this country and for what purposes you are raising them and whether that needs to change in the 21st century. But no—tax reform is simply a word for 'How can we get a bigger tax grab from the Australian people?'

The first question you need to be asking if you are serious about tax reform is: where do you raise the money to spend on a public purpose and, in raising that money, how are you
trying to shift the economy and the society to respond to the overwhelming challenges of the time? The overwhelming challenge of this century is global warming, the resource extraction of a planet going to nine billion people, where resource extraction is completely unsustainable. At the same time we have overwhelming wealth and income inequality.

If you are looking at the two megatrends, one is global warming, unsustainable and non-renewable resource use around the planet and destruction of ecosystems and, at the same time a widening gap between the rich and poor, then genuine tax reform would look at tax and the bads—that is, the extraction and unsustainable use of resources that are destroying ecosystems, destroying the atmosphere, turning the oceans acid and, at the same time, reducing the gap as much as you can, with structural change to make sure that you reduce income and wealth inequality. That is what genuine tax reform would do. That is why I was extremely proud of the fact that the regime we brought in to address global warming in this country was genuine tax reform. It was the first major tax reform in decades because it said, 'We need to bring down greenhouse gas emissions in this country so we are going to put a price on pollution because the earth cannot sustain the level of waste being put into atmosphere and oceans from the burning of fossil fuels. So we will tax that pollution. We will charge for that pollution. In taxing the bad, we will use that to relieve the tax burden on the poorest and the least able in our democracy.' Is that not genuine tax reform addressing those two megatrends in this century? Of course it is.

What we did was to say, 'Let us make sure that from those who are making the mega profits, we socialise the costs of their work, to pay for that cost.' We said that those people who are burning fossil fuels will pay for it through a carbon price. We introduced the carbon price and at the same time we said that low-income earners should get a break. So we trebled the tax-free fresh threshold. Before, once you earned $6,000 in Australia, you started to pay tax. After the carbon price it went up to $18,200. So it meant an incredible amount to a large number of people. To give an example, it gave tax relief of $300 a year to anyone earning up to $65,000 a year or $600 for people earning $20,000 a year. When you talk about people working part-time—students, low-income earners—it gave them a substantial tax break and, at the same time, it said to BHP and to the Rios of this world, 'You can stop paying for the cost of the extreme weather events that you are imposing on the rest of the community.'

Not only did they run a mega campaign against the mining tax and the carbon price but at the very same time as they were out there running their ad campaign on the Australian community saying, 'What jolly good fellows are we, the mining industry!' they had set up marketing hubs in Singapore to avoid their tax. The biggest tax avoiders in the country were the people saying, 'We shouldn't have to pay a carbon price, we shouldn't have to pay a mining tax.' They were setting up their hub in Singapore, sending billions offshore and paying multimillions to their chief executives who were laughing all the way to the bank as they laughed at the Liberal government that was prepared to give them even more tax relief than they deserved. Now who is going to pay the price of global warming? Who is going to pay for the damage to the infrastructure around Australia from extreme weather events? It is the community, who have to pay through the tax take. Now what we have is a government that is moving to shift the tax burden once again away from the Gina Rineharts of this world and away from the Rios and the BHPs, and onto the lowest income earners in the country.
As my colleague Senator Whish-Wilson said a moment ago, these are really dishonest activities of a government. If the government was honest when they came into power and moved to abolish the carbon price, they should have, at the same time, said to the Australian people: 'Look, we were taking billions of dollars from the big polluters, and we were recycling it through to you, the people. Now that we have decided not to charge those companies those billions of dollars, we are going to take the tax breaks that you had away from you. We are going to reduce the tax-free threshold back down to $6,000, and you will all start paying the tax again.' But they did not. What they said was, 'We will forgo the revenue from the carbon price, and we will maintain those compensation measures'. Anyone with half a brain could see that that left a mega hole in the budget—$18 billion over the forward estimates. It is an $18 billion hole that Prime Minister Abbott decided he wanted. He wanted a big tax hole, and he wanted to add to that tax hole by abolishing the mining tax, which the Treasurer, Mr Hockey, at the time identified as worth around another $6 billion.

It was an amazing effort by a Prime Minister to say: 'Rather than see the tax on the richest corporations and the biggest polluters in the country, we want to impose it on ordinary people. We want to do that.' That is exactly what the government did. In order to disguise that, they went out last year saying: 'We'll keep the compensation from the carbon price but, hey, you have to pay a Medicare co-payment, we are going to deregulate universities and charge students more, we are going to reduce pensions, and we are going to attack the poorest in this country in order to recoup the hole that we made when we decided to let the big polluters and the big miners off the hook.' That is the disaster that we are now inheriting here in Australia.

What is very interesting is the title of this bill. It shows that—to the extent to which we have a government talk about failure of grown-up government—we now have what can only be described as student politics. We have a government that is introducing a bill called Labor 2013-14 Budget Savings (Measures No. 1) Bill 2014. The reason that they have done that is, again, the cynicism of politics. In the agreement on the carbon price that the Greens signed with the Gillard government, this tax-free threshold increase was locked in to go up from $18,200 to $19,400. Once the ink was dry, what the Gillard government then did—sneakily, in my view—was defer that increase to $19,400. That is why the government have decided to call it Labor's budget savings measures.

Interestingly, last year, when this very same proposition was put to the Senate at this time, Labor stood up in here and said that they would not stand for the tax-free threshold being wound back, or for the projected increase not going ahead. They would not stand for it last year, and this year they are standing for it. Why? Because 12 months has gone past, because they know that politics moves so fast that the community will not have put two and two together, and they will not have realised that what Labor are now doing is exactly the opposite of what they did last year. There is just no consistent philosophical view from either side of government—except, you can guarantee with the Liberals and the Abbott government that every time the word 'tax' is mentioned it means mega tax relief for the wealthiest and the richest in the country. You can guarantee that, when it comes to Labor Party on the issue, there is no consistent philosophical view. It is wherever is pragmatic at the day that they will do. That is why last year they voted against this proposition, and it is why this year they are going to support the government in voting for this proposition.
I can tell you that, where the Greens are concerned, there is a consistent philosophical view which says very clearly that we should be raising money by taxing the 'bads', and we should be reducing the impact on low-income earners and on those people who are suffering the most in our community wherever we can. That is precisely what we need to be doing. This is not only in terms of the carbon price compensation; with the mining tax we see the government taking away the low-income superannuation investment of $500 a year to people earning less than $37,000. Of course, that is ultimately to go in the deal that the government made with Clive Palmer, Senator Lambie, Senator Lazarus and Senator Wang last year. They all voted to take away the low-income superannuation contribution in the mining tax.

The mining tax abolition cost the Australian community $6.5 billion over the forward estimates. The miners are laughing all the way to bank, and low-income people are suffering from it. With their superannuation, the increase in super from nine per cent to 12 per cent was delayed out to 2025. We are already seeing that—every which way you look at it—the people in Australia who are the ones who have suffered the most are the ones who continue to suffer the most. The richest tax avoiders get away with it, and they get away with it time and time again. What should we be doing? What we should be doing is recognising that—as the International Energy Agency has done this week, and as every other country is now doing as it faces up to the challenge of global warming—we have to absolutely and rapidly change this economy to a low carbon/zero carbon economy. This is why the Greens have said clearly that we need net carbon zero by 2040, that we need to be out to an 80 per cent reduction in emissions by 2030 and that we need to bring that down to 50 per cent at least by 2025.

Now, if we are going to do that—as the International Energy Agency says—we have to increase energy efficiency in industry, buildings, and transport; we have to reduce the use of the least efficient coal-fired power plants, and ban their construction; we have to increase investments in renewable energy technology; we have to phase out fossil fuel subsidies; and we have to reduce methane emissions in oil and gas production—and yet, every which way the Australian tax system is considered, we have a situation where this government has moved to destroy those initiatives which would bring down greenhouse gas emissions. That is the task that we should be addressing.

We should also be addressing the other overwhelming trend—that is, wealth accumulation by the very smallest group of people of Australia, and the increasing stress on the remainder of the population. Mr Acting Deputy President, I can tell you that there are an awful lot of people out there who are now sitting back but who did not realise at the time that the reason they had the tax-free threshold was because of the carbon price, and because of the fact that the big polluters were paying so that ordinary people could have a tax break. That was surely a very good idea. At the same time, we had the government out there at the time telling people that the cost of living would fall because the carbon price was going—that everybody would be $500 better off. Well, I am yet to find anyone who is $500 better off because the carbon price has gone. And that is because the main driver of electricity prices was not the carbon price, nor is it the Renewable Energy Target; the main driver of electricity price hikes is the network system. And is anyone interested in fixing that? Not in the government, that is for sure, and not in Labor either. There are very clear measures you could take in the National Electricity Market to address this, but neither Liberal nor Labor are interested in doing so—because the network system is a back-pocket tax. Talk about axing the tax! If you were
serious about axing the tax, you would take on the electricity networks and the National Electricity Market in Australia.

The cost of living has not come down. Emissions are now going up. People are more anxious than ever about extreme weather events. The insurance industry is absolutely worried now about how they are going to cover the costs of insurance. And who is going to pay, Mr Acting Deputy President? If this government has its way, it will not be the big miners, it will not be the BHPs and the Rios, and it will not be the Gina Rineharts of this world who will pay, in order to deal with not only mitigation but also adaptation—it is not they who are going to contribute to reducing income and wealth inequality in this country; in fact, they want to drive wages and conditions even lower than they already are. It will be ordinary people who will pay.

So I stand again to say: if we want genuine tax reform in this country, this tax white paper had better address what it is that tax is meant to do. Where is it going to come from, and what is the rationale for why it would come from that sector of the community? And how is it going to be distributed in order to reduce the greenhouse gas emissions and the costs of global warming, and to reduce the gap between the rich and the poor? That is what we need to be doing with our tax system. I really am appalled: we had a situation where people in here were standing up and dancing when the carbon price was repealed, and now we have a situation where those very same people are going out and taking away the capacity for low-income earners to get an additional tax break—in order to facilitate the wealthiest people in this country becoming wealthier; that is, the big miners in particular. Those same people—and it was every one of the people in the Liberal Party, every one of the Nationals; everyone who was in the Palmer United Party at the time; all of the Independents—were all sitting there abolishing the carbon price. And now, in the face of a huge gap in the budget—deliberately created by the Treasurer and the Prime Minister—they are saying to low-income earners across Australia: ‘we are not going to honour the increase in the tax-free threshold; we would much rather see the pockets of corporate Australia get fatter at the expense of ordinary people’.

That is why the Greens are going to stand here and oppose this legislation. We are going to stick with our commitment to Australians—that is, we are going to say that the big polluters should pay their way. We did not support an $18 billion hole in the budget over the forward estimates. We are going to remind Australians that they have not got the windfall gain that they thought they were going to get—because the Prime Minister misled them every step of the way on the impact of the cost of pollution. And now the Australian people are inheriting the cost of pollution. The extreme weather events are going to cost Australians with their lives as well as their livelihoods—while those people who have benefited from the abolition of the mining tax and the carbon price laugh; while they insulate themselves from the cost of pollution as they watch an overwhelming majority of people suffer.

Senator LAMBIE (Tasmania) (10:42): I rise to briefly contribute to and oppose this proposed legislation before the Senate, the Labor 2013-14 Budget Savings (Measures No. 1) Bill 2014. The technical description of the bill’s purpose is:

The purpose of the Labor 2013-14 Budget Savings (Measures No. 1) Bill 2014 (the Bill) is to amend the Clean Energy (Income Tax Rates Amendments) Act 2011 and the Clean Energy (Tax Laws
Amendments) Act 2011 so that both Acts have their future operative provisions repealed. Both Acts have provisions already in operation and these would not be repealed.

However, the simple explanation is this: if this bill passes, we will be taking money away from low-income earners—the Australian battlers—and I can assure you, Mr Acting Deputy President, they are already battling. I am not going to be a part of that—no way. I am very disappointed with Labor; I cannot believe Labor is being a part of this. With everything that they stand for—the battler, the blue-collar worker—I just cannot believe that they are supporting this legislation. There are better ways to raise revenue and to address this issue of budget repair.

I have put forward a proposal for tax reform calling for the establishment of an FTT—a financial transactions tax. We could pass an FTT instead of agreeing to this legislation. We could actually do that. I launched a plan on how the Australian government could raise an extra $1.4 billion per annum—and that is a minimum—of revenue, and link it to aged Australians’ and veterans’ pensions by introducing a financial transactions tax. I am disappointed that neither the government nor the opposition have taken the time to properly consider and debate my plan—or speak to me—to protect and boost our pensions through a targeted financial transactions tax, which would only affect about half-a-dozen high-frequency share-trading companies in Australia. High-frequency share traders account for 30 per cent of financial trades in Australia and, in America, similar high-frequency share traders account for 70 per cent of the financial markets. Before 2007 they did not exist.

I am happy to talk with either side of politics about pensions but, first, they have to tell me why they will not introduce a financial transactions tax that would work. It would work and would raise a decent amount of revenue. It would look after our pensioners and our veterans.

The financial experts from the Australia Institute say that France and Italy have introduced FTTs to fund their budget measures. Once again, we are not leading by example. We do not want to get on the front foot and show how a country can lead when it comes to FTTs! The rest of the European Union will follow the same course of action early next year. But we are still sitting here. Neither side will talk to me about an FTT. Does that not tell you something? Why can’t we do the same?

I am very concerned that ASIC itself has failed to identify the number and the names of the high-frequency share-trading companies operating in Australia. How embarrassing that ASIC cannot even name these companies. It may be lying to me, which is even more disturbing. It makes up 30 per cent of our trade market. ASIC officials could not properly answer my questions and yet I am informed that high-frequency traders often take advantage of everyday investors, including self-funded retirees, and mum and dad investors. But neither side of politics gives a stuff about that. I can see you are hanging your heads and I would, too. You are skimming $3 billion of profits from those mum and dad investors every year. It is a pretty poor performance.

ASIC’s Greg Medcraft and Cathie Armour said that they have a team of rocket scientists whose job it is to be on top of market intelligence, yet they cannot tell me who the high-frequency traders are. Fair go! How are ASIC supposed to ensure high-frequency traders are not front-running or scamming the market, as Greg Medcraft said was ASIC’s priority, if they do not even know who they are dealing with? There are mum and dad investors out there who are investing their hard-earned cash and who are at risk of being taken advantage of—and
they are being taken advantage of; there is no doubt about that and no argument there—because ASIC have clearly not been able to properly manage this money-making scheme for people who speculate on our share market with high-speed supercomputers and advanced computer programs. That is why we need a financial transactions tax. Not only will it put high-frequency traders on the same playing field as mum and dad investors and regulate them so they cannot affect market prices; it will also raise a minimum of $1.4 billion. I say that again: that is just a minimum. High-frequency traders are a handful of big companies which use technology to get an inside advantage. A financial transactions tax will create another pool of revenue without burdening Australians, struggling to make ends meet.

After what has been going on this morning, it is clear that both major parties have not recognised that there are many battlers out there. So I do wish you luck in the next election, because you are going to need it. I can now see the ads; I am looking forward to running them myself.

Senator CORMANN (Western Australia—Minister for Finance) (10:48): I thank all senators who have contributed to the debate on the Labor 2013-14 Budget Savings (Measures No. 1) Bill 2014, which repeals the second round of carbon tax related personal income tax cuts that were due to start on 1 July 2015.

We have to remember that this bill will legislate the budget improvements that the former government announced and banked in their last budget but never legislated. The beneficial impact from this bill on the budget bottom line will be around $2.8 billion over the current forward estimates period. This measure has already been put to the Senate twice and, so far, of course the Senate has voted it down on both occasions. However, the government welcomes the change of heart by the Labor opposition. The government welcomes the fact that on reflection Labor has decided to back its own budget improvements measure after voting against it twice.

The 1 July 2015 round of personal income tax cuts were originally introduced to provide additional assistance to households, following an expected increase in the carbon tax, from a fixed price of $25.40 in this financial year to $29 next financial year. However, in its final budget, the 2013-14 budget, the former Labor government revised their carbon price estimates for next financial year, down to around $12, and on that basis they said that there was no longer a need for this second round of income tax cuts until such time as the carbon tax got back up to $25.40 a tonne. Of course, we know that, as a result of the policies of the government, supported by the parliament, the carbon tax is now at zero—not $12, not $25.40, not $29 a tonne—no longer pushing up the cost of electricity, no longer pushing up the cost of doing business and no longer pushing up the cost of living for families. And that is why, given that we are in a much stronger position now than we were under the previous government when they made a decision that this particular tax cut was no longer appropriate, it is appropriate that we press ahead with this measure, particularly given the state of the budgets that we inherited from the previous Labor government. Not only did the previous Labor government spend about $200 billion more in their first five budgets than they raised in revenue but they left behind $123 billion in forward projected deficits in their last budget. And of course we know that Labor left behind a budget trajectory and a debt growth trajectory, taking Australia to government gross debt of $667 billion by 2023-24 and rising beyond that period. Under the trajectory that we were on as a result of the policy decisions of
the previous government, there were deficits as far as the eye could see and there was debt growth as far as the eye could see. We have been able to reduce that spending-growth trajectory quite significantly as a result of the decisions that were made in our first and second budgets. It is good to see that, one by one and step by step, all of the various measures initiated by the government to improve the budget bottom line are being dealt with by the parliament and by the Senate.

It is good to see that we are now able to deal with one of the outstanding measures to improve the budget bottom line from the 2013-14 budget. On occasion I am asked how we are going with implementing budget measures from the 2014-15 and 2015-16 budgets, and I always point out to people that we are still working to do Labor's job for them. We are still working to implement budget measures way back from 2013 that Labor initiated and banked in their last budget. They banked the beneficial effect on the budget bottom line in their last budget, but never legislated. We are still working to do their work for them, with Labor, until today, opposing their own budget improvement measure.

I conclude by thanking all senators who have contributed to this debate. This is one of the measures from Labor's last budget that we said, while in opposition, we would support in government. We are sticking to that commitment we made in the lead-up to the last election. We are pleased that the opposition has come on board in supporting their own budget measure as well. I commend the bill to the Senate.

Question agreed to.

Bill read a second time.

Third Reading

The ACTING DEPUTY PRESIDENT (Senator Seselja) (10:54): As no amendments to the bill have been circulated, I shall call on the minister to move the third reading, unless any senator requires that the bill be considered in Committee of the Whole.

Senator CORMANN (Western Australia—Minister for Finance) (10:54): I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Senator LUDLAM (Western Australia—Co-Deputy Leader of the Australian Greens) (10:54): The Australian Greens oppose this bill. I am not seeking to call a division. I just ask that the opposition of the Australian Greens be recorded.

The ACTING DEPUTY PRESIDENT: So noted.

Tax and Superannuation Laws Amendment (2015 Measures No. 1) Bill 2015

First Reading

Bill received from the House of Representatives.

Senator CORMANN (Western Australia—Minister for Finance) (10:55): 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 CORMANN (Western Australia—Minister for Finance) (10:55): I table a revised explanatory memorandum relating to the bill, and 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—

Today, I introduce a bill that amends various taxation and superannuation laws to implement a range of improvements to modernise Australia’s tax system. This bill also furthers the Government’s commitment to update and continuously improve the Australian tax and superannuation systems.

The bill will also remove uncertainty from our tax and superannuation laws and remove laws that are ineffective and outdated. And it will make our laws more relevant and provide incentives for investment so that Australia is well-placed to compete on the global stage.

This Government, with the release of the Tax White Paper on 30 March 2015, is demonstrating its ongoing commitment to Australians to modernise our tax laws and making genuine reforms.

The amendments today are a step towards that.

Schedule 1 to this bill will abolish the first home saver accounts scheme.

When first home saver accounts were introduced by the previous Government, they were expected to hold around $6.5 billion in total combined savings after four years. At the beginning of last year, more than five years after the scheme was introduced, fewer than 50,000 accounts were open, and containing total combined savings of only $540 million. This is less than 10 per cent of the previous Government’s prediction.

The scheme is being abolished using a phased approach.

New accounts opened from the 2014-15 Budget night will not be eligible for any concessions. For existing account holders, the Government co-contribution and the tax and social security concessions will be phased out and abolished from 1 July 2015.

This Government recognises that home ownership is an important goal for many Australians; for many it will be the most significant financial investment they make. We recognise that rising housing costs are a concern, especially for young Australians and families.

However, it is clear that first home saver accounts have not helped address rising housing costs in Australia. If we are to help young Australian families realise the dream of owning their own home, then we need to address the real issues faced by families looking to enter the property market.

The supply of housing is not keeping pace with recent growth in demand. To improve housing supply, regulatory barriers relating to state and local governments’ planning, land use and housing infrastructure policies must be removed.

While housing supply is primarily the responsibility of state and territory governments, we are working together to reduce the red tape that holds up the supply of housing and construction and to increase land release for new homes. This will improve housing affordability, and will allow more Australian families to realise the goal of home ownership.

Abolishing the first home saver accounts scheme will save more than $130 million over five years.

Schedule 2 to this bill will also abolish the Dependent Spouse Tax Offset with effect from 1 July 2014, as announced in last year’s Budget.

We want to make sure that the tax system is equitable for all Australians. That means making sure concessions in the personal tax system are well targeted, including tax offsets. At their core,
concessions need to assist the people they're designed to help, and provide support where it is most needed.

When the Dependent Spouse Tax Offset was introduced many decades ago, its purpose was to provide a concession to taxpayers who 'maintained' a dependent spouse. It was introduced at a time when the welfare system was in its infancy. With changes in our society and our economy, this offset is obviously outdated.

Maintaining concessions that have outlived their purpose is simply not sustainable — particularly in view of other assistance available through the welfare system that is more targeted and appropriate and the need to promote workforce participation as our population ages.

This measure is not about undermining our strong social safety net. Rather, it is about future-proofing it. That's why the Dependant (Invalid and Carer) Tax Offset, introduced in 2012, will still be available. It's already constructed in a way that takes account of current arrangements in the welfare system. It is an offset for those taxpayers supporting a dependant who is genuinely unable to work due to carer obligations or disability.

Abolishing the Dependent Spouse Tax Offset completes phasing out the offset, which the former Government had already commenced. For most taxpayers, eligibility for this offset is currently restricted to taxpayers with a spouse born before 1 July 1952. Its abolition is expected to return $320 million to the budget over the years to 2017-18.

This is an important step towards repairing the budget, because it means maintaining Australians' living standards well into the future.

Schedule 3 to this bill amends the taxation law to modernise and improve the integrity of the Offshore Banking Unit regime.

In January 2014 the Government announced that it would delay the start date for this measure to ensure that this concession was better targeted and also to address integrity issues. The changes we have proposed include key recommendations arising from the 2009 report Australia as a Financial Centre, known as the Johnson Report, to promote Australia as a regional financial services hub. One of the key focus areas of that report was to improve the international competitiveness and efficiency of the Australian financial services sector.

The Offshore Banking Unit reforms will better target the Offshore Banking Unit tax concession by updating the list of eligible activities which will attract additional mobile financial services activity to Australia. These changes will improve our competitiveness and better position Australia as a leading financial services centre. Alongside these changes, we will also improve the integrity of the regime to ensure that this concession is not subject to abuse. The Government believes that the Schedule strikes an appropriate balance between encouraging Offshore Banking Unit activity and maintaining the integrity of the tax system.

Schedule 4 adds the Global Infrastructure Hub to the list of named income tax exempt entities in Division 50 of the Income Tax Assessment Act 1997.

The Global Infrastructure Hub was established to implement G20's multi-year infrastructure agenda. The Australian Government along with several other countries have pledged financial contributions to the Global Infrastructure Hub. Without the amendment to the act, the contributions made to the Global Infrastructure Hub would be assessable and taxable accordingly. It would be inappropriate for the Australian Government to tax assistance provided to the Hub under an arrangement agreed to as part of Australia's G20 presidency.

Schedule 5 extends the specific listings of two entities as deductible gift recipients for a further three years: Australian Peacekeeping Memorial Project and National Boer War Memorial Association.

Both Australian Peacekeeping Memorial Project and National Boer War Memorial Association have fallen short of their fundraising targets. This extension of their deductible gift recipient status will help
these organisations attract public financial support for their activities, as taxpayers can claim an income tax deduction for certain gifts to deductible gift recipients.

Schedule 6 makes a number of amendments across the tax and super law to provide certainty for taxpayers. These amendments make sure that the law operates as intended by correcting technical or drafting defects, removing anomalies, and addressing unintended outcomes.

This furthers the Government's commitment to restore simplicity and fairness to the Australian tax system. It also demonstrates the Government’s commitment to the care and maintenance of the tax law. By clarifying the law and repealing unnecessary provisions, these amendments also further the Government's deregulation agenda.

A number of the amendments relate to issues lodged on the Tax Issues Entry System, a platform for members of the community to raise issues regarding the care and maintenance of the Australian Government's tax and superannuation systems.

These include:
- Ensuring that life insurance companies are not inappropriately liable for franking deficit tax; and
- Correcting inconsistent wording in the definition of in-house residual fringe benefits;

Additional amendments fix a defect in the law preventing the Commissioner of Taxation from revoking access to certain tax concessions for past non-compliance by the entity seeking to rely on the concessions.

Schedule 7 to this bill amends the income tax laws to implement the final stage of the investment manager regime.

The establishment of an investment manager regime was another key recommendation of the Johnson Report which I referred to earlier.

The investment manager regime reforms are aimed at encouraging greater foreign investment into Australia, and promoting Australia as a financial services centre. It does this by removing the uncertainties in the application of Australia's tax laws as they apply to widely held foreign funds and foreign investors. In particular, the investment manager regime clarifies the income tax treatment of gains made by these foreign funds and made by foreign investors investing through Australian fund managers.

The Government believes that the bill strikes an appropriate balance between encouraging foreign investment and maintaining the integrity of the tax system.

In conclusion, this bill is very much a part of the Government's overall plan to update and modernise our tax system. Our tax system has to be adaptive to the changes both domestically and beyond our borders. These changes today lay the groundwork for our continued efforts to ensure our tax system is efficient, modern and well targeted.

That is why we are talking to the Australian people and having an open dialogue through the Tax White Paper process to hear what is important to all Australians. We want to listen so we can truly improve and modernise our tax systems.

An effective and relevant tax system is the foundation to any healthy working economy and we are investing resources to make sure that we get it right.

It's no secret that, globally, many economies are doing it tough. We are not isolated and cannot ignore what is happening around us. Our commerce and industries are more connected internationally today than ever. We need to be cognisant of the work currently being undertaken internationally by the Organisation for Economic Co-operation and Development and explore ways we can improve our laws to address multinational tax avoidance, such as through the G20's work on Base Erosion and Profit Shifting. And we must confront new business models, such as the increase in internet and business operations, which are increasingly borderless.
It is clear that our tax system must evolve to stay current. We must continue to adapt to our changing environment.

That's why we are discontinuing some things.
And that's why we are building and improving those things that are working.

Full details of all these measures are contained in the explanatory memorandum.

Senator JACINTA COLLINS (Victoria) (10:56): I rise to support the Tax and Superannuation Laws Amendment (2015 Measures No. 1) Bill 2015. The bill repeals the legislation providing for the First Home Saver Accounts scheme, including the related tax concessions. It amends the Income Tax Assessment Act 1936 and the Income Tax Assessment Act 1997 to abolish the dependent spouse tax offset; to expand the dependent invalid and carer tax offset by removing the exclusion in relation to spouses previously covered by the dependent spouse tax offset; and to remove an entitlement to the dependent spouse tax offset where it is made available as a component of another tax offset, and replaces that component with a component made up of the dependent invalid and carer tax offset. It will rewrite the notional tax offsets covering children, students and sole parents that are available as components of other tax offsets, and make a number of reforms to modernise the offshore banking scheme regime. It amends the Income Tax Assessment Act 1997 to exempt the Global Infrastructure Hub Ltd from liability to pay income tax on ordinary income and statutory income. It amends the Income Tax Assessment Act 1997 to update the list of specifically listed deductible gift recipients. It implements the third and final element of the investment manager regime reforms.

As I said at the outset, Labor will be supporting this bill. But I want to go into more detail about three of the measures: first home savers accounts, the dependent spouse tax offset and the offshore banking unit changes.

Firstly, with respect to the first home saver accounts, the context of this debate provides an opportunity to consider some of the issues raised within this bill that go to: the cessation of the first home saver accounts scheme and the government's commitment to housing affordability; the abolition of the dependent spouse tax offset, and the government's somewhat inconsistent view on this scheme; and offshore banking units and the government's frankly lacklustre approach to tackling multinational profit shifting.

On the issue of housing affordability, we have seen a great deal of talk from this government, but unfortunately much of that talk has managed to put much of Australia offside. We are familiar with the comments of the Treasurer, Mr Hockey, betraying his lack of concern—and, frankly, his lack of empathy—for those Australians who have good jobs and are struggling to purchase a house in current conditions, especially in our largest capital cities.

I remind the Senate of the clear statements from the Secretary to Treasury, John Fraser, who said:

When you look at the housing price bubble evidence, it's unequivocally the case in Sydney.
He could not be more clear. The Governor of the of the Reserve Bank of Australia, Glenn Stevens, said:

What is happening in housing in Sydney I find acutely concerning for a host of reasons …
Going further still, he said:
Yes I am very concerned about Sydney. I think some of what is happening is crazy …
When central bank governors use words like 'crazy', sensible policymakers sit up and take notice. But the only response from the Treasurer to these statements from his chief economic adviser and from the head of the Reserve Bank was to say that Australians should go out and 'get a good job that pays good money'. When the opposition asked the Prime Minister how he would respond to the Treasury secretary's concerns about the housing price bubble, his first thought was the price of his own house. Australians want more than a Prime Minister whose response on housing affordability is simply to talk about his own home.

We need a serious debate about housing affordability. That is why Labor, through work being carried out by shadow Treasurer Mr Bowen and shadow minister for housing Senator McLucas have been engaging with the experts. That is why we have been looking at questions of infill development, making sure that greenfields development is affordable. That is why we believe that urban public transport really does matter. It is why we are deeply proud that the Rudd and Gillard governments invested more in urban public transport than every other federal government, going back to Federation, put together. Where you have serious investment in urban public transport, you are able to have those medium-density developments which foster housing affordability. All this government has done on housing affordability is abolish the first home saver accounts and blame the states—the government's plan for housing affordability so far is to abolish the first home saver account.

Another part of this bill scraps the dependent spouse tax offset. Labor in office phased back the dependent spouse tax offset, initially restricting its operation to those born before 1972 and then, in a further measure, restricting its operation to those born before 1952. It is important to note that those decisions had an impact on workforce participation because those born in the cohorts to which I have referred were of prime working age. The change in this bill is not one which can be defended in terms of labour force participation, because those affected—born before 1952—are of course aged 63 and over.

It is timely to go back to statements made by the coalition when Labor made the decision to phase back the dependent spouse tax offset. In a speech on 23 November 2012, Mr Hockey described Labor's decision to restrict the dependent spouse tax offset as a 'tax grab'—the now Treasurer referred to phasing it back as a 'tax grab'—yet in his own budget he has now brought forward the complete repeal of this measure. The inconsistency here is laughable. It is hard to see how this is consistent with statements such as that from the Prime Minister in August 2013:

Taxes will always be lower under a Coalition government.

He also said:

... there will be no overall increase in the tax burden whatsoever.

No wonder people question the integrity there. If you look at the government's own budget papers, it is absolutely clear that the tax-to-GDP ratio in this year's budget is higher than in any year under Labor.

In this bill, there are some tentative steps to address the issue of multinational profit shifting. When the coalition were in opposition, they voted against Labor's sensible measures to get multinationals to pay their fair share; they voted against transparency measures; and, when they came to office, they refused to follow through on enacting Labor's multinational
tax package, effectively giving $1.1 billion back to multinationals and losing access to that revenue.

Some of the measures that the government failed to proceed with were around offshore banking units. Offshore banking unit changes are timely in ensuring that multinationals cannot take advantage of tax concessions that are not available to small businesses. This government claims to be a friend of small business; but, in order to stand up for small business, it is necessary to stand up to multinationals and make sure they pay their fair share—because an Australia in which multinationals are able to access tax loopholes not available to small businesses is an Australia without a level playing field. Labor's multinational tax package, which would raise $7 billion over a decade, is a pro-small-business measure because it acts to level that playing field. The measures on offshore banking units in the bill before us raise $41.8 million. That is less than half the amount that would be raised under the package on multinational tax avoidance brought forward by Labor.

Pursuant to the resolution of the Senate on 13 May this year, the provisions of this bill were referred to the Senate Economics Legislation Committee for inquiry and report in time for the bill to be debated this week. The committee received seven submissions dealing with schedules 1 to 3 and 7 of the bill. In addition to recommending passage of the bill, the committee recommended a revised explanatory memorandum be issued to take into account changes to schedule 7, as a result of requests for clarification by stakeholders. I note that a revised explanatory memorandum was issued, dealing with the amendments to schedule 7—which relate to investment manager regime reforms—and that government amendments to schedule 7 were agreed to in the other place.

Labor continues to hold grave concerns about the way in which this government is approaching key challenges in the economy that affect the lives of a majority of Australians, such as the core issue of housing affordability. Our ability to address these challenges is compromised by the government's failure to properly address issues such as multinational profit shifting. By contrast, Labor is taking a methodical approach and has proposed sensible policy alternatives. I urge the government to work more constructively with the opposition on these matters and make them a greater priority. However, with respect to the provisions in this bill, Labor supports these steps so far.

**Senator LUDLAM** (Western Australia—Co-Deputy Leader of the Australian Greens) (11:07): I will speak fairly briefly on the particular clauses of the Tax and Superannuation Laws Amendment (2015 Measures No. 1) Bill 2015 that go to the abolition of the First Home Saver Accounts, and I will have a bit more to say when we get to the committee stage. Senators, you will probably be aware by now that I have circulated an amendment which would have the effect of preserving First Home Saver Accounts. I am hoping Senator Cormann can do a better job than Senator Collins just did, because if you did it, Senator Collins, I missed it.

**Senator Jacinta Collins:** You missed it!

**Senator LUDLAM:** As to the justification for why you are supporting at least that element of the bill and why we are knocking over First Home Saver Accounts, if it was—

**Senator Cormann:** Maybe I can explain.
Senator LU DLAM: I am sure Senator Cormann will have a crack. But Senator Collins did not appear to. You spoke about the framework and the parameters of First Home Saver Accounts but not why you are consenting to it being taken out of the system.

Senator Cormann: I will explain it to you.

Senator LU DLAM: Senator Cormann, you will get your turn shortly. I am only going to speak fairly briefly.

Senator Cormann: Well, you did ask me.

Senator LU DLAM: I did. And I am really looking forward to your contribution. I will speak in a bit more depth when we get to the committee stage as to the purpose of these amendments. This was something, I believe, that was supported unanimously—certainly when it was introduced by the Rudd government. I went back to look at the comments that I made and that some other senators made in 2008 when this measure was introduced. The situation for first home buyers is worse than it was when this measure was introduced.

I want to make a very careful distinction here between the First Home Saver Accounts and the first home buyer grants, which are largely issued by the states. I am not sure that there is any Commonwealth tax expenditure left in first home buyer grants, but they have a direct inflationary impact on house prices. You simply give people money, and that inflates property prices by roughly the same amount. And, actually, it does not help overall housing affordability. Whereas this is arguably a bit of a blunt instrument as well, and I understand that it is not perfect. But incentivising and encouraging first home buyers to save the deposit when—and, frequently, they will be paying as much of their wages on a mortgage as rent—the hurdle is getting the deposit in the bank. We do not want to be encouraging banks and lending institutions to lower the amount of deposits that are required. In fact, in a very low interest rate environment and under conditions of substantial overheating in our housing market, I would argue that having people come up with a substantial deposit is a good idea. But incentivising it, as this scheme did, would appear to me to be the right way to go.

For $134 million over five years—which is what, I understand, Treasury has estimated over the forward estimates will be saved by the abolition of this scheme—is the size of the tax expenditures and the concessions that we hand over to property investors through negative gearing and capital gains tax exemptions every six days. That is the scale of the incentives that we are talking about here. While still propping up property investors and quite heavily tilting the table in favour of investors against people in public housing, people in the broader private rental market, first home buyers and people who are struggling with the experience of homelessness, what we are doing is pulling one more prop out of the system—one small incentive that was there.

Maybe, Senator Cormann, one limb of your argument will be that it simply was not taken up enough, that enough people were not taking advantage of it, but for—

Senator Cormann: That is one element.

Senator LU DLAM: That is one limb of the argument. All right. I will put some questions to you more formally when we get to the committee stage. But I would have thought that an incentive, no matter how imperfect, that has not been demonstrated to be inflationary, that does incentivise and encourage people to save and makes it easier for first home buyers to get into their first home, I find the rationale for knocking this over with mute support by the
Labor Party absolutely mystifying. I will have a bit more to say, as I have indicated, when we get to the committee stage. In the very short time that we have left, I encourage the government—and, failing that, the opposition—to reverse its strange decision to knock this incentive out of the system.

**Senator CORMANN (Western Australia—Minister for Finance) (11:11):** I thank Senator Collins and Senator Ludlam for their contributions to this debate. This bill will modernise our tax and superannuation laws and remove laws that are no longer working or appropriate. Indeed, our laws need to be relevant and need to provide for effective and targeted rules to ensure that our laws are current and adapt to rapidly changing global economic conditions. The updating of our tax rules is very much at the forefront of this government's agenda. This is why we are having a dialogue with the Australian public through the tax white paper process to explore opportunities to reform and improve our tax system.

In responding directly to the issue raised by Senator Ludlam in relation to the First Home Saver Accounts, the First Home Saver Accounts initiative was essentially another one of these 2007 Labor policy failures. As policy failures go, it is right up there with the Swan mining tax policy failure. When Labor initiated this particular measure, they had grand objectives and they thought it was going to be incredibly successful in encouraging people wanting to buy their first home to take advantage of the First Home Saver Accounts. Back in 2008, they told us that there would be 730,000 accounts with about $6.5 billion in them. The truth is: seven years later, when they thought we would have 730,000 accounts within four years, there is fewer than 50,000 accounts with average account balance of less than $12,000 in them. First home buyers across Australia have voted with their feet by not taking up this particular measure. Indeed, the banks have stopped providing new accounts to new first home savers— aspirants, candidates—for these accounts.

The more fundamental and strategic policy issue that the government has is this: we all want to make judgements and decisions that will help improve housing affordability but we have to then be very clear on what the actual problem is. If you have a challenge where prices go up, making the purchase of a particular good or a house less affordable, what is actually causing that development? Of course, the price for anything is set by what is happening in the market, what is happening to supply and what is happening to demand. When demand exceeds supply, prices will go up. In a free market, that will mean that you are likely to get additional investment and additional supply over time, which hopefully will bring the market back into balance, and prices will stabilise. When supply exceeds demand, prices will go down. And there will be responses in the market which, over time, will stabilise prices in that market.

The problem with this policy initiative and the problem with a number of policy initiatives taken by the previous government, and other governments around Australia over time, is that they seek to further boost demand. When it comes to housing, we do not have a demand problem. Demand is strong. We have a supply problem. When you pursue initiatives and take policy steps to further boost demand in a market that is potentially already overheated or where there is upward pressure on prices, you actually make the problem worse, to the extent that there is a problem.

If we as a parliament, as a Senate, genuinely want to do something about housing affordability, we will all work very hard on two key things. We will seek to convince our
colleagues in the states and territories to boost the supply of land and make sure there is a larger supply of land, and we will all work together on measures to bring down the cost of constructing a home. By international standards, the cost of building a home in Australia is extremely high. The other day people in the House of Representatives laughed at the Treasurer making an absolutely accurate assertion—that is, the current government getting rid of the carbon tax has actually brought down the cost of building a home in Australia. That is a fact. It brings down the cost of doing business and it helps to bring down the cost of building a home. It actually does help in a small way to make housing more affordable. Obviously, that is not going to be the single measure that is going to address affordability challenges when it comes to housing, but every bit helps. So, if we want to improve housing affordability we have to, firstly, boost the supply of land and, secondly, consider what measures would help to reduce the cost of building a home in Australia, which is too high.

As a direct policy response to your question, 'Why does the government believe that this measure should be removed?', firstly, it has been extraordinarily unsuccessful. The take-up is less than 10 per cent of what the government at the time thought it would be within four years. After seven years the take-up is still less than 10 per cent of what the previous government thought it would be. We have fewer than 50,000 accounts with less than $12,000 on average in those accounts. So people have expressed very clearly their lack of confidence in this measure. The previous government thought there would be $6.5 billion in 730,000 accounts after four years, and we know what the actual number is now.

The second point is that, to the extent we have a housing affordability challenge in different parts of Australia at present, this is not the way to fix it, because it attacks the problem from the wrong end. In Australia we do not have a demand problem; we have a supply problem. By boosting demand, to the extent that there is a challenge, you actually make that challenging situation worse. That is why, as part of this package of measures in this bill, the government has put forward the proposal that we have.

Question agreed to.

Bill read a second time.

In Committee

Bill—by leave—taken as a whole.

Senator LUDLAM (Western Australia—Co-Deputy Leader of the Australian Greens) (11:19): I seek leave to move amendments (1) and (2) on sheet 7714 together. Presumably I will need to move amendment (3) separately.

The TEMPORARY CHAIRMAN (Senator Seselja): Senator Ludlam, I think it would be better to deal with amendment (3) first. If that is not successful then there will be no need for amendments (1) and (2).

Senator LUDLAM: That breaks my heart a little. I will speak to all three of the amendments and then we can move through the votes at a later time.

I thank Senator Cormann for directly addressing some of the questions that I put to him. I think there are obviously bigger debates in play. I was curious to hear Senator Cormann insisting that we had a supply problem and that demand, if anything, is not only not a problem but perhaps had been over incentivised. He was very careful not to mention negative gearing and capital gains tax exemption, which is obviously a very live debate, not just in this place at
this time but around the country. One of the biggest unspoken incentives on the demand side at the moment are these huge tax expenditures which incentivise and directly drive demand for property investors to compete against first-time buyers and owner occupiers. I would be more than happy to engage very broadly on all elements of the debate.

If there is one thing that we can maybe all agree on, it is that our housing market is inordinately complex when you consider all the factors that are colliding around issues like land supply, whether it be on the periphery of our great cities or with respect to developers who are attempting infill, either along public transport corridors or in areas where they might come into conflict with existing residents; supply is clearly a problem. There are huge possibilities for innovation in building and construction costs and techniques. Yes, costs are high, although they certainly have not escalated anywhere near as rapidly as the cost of land.

The Australian Greens believe there is enormous potential, for example, in the modular or prefabricated housing industry. Here is an opportunity to kick-start a new manufacturing sector. When you get prefab housing and construction technologies to scale, you are looking at plants that are very similar and that employ people with very similar degrees of expertise to those in the auto industry. They are effectively production lines, whereby boxes of components go in at one end and fully formed dwelling units come out at the other end that are then basically assembled very rapidly on site. There is plenty to talk about on the supply side and on the construction side.

What bugs me is the unwillingness of the government to engage in the debate. Thank goodness that at least the Labor Party is willing to have the conversation and to engage in the debate on these other demand drivers that, as Senator Cormann quite correctly points out, are there in the system, but he refuses to engage in the debate around these huge tax expenditures and concessions to investors, which drive demand and drive competition. It is the first homebuyers and the owner-occupiers who are being priced out of the market—particularly an entire generation of younger people, but I am very well aware that it is not just young people who are priced out of the housing market.

If this is the case and if this is the status quo, whether we agree with negative gearing or the deal with these tax concessions, because dealing with those two on their own—I tend to agree with the comments of Senator Day, and it may be the first time I have said that in this place, or Senator Sinodinos when he addressed these questions directly yesterday—they are not a magic bullet. Addressing those concessions by themselves will not fix housing affordability; we need to look at the entire picture. That is why I think it is so wrong that this concession is being pulled out from under people, not necessarily because it succeeded too well or because it was costing too much but because the take-up is not high enough. Why can we not have an intelligent and mature conversation without one side focusing on the demand side and without the other side obsessing on the supply side? There are many complexities around the issue of housing affordability. As I indicated and as many others have indicated during the course of this debate, we need to engage with all of it, rather than have people obsessing on different components. For those people who are being priced out of the market at the moment, the first homebuyers, this is an incentive that would directly make it easier for them. It is my understanding, Senator Cormann, that you have voted for this initiative when it was first put in, as did your colleague Senator Bernardi. Senator Bernardi had some extremely forthright and quite perceptive things to say—
Senator Cormann: He quite often does.

Senator LUDLAM: but he has gone the off the rails since then. I will withdraw that because he is not here to defend himself, but here is what he said in September 2008 when this bill was being debated:

Any government initiative designed to tackle the current decline in housing affordability is certainly most welcome.

This was in 2008, before the market went completely berserk. He also said:

There can be no doubt that many Australian families are dismayed over rising housing costs. One of the goals for every parent is to see their children being able to afford their own home. I pause in the quote here, because the fact is I think we have seen a generation of people who will never be able to afford their own home—a generation of people who will probably rent for life.

We can have an argument about whether that is an ideal state of affairs or not, but the fact is that we need to be dealing with security of tenancy and tenure for those people and not assume that it is (a) that everyone's aspiration or (b) that everybody will eventually, one way or another, find their way into their own home. Senator Bernardi went on to say:

Families and young people really do need every help that the government can give them so they can continue to save and afford their own home. This was recognised by the former coalition government last year when it committed to a similar scheme.

He made a few criticisms then about the Rudd scheme but, nonetheless, the coalition voted for it; the Labor Party obviously brought it forward and today the axe is coming down on it with no real explanation.

So, Senator Cormann, before we commit these amendments to vote, I would like to know when the coalition—the ERC or whoever it was—decided to axe this incentive, was any discussion undertaken with people in the housing affordability sector or people trying to get into their own homes? Was there any discussion about advertising, for example, or going out and encouraging people to take up this concession? Or was the decision made rather more arbitrarily than that?

Senator CORMANN (Western Australia—Minister for Finance) (11:26): Firstly, I can confirm for Senator Ludlam that the decision to proceed with this measure, as with all relevant measures in budgets, was the decision of the Expenditure Review Committee and ultimately endorsed by the cabinet. Consistent with appropriate conventions, I will not disclose the nature of the discussions in the Expenditure Review Committee or in cabinet. Having said that, there has, of course, been a Senate Economics Legislation Committee inquiry into this bill and all relevant stakeholders have had ample opportunity to express their view. I will give Senator Ludlam this assurance, though: as our government always does, we have very carefully considered all of the relevant information. We have very carefully considered the various options in front of us on how best to proceed and we made a judgement, having considered the relevant expert advice along the way. That obviously is how good government operates in an orderly and methodical process but, beyond that, I cannot assist Senator Ludlam much further.

Senator JACINTA COLLINS (Victoria) (11:27): Labor is supporting abolition of the First Home Saver Accounts and therefore opposes these Greens amendments. While this is
not necessarily a saving that we would have made ourselves in government, Labor is willing
to work constructively with the government on sensible savings measures. Unfortunately, the
take-up for First Home Saver Accounts has not been as high as we had expected.
Approximately 50,000 accounts have been opened, containing a total combined savings of
only $540 million. This was reflected in the report of the Senate Economics Legislation
Committee on this bill. At the time, as they were moving these amendments, I note that the
Greens are supporting the government’s unfair pension changes, which will have a far more
significant impact. The Leader of the Greens Party, Senator Di Natale, and his colleagues
have been duped into accepting a $2.4 billion pension cut in exchange for a six-week
extension to the deadline for submissions to the tax inquiry.

Senator LUDLAM (Western Australia—Co-Deputy Leader of the Australian Greens)
(11:29): Senator Collins, you cannot help yourself, can you? I am not going to take the bait; I
am going to keep the debate on topic. We are talking about housing affordability, Senator
Collins, but, believe me, the Labor Party—

Senator Jacinta Collins interjecting—

Senator LUDLAM: You really have not got the hang of being the opposition, have you?
Senator Cormann, you indicated, I think, in your second reading contribution that banks—

Senator Jacinta Collins interjecting—

Senator LUDLAM: You are really not very good at it. Senator Cormann, you indicated in
your second reading speech that banks had stopped opening these accounts. My
understanding is that only two of the big four had ceased offering First Home Saver Accounts.
Could you just clarify whether that is the case or whether in fact there are no financial
institutions that offer these anymore.

Senator CORMANN (Western Australia—Minister for Finance) (11:29): Senator Ludlam
is right. That is consistent with what I have said before—that there are banks that have
stopped providing them. In the Australian Bankers Association’s submission to the Senate
Economics Legislation Committee inquiry into this bill they noted that complex product rules
and the availability of better savings products within the market have limited consumer
interest in the scheme. That is one of the reasons why the First Home Saver Account scheme
has been particularly unsuccessful.

Senator LUDLAM (Western Australia—Co-Deputy Leader of the Australian Greens)
(11:30): Senator Cormann, I put to you that the amount of money, the $135 million, that you
are saving over five years in abolishing the last housing affordability mechanism in the policy
toolbox that you had not yet obliterated—it is almost as though you had swept aside and
wiped out everything to do with housing affordability and homelessness and this one
particular instrument escaped your attention and so you are coming back to squash it—is what
we concede to property investors through negative gearing and capital gains tax discount
arrangements every six days. Minister, have you considered that you might actually be
looking in completely the wrong place for savings? Will you take another look at what these
two huge tax concessions to property investors are costing regular taxpayers?

Senator CORMANN (Western Australia—Minister for Finance) (11:31): The coalition
and the Greens obviously have to agree to disagree. The First Home Saver Account scheme
having been in place for seven years has proven to be unsuccessful. The evidence is in. It has
not had a material beneficial effect on housing affordability. The take-up has been extremely low. The level of savings is extremely low. To the extent that it has had any impact at all and further boost demand, the demand is for housing. But first home buyers are not the problem when it comes to housing affordability. The government very clearly understands that in those markets where there is upward pressure on housing prices that is as a result of supply not meeting the demand in the market. So if we want to improve housing affordability we have to boost supply.

When you have increasing prices, there is, to a degree, a response in the market. We see that now in our national accounts. You would have seen that there is increased investment in dwelling construction, which on the face of it appears to be a direct response to the increasing prices in some markets across Australia. But, beyond that, if we want to boost affordability and improve housing affordability on a sustainable basis we have to increase the supply of land and we have to bring down the cost of building a home in Australia. Building a home in Australia is significantly more expensive than in other comparable jurisdictions around the world. These are the sorts of areas we should focus on, because we need to improve the supply of housing in the context of very strong demand.

In relation to the other measures that Senator Ludlam raised—and he asked me a question about this in question time the other day—let me confirm for him again that the government has absolutely no plans to revisit negative gearing. I remind him there is actually no such thing as 'negative gearing' as a term or methodology within our tax laws. What is reflected in our tax laws is the concept that tax applies to net income. When you incur relevant costs in generating an assessable income, there are allowable deductions against that assessable income to determine the taxable income. That is a general principle in our tax laws which we believe is appropriate. We understand that the Greens have a different view. We let the Greens argue for higher taxes, and we will continue to argue that the current arrangements remain appropriate.

Just to close on this, Senator Ludlam seemed to indicate that the Labor Party had a position to pursue changes to negative gearing. I am very pleased that he has been able to ascertain and discern what Labor's position on negative gearing actually is, because I have struggled to do so. I know there are some people who are trying to increase their profiles who jump up at various times and express some views, but whenever the Labor leader, Mr Shorten, is asked a question on negative gearing I have struggled to understand his position. I know I am just a humble immigrant of non-English-speaking background and perhaps I do not understand the English language all that well, but I have listened very carefully to what Mr Shorten has had to say and, quite frankly, I cannot figure out what Mr Shorten's position on negative gearing is. Is he in favour of the status quo or is he in favour of change? He gave a press conference last week. I sat in my office in Perth and genuinely listened very carefully. I have an interest in this topic. He was giving a press conference and he was asked a question about negative gearing. I thought I would listen very carefully to see whether I could find out the position of the Labor opposition under the leadership of Bill Shorten on negative gearing. I was none the wiser at the end of his answer. If somebody in this chamber on the Labor side wants to clarify Labor's position on negative gearing I would be all ears. I would be really interested.

Senator Ludlam, this is where we come back together. I am sure that both of us would be very interested in Labor's position on negative gearing. But obviously that is not the subject of
this bill, so you have invited me here to stride beyond the measures that are in front of us. It was probably remiss of me to have been taken that way by you but, as always, I was trying to be helpful.

Senator LUDLAM (Western Australia—Co-Deputy Leader of the Australian Greens) (11:36): It is always helpful when the minister is helpful. It feels as though we have just spent the last half-hour effectively talking past each other. Minister, you pointed out that there is no such thing as negative gearing. The Parliamentary Budget Office must have just imagined the $42 billion in savings over—

Senator Cormann: In our tax laws.

Senator LUDLAM: I think perhaps we are now arguing about a technicality. Where we have a substantial disagreement—maybe it is not a term of art in our tax laws, but it is commonly known as ‘negative gearing’—is on the idea of people acquiring an asset for the purpose of making a loss on it with the expectation that other taxpayers, the vast majority of them locked out of the property market, should pick up that loss. I find that utterly objectionable. And this is one other area where we are in agreement. Demand is a huge factor in housing affordability. One of the major drivers of demand are these massive tax concessions, paid for by people on low and medium incomes, many of them themselves locked out of the property market, that incentivise bidding up the price of property and pricing first home buyers and owner-occupiers out of the market. Until the two of us can make eye contact on that, I suspect we are wasting our time. I do not want to verbal the Labor Party; you are absolutely right. I have no idea what their position is on many things. But, on this issue of negative gearing, what I want to acknowledge is that, unlike yourselves, they have not slammed the door shut on debate. They are at least willing to take on the taboo. I think it is to your great discredit that you are not. I move Greens amendment (3) on sheet 7714:

(3) Schedule 1, page 5 (line 1) to page 32 (line 22), to be opposed.

I hope, in the few seconds remaining in this debate, that somebody up that end of the chamber has a change of heart on behalf of first home buyers.

The CHAIRMAN: The question is that schedule 1 stand as printed.

Question agreed to.

Bill agreed to.

Bill reported without amendments; report adopted.

Third Reading

Senator CORMANN (Western Australia—Minister for Finance) (11:39): I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Renewable Energy (Electricity) Amendment Bill 2015

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.
Senator LAMBIE (Tasmania) (11:39): I rise to speak on the Renewable Energy (Electricity) Amendment Bill 2015. Before I detail the reasons why I think every senator should support this legislation, it is useful, for future reference, to consider a small technical description of this legislation. In summary, the Renewable Energy (Electricity) Amendment Bill 2015 amends the Renewable Energy (Electricity) Act 2000 to adjust the required gigawatts per hour of renewable source electricity in each year from 2016 to 2030 with a gigawatts per hour target of 33,000 gigawatts per hour in 2020 and to replace the current partial exemption for electricity used in emissions-intensive trade-exposed activities with a full exemption; amends the Renewable Energy (Electricity) Act 2000 and Climate Change Authority Act 2011 to remove the requirement for the Climate Change Authority to undertake biennial reviews on the operation of the Renewable Energy (Electricity) Act 2000 and subordinate regulations; and amends the Renewable Energy (Electricity) Regulations 2001 to reinstate native forest wood waste as an eligible source of renewable energy.

This is a very important piece of legislation for Tasmania, because we are the renewable energy capital of the world. No other state in Australia uses as much renewable energy compared with non-renewable energy as Tasmania. A 2014 report from the Australian Bureau of Resources and Energy Economics shows that in 2012-13—out of a total of Tasmania's 3,136 megawatt installed capacity—2,630 megawatts were from renewable hydro power. In 2012-13, Tasmania had no electricity generated by either black or brown coal fired power plants; however, the rest of Australia, excluding the Northern Territory, relied on black and brown coal to produce almost 29,000 megawatts of electricity. This sum of 29,000 megawatts of electricity represented more than half of Australia's total installed electricity generating capacity of 56,079 megawatts. Today more than 95 per cent of Tasmania's electricity comes from carbon-free, renewable hydro-electricity which, unlike wind and solar, is able to power heavy industry with reliable baseload power 24 hours a day—whether the wind is blowing or the sun is shining.

Put simply, when we turn the power switch on in Tasmania, we do not pollute the environment with any CO₂, so why should our businesses, industries and families be hit with more expensive electricity because of the mainland's RET penalties? Why should 10,000 direct and indirect manufacturing jobs associated with Tasmania's aluminium, zinc, magnesium, cement and paper industries be placed at risk because of RET penalties totalling tens of millions of dollars each year? And, to rub salt into the wound, the RET money raised in Tasmania is going into a fund whose main purpose is to replace mainland coal fired power generators with renewable energy!

The RET scheme that is now in place discounted and ignored most of the renewable energy created by Hydro Tasmania. Parliamentary Library research showed that Hydro Tasmania only received an Australian RET credit income of about $60 million per annum, or five per cent, of the possible RET credits created by the electricity created from Tasmanian renewable water power. So why are we missing out on the other 95 per cent, or more than $1.1 billion per year of possible Australian RET credits? This is an important question that the federal Liberal Party, who first designed the RET system, must answer.

Everyone knows that water, or hydro, power, is one of the best forms of renewable energy available to mankind. Unlike wind power, hydro can supply cheap, reliable, baseload electricity for 21st century factories, businesses and families. There is no risk of brownouts,
voltage fluctuations or loss of electricity supply if a community relies on hydro, which Tasmania does. So it disappoints and upsets me that Tasmanian Liberal, Labor and Greens politicians for over a decade have accepted a mainland RET scheme which only pays Tasmania $60 million a year for RET credits, when we should have received more than $1.1 billion if it were to be fair. Since it came in, we would have been $20 billion better off in Tasmania—there is no doubt about that.

Renewable energy is a policy area in which I had major disagreements with Clive Palmer. You will recall Mr Palmer signed an infamous RET deal with former American Vice President Al Gore without my knowledge or approval. If I had blindly followed the Palmer United RET policy of not lowering the RET target before the next election, as the Greens would have done, I would have risked the jobs of 10,000 Tasmanian workers and the viability of all of Tasmania’s major manufacturers. My Tasmania already has the highest unemployment rate in Australia. As a matter of fact, two days ago it hit seven per cent. My conscience will not allow me to sit silently and watch as our manufacturing industry and economy is destroyed by what is effectively a sneaky mainland tax which forced (1) every Tasmanian to pay an extra 3.6 per cent on top of their electricity account and (2) our largest manufacturers and employers to pay, on top of all their normal taxes, tens of millions of dollars in mainland RET penalties so that Australia’s mainland states have the funds to replace coal fired power stations with renewable energy. One of the main reasons I resigned to become an independent was to put my state’s economic health and workers’ job security before PUP’s RET deal with Al Gore. As I mentioned before—and I will say it again—we do not pollute the environment with CO₂ when we turn on our power switches in Tasmania, so why should we be forced to pay any mainland RET penalties?

I am very pleased that this government has listened to my advocacy for the forestry industry and made changes to the current RET scheme which will allow bioenergy to play a greater role in Australia’s renewable energy future. Allowing all electricity generated from biofuels created from biowaste—food, meat, all wood, straw, feedstock etcetera—to contribute to our national RET target is another important provision in this legislation. I will also use my vote in the Senate on behalf of the Tasmanian forestry industry and its workers to protect and guarantee the reinstatement of wood waste from sustainable native forestry harvesting and processing operations to contribute once again to the RET target. Nationwide, this will create and support thousands of jobs in rural and regional areas—and I can assure you that they need it. In Tasmania, it will create and support hundreds of vital jobs in our country regions. Despite the blatant lies and mistruths put out by the Greens, all this provision means is that the timber offcuts and small woody waste, which are currently left to rot or burnt in bushfires, can be used in the generation of renewable energy. Not one extra tree will be cut down.

I expect the Greens to criticise my call, but they have caused enough damage to our economy in Tasmania and enough jobs have been lost because of their over-the-top environmental policies. If anyone wants to see what happens when the Greens take over, come and have a look at the chaos, economic and social destruction the Greens have caused to bring Tasmania to the brink of economic and social ruin. Common sense, workers’ job security and sustainable economic growth must come first in Tasmania again.
I have never heard so much garbage about energy and climate change. If you listen to the Greens, you will hear that they think that a 21st century economy and industrialised society can sustainably and affordably run on renewable energy. What a load of rubbish! The only form of renewable energy which can provide baseload power for a 21st century industrialised, advanced society with world-competitive energy prices is hydro power. The rest of the renewable sources of energy are unreliable and too expensive to power a 21st century industrialised, advanced society. The Greens are peddling false hope and a blatant lie about renewable energy being able to replace the fossil fuel powered generators, which provide baseload power for our cities and businesses.

Apart from hydro energy, the only way we can cheaply and reliably decarbonise our energy generation while maintaining secure baseload power is to move very quickly to nuclear power generation. It is about time we had an honest debate about that option, and I will be speaking more about that plan in the near future. If we follow the Greens’ foolish plan to shut down our fossil fuel power generation and replace it with unreliable, expensive renewables, we can kiss cheap, reliable energy goodbye and say hello to brownouts, power failures and the destruction of millions of manufacturing jobs—what is left of them.

The only way Australia will maintain our comparatively high wages and standards of living is to ensure that our manufacturers, farmers and businesses have access to energy and electricity prices which are some of the cheapest in the world. As a nation, we must never lose sight of the fact that our nation's prosperity, our grandchildren's jobs and our privileged place in the world depend on the fact that we must provide, when compared to the US, Canada, South America, Europe and Asia, the cheapest energy in the world to our businesses. If we do not as a nation focus on cheap energy, it is guaranteed that our standards of living and wages will rapidly drop, because the two biggest costs in making products such as food and in creating wealth are energy and wages. If we do not have cheap, reliable energy, then our relatively high wages and standards of living compared with the rest of the world will disappear.

It is not just me who is speaking this self-evident economic truth about the critical need to secure cheap, reliable energy for our businesses, families and workers. I remind this Senate once again of the words and observations of respected Australian academic Dr Thomas Barlow, a research strategist specialising in science and technological innovation and the author of Between the Eagle and the Dragon: Who is Winning the Innovation Race? On ABC Radio National, he reminded Geraldine Doogue:

One of the key theories of why the industrial revolution occurred and where it did, in the north of England, is that in the 18th century the north of England had an overly unique combination of low energy prices and high labour costs.

That combination was the perfect combination because it encourages a society to substitute labour for capital.

That is one definition of innovation. You want to use fewer people to achieve the same or better outcomes.

Look to the US—at the moment the US is having an energy revolution. They have cheap energy.

The cost of natural gas in the US is about a third of what it was in 2008. And as a consequence we see manufacturing flow back to the US.
But far more significant than the trend in manufacturing is the potential that this creates for an acceleration in innovation.

It is clear that America has learnt the lesson about economic growth, innovation, jobs and cheap energy and that its slow but sure economic revival has come about because its combination of policies has delivered some of the world's cheapest and most reliable energy to its people and businesses.

Quite simply, without cheap, reliable energy Australia is doomed to suffer a terrible fate. Our standards of living will drop, downward pressure on our wages will be irresistible and our manufacturing industry and wealth-producing capacity will collapse, more than they have already collapsed.

Every Green member of this Senate needs to be reminded of the fact that we have climate change and, indeed, there has never been a time in the world's history when we did not have climate change. On page 66 of Al Gore's book, *An Inconvenient Truth*, there is a graph showing the rise and fall of average world temperature for the last 600,000 years. Al Gore's figures show the average world temperature has been much hotter and much colder than today's average of 14 degrees. And how do I know that today's average world temperature is about 14 degrees? Most members of this place, including the Greens, would have a clue about the value of the temperature, as we are all worried about the temperature, which we don't want to see increase or it get warmer. On page 5 of Tim Flannery's book, *The Weather Makers*, he says, 'For the last 10,000 years Earth's thermostat has been set to an average surface temperature of around 14 degrees.' Most Greens would not know what the average world temperature is, but they will speak about climate change as if they were experts.

Of course, what the Greens and Mr Flannery fail to tell us is that over the last 300,000 years the world's average temperature, as show on page 66 of Mr Gore's book, was much hotter than our 14 degrees on at least three occasions. At approximately 100,000, 200,000 and 260,000 years ago, the average world's temperature exceeded today's 14 degrees by many degrees. So, yes, of course, there has never been a time in the world's history when we did not have climate change. It is just that the Greens and others who rely on the fear created by the thought of climate change to make money or benefit their political cause will never admit to this reality.

I was present when Ross Garnaut, the architect of one of Australia's most significant climate change policies in 2008, was asked: 'What is the current average world temperature?' He tried to tell me that it was 12 degrees—and this is an expert. Indeed, should anyone require it, I can produce a hand-drawn graph where Mr Garnaut tried to convince me that the average world temperature was 12 degrees and had climbed two degrees in 50 years. I have all of that on paper.

In shaping climate policy, there is a lot of fear and Greens dishonesty, and we have to remember this fact. Even by the Greens own rules on climate change, with 30 to 40 years worth of climate change already locked in, humans cannot stop climate change. We can only make credible plans to adapt, innovate and survive climate change. Practically, that means focusing on Australia's food and water security, energy security and national security. We have to: 1) protect our prime agricultural land and soils, protect our food-growing lands and allow our farmers to be profitable, secure and earn a decent living; 2) build more dams, because if you do not want to drink water then do not build dams—and use those dams not
only for water security but for making clean, reliable, cheap hydroelectricity; 3) become world leaders in nuclear energy and electricity production—we must use our uranium resources to secure our energy future and make sure Australia has the cheapest, most reliable and safest energy supplies in the world; and, 4) dramatically boost our military, emergency and essential services so that whatever Mother Nature throws at us, whatever other envious, aggressive countries want to throw at us, Australia has enough trained military, emergency and essential services to care for, protect and defend our current population, our children's future and our national interests.

These are the policies, plans and solutions we should be talking about when we discuss climate change, not the absolute rubbish that comes from the Greens mouths about building wind farms to save the world and stopping unstoppable climate change by killing off Australian manufacturing jobs and making our power charges the most expensive and unreliable in the developed Western world. If you think you can stop the world's climate from changing by making pensioner's pay more for their energy, by building wind farms and by mandating renewable energy targets, then you are worse than deluded. You are dangerously deluded and you should be locked up, because you are helping our enemies destroy our great nation. If you agree with the rubbish that has come out of the mouth of Christine Milne and the Greens, you are, at best, condemning our children to a life of abject poverty in the future.

I will gladly vote for the Renewable Energy (Electricity) Amendment Bill 2015, because it will protect 10,000 Tasmanian jobs, which are tied to the beating heart of our economy—our heavy manufacturing and forestry industries. This legislation will effectively lower the price of energy for Tasmania's biggest employers, our manufactures, and make our timber industry more efficient. This legislation will allow Tasmanian businesses to compete, make a modest profit and sell their products on the world market, which is dominated by countries that are smart enough to deliver cheap energy to their people and businesses and not dumb enough to allow the Greens to be in charge.

Senator IAN MACDONALD (Queensland) (11:57): Mr Deputy President, what a wonderful speech. I must say that it is a long time since I have heard a speech that is so clear a perspective on the reality of life. I am delighted that there is at least one Tasmanian non-government senator who understands, firsthand, just how destructive the Greens political party is. Senator Lambie, we have had our differences and I am sure we will in the future, but could I say to you that I congratulate you on the way you understand what happens in Tasmania and in the forestry industry. The Greens are just hell-bent on destroying Australia in whatever way they can. Some of you will be pleased to hear that the things Senator Lambie has said will allow me to shorten my speech by about 10 minutes, because she said many of the things that I would have said! Senator Lambie, it was a wonderful speech. Congratulations. I, as you may know, was the forestry minister years ago, when we actually thought we had saved the Tasmanian forestry industry from the Greens and Labor, through the CFMEU. Dare I say that the F part of the CFMEU went against the Labor Party at that time and agreed with the government that we should do things in Tasmania that would save the industry. Unfortunately, that did not last too long. One of the regrets of Mr Howard taking me out of that portfolio, I might say, is that my successor was not able to continue the success of the Tasmanian forestry industry, but that is a personal matter. But you have certainly hit the nail on the head. In those days when I was the forestry minister, we were trying to include
offcuts as part of the renewable energy regime, but the Greens and the Labor Party had the numbers to stop it. So I am delighted to hear what you said today.

I am also delighted to hear you say something that I have said many a time, and that is that we all acknowledge that the climate is changing. In spite of the Greens getting up and saying, 'You're all climate change deniers,' I have forever agreed that the climate is changing. As I have always said, there was a time—I was not around—that the earth was all covered in snow and there was once a rainforest in the centre of Australia. Of course the climate has been changing; it is not an argument. But what is the cause of it? Is it man-made pollution? Some scientists seem to think that it is. As you rightly point out, those scientists continue to get grants from governments for so long as people like the Greens political party and the Labor Party continue to give money to try and prove the theory that they are trying to prosecute. Of course, without those grants—if they did not have climate change to get the grants—then they would probably go out of business and have to do something that was actually useful for mankind.

Clearly, the climate has always been changing. Is it man's emissions of carbon? I always say that I do not know. If top scientists who are skilled in these matters have different views—and they do—then I always claim, 'Well, I am not in the class, and I am not convinced.' The Greens will say that any scientist who supports their view is correct, brilliant and a leader in the field. But any scientist who has an independent view and a different view is pilloried by the thought police, of which the Greens are the leading advocates.

Senator Whish-Wilson interjecting—

Senator IAN MACDONALD: The Greens would have everyone agreeing with their view, but if you do not—well, Senator Lambie, you just heard the interjections from the Green, trying to browbeat and bully you to their point of view. I am delighted to see, Senator Lambie, that you will not be bullied by the Greens and by the thought police on these issues.

We are entitled to have a different view. I am not claiming that I am right. In fact, I am claiming that I do not know. There are very credible top scientists, very professional scientists, who have a different view and who are equally skilled and professional as those favoured by the Greens political party. But the Greens, of course, will denigrate anyone who does not conform to their view. Thank you, Senator Lambie; you have shortened my speech by 10 minutes. Thank you for your perception of what is happening in Tasmania in the forestry industry and, particularly, of the destructive force that the Greens political party is.

I just want to say a few words on this subject. My colleagues, in the second reading speech and otherwise, have indicated what the bill is all about. It has been well publicised in the newspapers. I think that most listeners will understand that, with the turn down in the Australian economy thanks to the Labor Party, there is less electricity to be used and we do not need the same quantity of renewable energy. So I will not go over that.

I just want to highlight four industries in the north of Queensland, where, as you all know, I come from and am passionate about. I am delighted to see that the aluminium industry, the cement industry and the zinc industry in Townsville will be totally exempt from the renewable energy requirements. Those three industries provide an enormous capacity for Australia. They provide export dollars and import replacement dollars, and they employ
literally thousands and thousands of North Queenslanders and Central Queenslanders in their works.

Had they been included, as was originally proposed some years back, then you would have seen the disappearance of all three industries from Australia. There is no doubt that the aluminium industry could not have continued to exist in Australia. There is no doubt that the cement industry could not have continued to exist. There is no doubt that the zinc factory in Townsville would have had to shut its doors. All congratulations to Mr Hunt for being able to negotiate that. I also give congratulations to representatives of those three industries, who made their views known and have convinced the government and, I understand, the opposition as well of how essential it is—for employment, for Australia's economy and for our exports—that those industries are put on the same playing level as their competitors overseas.

I also want to mention another great industry in northern Australia, and that is the sugar industry. Mackay Sugar was the leader, almost, in renewable energy from the leftovers of sugar cane. Their co-generation plants are world-class. I understand and have some sympathy for Mackay Sugar. I know that the greatest amount of renewable energy was better for their future plans, but I think that they will understand the impact on the balance of society. Even as it is, Mackay Sugar, of course, will be able to continue its existing co-generation plants and will continue to feed into the electricity grid to the benefit of electricity consumers as well as, importantly, the ongoing viability and success of the manufacturing sugar industry in the Mackay region. I am conscious that the sugar industry would like to expand co-generation into other mills—the ability to use co-generation certainly brings down the total manufacturing costs, and that can only be good for the manufacturing industry which is so essential to Australia.

It is important to recognise that the manufacturing industry in sugar employs many thousands of people in North Queensland. Sure, the canegrowing industry, which is very important in the locality that I come from, is the mainstay of the local economies of those towns, and it employs a lot of people—fewer these days than it used to, of course, with the increasing mechanisation in the canegrowing industry—but we can never forget that a big support base in many of the country towns in North Queensland is the sugar manufacturing industry—that is, the mills that crush the cane and export the raw product. So, whilst I know many parts of the sugar industry would have liked the Renewable Energy Target to stay where it was, I think they understand the need for reform, and I am sure they will continue to be able to successfully run those existing plants. I am hopeful that, into the future, new methods, new science, and new technology will allow the sugar industry to again—as a by-product—contribute to renewable energy in Australia. With that, I urge support for the bill.

Senator LEYONHJELM (New South Wales) (12:08): I rise to speak against the Renewable Energy (Electricity) Amendment Bill 2015 and the life support it provides for the Renewable Energy Target. This bill is the result of negotiations between the government and the opposition. Its rationale was flawed from the beginning.

The Warburton review found that $9.1 billion in cross-subsidies have been spent since the commencement of the Renewable Energy Target. A further $22 billion is expected to be spent by the end of the scheme in 2030. That is money largely paid by electricity consumers to renewable energy generators, in addition to the unsubsidised cost of electricity. Quite rightly,
the Warburton review described the Renewable Energy Target as nothing more than a transfer of wealth to large energy companies. Fairly obviously, it would be far better for our economy to leave billions of dollars in the pockets of Australians through lower electricity prices. Households and businesses, large and small, will pay the cost. Deliberately legislating measures which raise electricity prices and make industry less competitive should have no place in this country. The cry of the left—people before profits—should absolutely apply. The jobs and prosperity of people should come before the profits of renewable energy companies.

This bill's efforts to patch up the Renewable Energy Target will do for Australia manufacturing what wind turbines do for wedge-tailed eagles. Compared to this bill, I would prefer that nothing was done to the Renewable Energy Target, with the result that the target of 41,000 gigawatt hours would not be reached, penalties would apply, and the resultant increase in electricity prices would lead to a public backlash against the lunacy of the RET. Instead, it is set to become no more than a wind industry support fund. Already for 15 years we have been throwing money at this uncompetitive form of electricity generation. This new target of 33,000 gigawatt hours will more than double the number of wind turbines being subsidised by Australian families and businesses. That is around a couple of thousand new turbines. Nowhere in the world does electricity generation by wind survive without subsidy. Wind turbines are only profitable when subsidised or sold for scrap.

As much as big wind—and let us keep in mind the vast majority of new renewable energy generation is wind—likes to say that wind energy is driving down the cost of wholesale electricity, businesses and households pay retail electricity prices which, of course, include the direct subsidy they are paying. If artificially high electricity prices were not reason enough to oppose this bill, then the very high cost of emissions abatement from wind energy ought to be; that, again, was identified in the Warburton review. The Select Committee on Wind Turbines, of which I am a member, has heard convincing evidence that the contribution of wind energy to emissions reduction is less than significant. Importantly, the cost is wildly disproportionate to the reduction in carbon dioxide emissions. And as we have heard recently, Australia is on target to meet its emissions reduction targets without any additional wind power. If we are to retain a Renewable Energy Target—but in my view it is such poor policy that we should not—then the target should be no more than 27,000 gigawatt hours. That at least would meet the original target of 20 percent of renewable energy. And we must remember that a Renewable Energy Target of 20 per cent would set a minimum—if additional wind turbines were profitable without subsidies, then wind turbines would account for more than 20 per cent of electricity generation.

This bill is flawed. For years to come, it will make wind energy companies rich, and electricity consumers poor. I oppose it.
effect of renewable energy on the wholesale price of electricity. The industry claims that the RET scheme reduces the wholesale price of electricity, which it does as it creates an oversupply of the market. The modelling is based on this effect. This effect is irrelevant, as the subsidy is paid by the consumer in the retail price of electricity. This price is agreed by the generator and the retailer in their power purchase agreement, PPA.

The industry claims that PPAs are commercial-in-confidence and so the myth of renewable energy lowering electricity prices is allowed to continue. In reality, the PPAs are setting the retail price of electricity generated by wind turbines at three times the price of fossil-fuel generators. In one example of a PPA, the electricity retailer was buying wind energy at $32 above the wholesale market price, resulting in a payment of $40 million per year more than it would otherwise have to pay for electricity. This amount is added onto consumers' bills, with a further retailer's margin typically between seven and 10 per cent. This increase in the retail price of electricity could be as high as 200 to 300 per cent. According to then Senator Boswell, during a Senate estimate hearing of 27 May 2010, Grant King, of Origin Energy, a very big player in this sector, said:

Aspects of RECs, such as the need to build thousands of megawatts of gas power to back up wind at a cost of billions, and expenditure on connecting wind farms to the grid will be a major factor in power price increases over the next decade.

He then said:

It could be two to three hundred per cent.

When you study the states of Australia that have had dramatic increases in their household power bills in recent years you will find a direct correlation to the number of wind turbines that have been connected to the grid in those states. You will find the same correlation in European countries.

No-one in this great house will talk about the economic effect of this amending legislation. I am one of the few senators who are in a position to do so. The coalition government find themselves in a conundrum. They have buckled under pressure from the wind industry to negotiate a deal with the ALP on the reduction of the target. Some say that this reduction will see up to 2½ thousand new wind turbines, built across prime agricultural land in Victoria, NSW, Queensland and South Australia. That is more than twice the number of turbines that we already have operating. This amending legislation is designed to give the financial sector some investment certainty, which the industry has been so desperate to provide. But at what risk? The financial risk is very significant. While some debt financiers will be sensible enough to recognise the regulatory risk involved in going forward with this technology, the safety of which has been questioned in a pilot study commissioned by Pacific Hydro, I fear our Clean Energy Finance Corporation will not be one of them. The CEFC was designed by the Labor government to increase investment in renewable technologies, to the tune of $10 billion.

The coalition government therefore finds itself in an unsustainable position where it is supporting the continuation of an outdated scheme that will inevitably collapse. In 2000, the Howard government, unquestioningly, introduced the REE Act, which was concocted by some of the greatest financial magicians in our history. This financial rort was then supported throughout the Gillard government years and was strengthened by the establishment of the CEFC, ARENA and billion-dollar-deals with Chinese wind turbine manufacturers.
The amendment will now follow one of two paths: option 1 is that it will not be supported by my Senate colleagues, in which case the target will stay at 41,000 gigawatt hours, which will activate the $65 shortfall penalty charge in 2017. This, coupled with the REC price, will leave consumers with an effective $93 carbon tax, paid for by consumers in their household electricity bills.

The electorate of Australia have already voted down a $28 carbon tax, so the threat is clear: the coalition government may lose the next election based on this amendment under the directive of the Minister for the Environment. Or option 2: the amendment will be supported by the majority of senators and will pass, thereby setting a new target of 33,000 gigawatt hours—a level which will see the construction of up to 2½ thousand new wind turbines, which will create such havoc in our electorates and rural environments that there will be widespread community outrage.

To satisfy a new 33,000 gigawatt-hour target, 495 million RECs will have to be surrendered by electricity retailers. This will lead to a shortfall of 240 million RECs, as only 16,000 gigawatt-hours will be available annually, and only 256 million RECs will be available to satisfy the LRET's remaining 495 million megawatt-hour target, set under this politically deceitful amendment. When the shortfall charge is triggered and the REC price goes up to $93, the total cost is added to power consumers’ bills and will top $46 billion. A wind turbine operates, on average, only 27 per cent of the time—when the wind blows. There are 8,760 hours in a calendar year. Therefore, at 27 per cent, a three-megawatt turbine will generate $659,985 in subsidies per year. If you use the industries claimed 35 per cent capacity factor, each turbine will generate $855,414 each year. That subsidy is paid annually until 2031. Each three-megawatt turbine can generate a total of $13.5 million over the remaining life of the LRET scheme.

The RET subsidy, including small-scale solar, has already added $9 billion to Australian power bills. At the end of the day, retailers will have to recover the total cost of the RECs issued, and the shortfall charge, from Australian power consumers. No matter if this amendment is supported or not, each and every Australian household will pay a $93 carbon-tax-equivalent in their power bills, increasing bills by up to possibly 300 per cent. It is, without question, obvious that the imposition of what is a $45 billion retail electricity subsidy is going to have an adverse economic consequence for industry, small business and households alike. In my home state 34,000 homes were disconnected from the electricity grid because they could no longer afford to pay their power bills. The imposition of the coalition's electricity tax will naturally lead to tens of thousands more families attempting to live without power.

The situation is mirrored in other states. Electricity has gone from being a basic necessity to a luxury good for many hard-pressed Australian families. While certain members of the coalition government claim that the RET scheme is family and business friendly, perpetuating the wind industry line that it carries with it no significant cost to power consumers, the efforts to exempt energy-intensive trade-exposed industries reveals that argument to be a lie. This is deceitful. If there is no cost to power consumers from the RET scheme, then why the need to exempt energy-intensive industries such as aluminium smelters? It is simply policy hypocrisy. At some point this parliament will act to properly control the operation of wind farms by
placing conditions on access to subsidies. The potential for that kind of regulation is a
detrimental point of risk for bankers and investors.

Senator WHISH-WILSON (Tasmania) (12:25): I rise today to make some comments in
relation to, in particular, my home state of Tasmania and the renewable energy target changes
that are being proposed in this legislation. It is interesting that Tasmania is 86 per cent
generated, in terms of its hydro and other clean energy sources. I know South Australia is
close to catching up, but we have had a dominant position in the market in generating clean
energy, and that is why the clean energy package that both Labor and the Greens delivered—
obviously the position of the Greens in the balance of power helped get us a price on
carbon—has been a boon for Tasmania. Because we generate clean power and those
businesses did not pay a carbon price, they got to keep the increased margins when they sold
into the National Electricity Market. The money that has been generated by clean energy in
Tasmania has been essential to providing services to schools, to paying for our healthcare
workers and nurses, and for our essential services. The dividend paid last year from Hydro
Tasmania to the Tasmanian government was $260 million, from the price on carbon. There
was more money prior to that and hundreds of millions of dollars more were forecast. That is
gone.

Senator Lambie talked about the job-destroying, wealth-destroying Greens in her previous
speech. I want to highlight that she voted against the carbon price. She voted for its removal
and the damage that has done to Tasmania. Not only did it directly take revenue out of the
coffers of our Treasury, where it is most needed. It also put sovereign risk on the table. It also
introduced significant risk into future expansion plans for Hydro Tasmania. The only thing
Hydro Tasmania has left going for it is the renewable energy target, which she is also going to
attempt to dismantle. Hydro Tasmania has said they could cope with the loss of the carbon
price, because that really was something that was flowing straight to the government and the
people of Tasmania, but the renewable energy target was essential for the future.

I want to read some job statistics, because it seems that Senator Lambie has been listening
to the big dirty polluters in Tasmania. I have been to visit them. For example, I spent a day at
Comalco in Bell Bay. I met the management and the workers and I had a very enjoyable day.
We agreed to disagree on many things, but I listened to what they had to say and they listened
to what I had to say. It is clear to me that they are doing their job. They are trying to make
more money for their shareholders. They are trying to get the lowest price possible for the
power and electricity they use in their operations, as they always have, and they continue to
put pressure on the Tasmanian government and the federal government to get as many
subsidies as possible. This is what big business does to maximise payments to its
shareholders. Their objective is clear and my objective was clear. I said that all polluters
should pay for their pollution.

That is the fundamental principle that my party stands for: if you pollute, you pay. Someone has to pay for the externality that is produced by polluters such as Comalco. If they
do not, if they keep getting out of things like renewable energy target commitments and
carbon prices—which they would never have paid anyway—then the Australian taxpayer has
to foot the bill, because someone has to pay for this pollution if we are going to actually do
something about climate change.
I went and visited Comalco. I have seen their website and their lobby group's propaganda—and that is what it is. It is propaganda. It has been thoroughly debunked by people such as the Australia Institute. But Senator Lambie stood in here today and regurgitated it, ad nauseam, straight from the website of the biggest polluters in Tasmania, who, incidentally, are among the biggest, wealthiest companies in the world, yet they do not want to pay a measly fee for their pollution. What they do is put pressure on people like Senator Lambie, saying: 'Help us. We're not wealthy enough. We're not rich enough. We can't afford to pay for our carbon pollution.' Well, they can. We boiled it down in our discussion with Comalco management. I asked, 'Why should you get out of paying for your pollution,' they said, 'Because we employ people.' I said, 'If we adopted that logic, we would be back to the days of the Industrial Revolution,' which, interestingly, Senator Lambie talked about. We would be back to the days of the Industrial Revolution, when everybody dumped their crap in the river and polluted the atmosphere. We have come a long way since then. Everyone needs to pay for their pollution.

Let us talk about pitting jobs against jobs, employment against employment, because that is exactly what Senator Lambie is doing. She is, apparently, putting the jobs and the security of jobs in the old, dirty industries, like Comalco's, ahead of the jobs of workers in the renewable energy sector. In fact, in the electricity sector, modelling by several organisations forecast continued growth in renewable energy, in clean technology, over the coming decades, right around the country. Austrade believes current renewable energy targets in combination with other elements of the clean energy package which have now been removed—including a price on carbon—would have delivered $20 billion of investment in renewable energy. The Australian CleanTech Review 2013 estimated that at least 53,000 Australians were working in the renewable energy sector, with strong growth since 2009.

In Tasmania, where 86 per cent of its renewable energy is generated from sources such as hydro, the Clean Energy Council's own report in 2010 forecast the number of renewable energy jobs in Tasmania to grow from 737 in 2010 to approximately 3,007 by 2020, in five years time. The Climate Institute are a little bit more conservative, but they predicted the creation of 1,329 new jobs in renewable energy in Tasmania in the next 15 years. These are new jobs. These are jobs being driven by innovation, by investment in technology. These are the kinds of jobs in which my state can be a world leader. We are already a world leader in so many areas around clean energy. This is a competitive advantage for Tasmania, and this is something the Greens delivered to the state of Tasmania that is seldom acknowledged by people like Senator Lambie in their constant rhetoric about the Greens not having any ideas. Well, guess what? We delivered a windfall to our state. We delivered jobs. We delivered a new direction in an area in which Tasmania could have a competitive advantage.

I recently drove a Tesla. The people who were showing me the car told me that this kind of electric car is going to become affordable in the next five or 10 years. It is expensive now, but they estimated that these kinds of cars would have a price of around $22,000 or $23,000 in the next five years. For those of you who are not aware of this, they have also brought in new battery technology, around $3½ thousand for households, that means you can generate your own electricity and store it. You can store it. You can alternate consumption and flows at different times of the day with other simple technology. You can charge your car. You can even use the battery charge in your car to recharge your house. This is a disruptive
technology. In 10 to 20 years time, it is possible that grids could be redundant, in many senses. We are still going to need grids; they are still going to be very useful tools for us, especially for large-scale renewable energy generation. But do not underestimate the disruption that new technology is bringing not just to the actual processes and utilities of electricity but also to the consumption habits of those who use electricity.

It is an economic pipedream, it is a false hope and, to many in Tasmania who care about the forests and our ecosystems, it is a phantom menace to hold out the idea that burning logs or biomass, forest furnaces, will somehow provide thousands of new jobs in the Tasmanian forestry industry. We already have trouble selling our clean energy into the National Electricity Market. There has been significant pressure to get a second Basslink cable to provide more capacity. The big, threatening bullies, the big polluters, are always talking about leaving if they do not get what they want. The risk of huge oversupplies of clean energy in Tasmania are very real. But, suddenly, people like Senator Lambie are once again swallowing hook, line, and sinker the propaganda of the forestry industry, when she comes in here and says we are going to create thousands of new jobs by burning native forests in forest furnaces. Who is going to invest hundreds of millions of dollars in these plants when the world is already facing and talking about disruptive technologies that could make large-scale baseload electricity generation redundant?

Those technologies are what we are looking at, and they are exactly the kinds of things that would be useful in Tasmania in terms of people being able to go off-grid if they wanted to; generate their own power and store it; and have cheap, affordable vehicles to drive that do not rely on burning any dirty fossil fuel, be it wood, be it coal, be it gas or other hydrocarbons. This is the future. This is the future we are facing. In dealing here with the RET, I have heard very few people discuss where we are going with technology, even though technology does not stand still. It is academic, really, for forest furnaces to be included in the renewable energy target.

I wanted to make it very clear here today that, for my home state of Tasmania and right across the country, especially in states like South Australia that are really catching up to Tassie in terms of their power generation in a whole new suite of exciting battery technologies, as well as solar thermal plants, this is the future. This creates new jobs. For those in areas like the forestry industry who may have lost their jobs, this is where we will find the new jobs. We need to transition our economy. We need to do it because we actually need to take serious action on climate change. It is no good mucking around with targets. Even the targets we have in place now are not enough to make an impact. In that sense, Senator Lambie's cynicism about man-made climate change has an element of truth to it, if we do not take strong action, if everyone in here is thinking about weakening renewable energy targets.

We have already pulled the rug on a pricing mechanism that helped us reduce emissions, being the clean energy price, we are trying to reduce funding to the Clean Energy Finance Corporation that is making a $25 million profit for the Australian taxpayer and financing a whole range of new technologies, including battery technology, as we are providing finance packages for Australians to go off grid. Why wouldn't you generate your own power from the sun or from wind and then store it at home and charge your car? Tesla goes up to 600 kilometres depending on the type of typography you are in—around 400 is the average. That
is not bad for an electric car. You can get home and recharge your batteries from stuff that you have generated for free while you have been away at work during the day. This is the future. We have to get real about this and we have to think. With large projects like Woolnorth in the north of Tasmania and the new developments that are occurring in wind power are also very important to Hydro Tasmania, as are combinations of wind, solar and even tidal energy in places like Flinders Island, replacing the diesel subsidies in place for those couple of islands in Tasmania.

Senator Lambie has swallowed hook, line and sinker the rhetoric of the old industries—unsustainable native forest practices and the big dirty polluters in Tasmania that are always looking to make a buck at the expense of the Australian taxpayer. We have to be thinking about the industries of the future. That is why we cannot afford to weaken the RET. In fact, we need to strengthen it. We cannot allow the burning of native forests as biomass to be given credits in this RET scheme, because it will already make an unprofitable business an unsustainable business, and it will hold out false hope to those in the forestry industry that see this as their future. As usual, the Greens will be the party in the Senate and in the parliament standing up for the environment.

Senator MUIR (Victoria) (12:40): I am happy to be finally standing here to speak on the second reading of the Renewable Energy (Electricity) Amendment Bill 2015. I will start by making a positive mention of the great geographic locality we in Australia are gifted with. Unlike many other countries around the world, we are lucky enough to have a coastline stretching right around us. We have an abundance of sun and heat, with a lot of barren land that can be utilised to create renewable energy into the future. As controversial as it may be, we also have wind—a lot of it. And it becomes clear when speaking to a few people in these halls!

There are projects like LMS Energy that extract methane from old tip sites. By burning the methane and creating energy, the methane is reduced to carbon, which is 15 times less damaging to the environment than what it is in the beginning as methane. I was proud to support the retention of ARENA, and I believe that funding into projects such as wave energy are a huge step into cleaner alternatives than fossil fuels. I have been a consistent supporter of the Clean Energy Finance Corporation as I strongly support the assisted funding to help businesses step into less energy-intensive practices. Simple measures such as replacing seals in industrial freezers help reduce the energy usage, right through to projects such as installing solar on rooftops and converting to LED lighting.

Since taking my seat in this Senate, I have been a public supporter of the original 41,000 gigawatt hours as it was originally planned to achieve. However, due to the nature of the bill being dragged out, I also understand that, at that rate, it would be much harder to achieve now than what it would have been if the bill had maintained the bipartisan support that it originally had. I recognise the concerns many people have raised with my office in relation to the inclusion of native forest wood waste. And I will get back to that issue in a minute.

I will not be supporting any amendments to the legislation that do not have the support of both the major parties as I do not want this bill to be sent back to the lower house with amendments. I believe this will give some people in government an excuse to delay the deal that has taken so long to achieve already. From day one, I have said that we need bipartisan support. We saw bipartisan support in the House of Representatives, despite woody biomass.
And I expect to see the ALP sitting with the government, regardless of whether or not their amendments to the removal of woody biomass are successful. I want to make it clear that my decision does not mean that I think the Senate should be a rubber stamp. However, when it comes to renewable energy policy in this country, enough is enough. Let's get it through and restore investor confidence to any industry that employs thousands of people both in my state of Victoria and throughout Australia.

I want to go back to the inclusion of biomass. On 11 February, during a matter of public importance, I stated that I do support minor amendments such as extending the exemption to energy-intensive industries to 100 per cent and recognising wood waste sourced from sustainably managed forests as an eligible source of renewable energy within the RET. This has already happened in the lower house. There has been a lot—and I mean a lot—of misinformation spread around, high and low, in relation to the inclusion of woody biomass from native forests. Firstly, I want to start by pointing out that this is not a new suggestion. As a matter of fact, for 10 years it was included in the Renewable Energy Target. Despite outright lies from the Greens and now Labor—or certain factions of it—and extreme environmentalists, it did not lead to one extra tree being harvested. As a matter of fact, it only led to one REC being handed out.

I have received many emails and phone calls from constituents who are gravely concerned about the so-called destruction of our native forests—and rightfully so. It is not their fault that they are being misled. However, their concerns are about issues that are not necessarily related to the inclusion of woody biomass at all. The inclusion of woody biomass is to include by-products of current harvesting operations as an eligible source of renewable energy in the target—by-products of current harvesting operations, not new harvesting operations. We are speaking about a by-product that will rot and break down, releasing carbon or methane into the atmosphere, as it currently does if it stays untouched. We are speaking of utilising a by-product of current harvesting projects; we are not speaking of cutting down a single extra tree, not one—

Debate interrupted.

STATEMENTS BY SENATORS

The ACTING DEPUTY PRESIDENT (Senator Sterle) (12:45): It being 12.45, the Senate will now move to senators' statements.

Dementia

Senator POLLEY (Tasmania) (12:45): I rise today to speak once again about the Abbott government's blatant disregard for older Australians and the fact that there is no apparent plan to deal with dementia, which is now the second leading cause of death in Australia. The test for the Prime Minister's second federal budget was to plan for the future, but a coherent long-term vision for Australia's ageing population is nowhere to be seen. Tony Abbott is a notorious faux fixer whose poor record in dementia care funding and planning continues to be reiterated. The wool has not been pulled over our eyes, and those living with dementia, their families, friends and carers realise that the Abbott government and his ministers have nothing positive to offer them. All we are seeing are nasty surprises in store for the most vulnerable Australians.
The lack of leadership and vision demonstrated by the minister responsible, the Assistant Minister for Social Services, Senator Mitch Fifield, during budget estimates was astounding. Senator Fifield likes to talk about his support for dementia, but his actions do not follow suit, and the insults to those with dementia just keep coming. Last year he left the sector shocked and reeling when he abandoned those with severe behaviours living in residential care by abolishing the dementia and severe behaviours supplement. Then he introduced his experimental, untested severe behaviour response teams, better known as 'flying squads', which are still grounded, with no flight path. He was asking tenderers for the flying squads to come up with a model for how they might work. This year he has overseen a nasty $20 million cut to dementia initiatives, hidden in the fine print of the budget. And now the senator plans to abandon over 25,000 Australians living with younger onset dementia, some only in their 30s and 40s, by discontinuing funding for the life-changing program they rely on, the Younger Onset Dementia Key Worker Program.

There are currently 630 people in Tasmania living with younger dementia who face ongoing issues that also affect their families. The only choice that these people may well have in the future is to go into residential care. The Younger Onset Dementia Key Worker program is discontinued and will be rolled into the NDIS in July 2016. This government forgets there is a human face behind this discontinued program. I can tell you from experience that residential care is not the answer for younger onset dementia. My own family has been touched by this. When my brother-in-law was 38, he was diagnosed after a number of years of not being able to identify what it was that he was suffering from. At 38 years of age, he found that he had early onset dementia. That was devastating for his young family. So I am speaking from firsthand experience. As I said, over 630 people in my home state of Tasmania are currently living with early onset dementia, and their families and communities lose out.

It would be a failure of the system for residential aged care to be the only answer. In most cases it is completely inappropriate for the needs of people with younger onset dementia. The government needs to work harder to find responsive and specialised solutions. It is clear that the Abbott government has abandoned vulnerable Australians living with dementia. The string of heartless cuts sends an unmistakable message to every person in Australia—to never trust this government again.

It is very disappointing and disheartening to see the Abbott government continually take an axe to the heavy lifting previously done by Labor to support our aged population. The Abbott government are out of touch with the most vulnerable Australians, because fairness is not something intrinsically imbedded in their values. They do not value older people. I have said this before and will say it again: I just do not understand why the Abbott government do not care about older people.

Older and vulnerable Australians do not need further cuts and uncertainty when it comes to their care, especially at a time when the aged-care system is undergoing significant changes. The Abbott government have not been able to demonstrate that it can be trusted to manage reform or to carry through the changes set down by the previous Labor government, because they have taken their eye off the ball. From the first day on which they took up the government benches, they have not been across the issues. The minister responsible has never been across the detail and he keeps dropping the ball. If the Abbott government continue on
this path, Australia will lose its reputation of being a world leader in dementia awareness and risk reduction.

This leads me to yet another nasty surprise for people living with dementia, as Tony Abbott discards the world's first dementia risk reduction program, Your Brain Matters. This is a program which saw Australia declared a world leader and pioneer in creating awareness and in public risk reduction programs. Tony Abbott is the reason Australia's aged-care sector is not world-class.

Dementia is a deeply personal issue, and those living with dementia and their families deserve an adequately funded and strategic approach that responds to the complexity of dementia care. There are already more than 342,800 Australians living with dementia, a figure which, as we all know, is expected to triple by 2050. It really is not that far away. I am not sure that Mr Abbott and his ministers understand that, as our population ages, dementia will increase. It concerns me that many older people living with dementia are going to miss out on care they desperately need. Dementia is not going away, Mr Abbott, and we are all still waiting to see how you plan to make aged and dementia care easier to access, fairer and more sustainable into the future. We are all still waiting for dementia to be put at the forefront of the government's thinking and to start treating it as a national health priority—because it is a national health priority and an international health priority.

The public mood towards ageing is shifting, and the government must keep pace, listen up and learn. The government is ignoring the opportunities that ageing presents. Labor did the heavy lifting with the Living Longer Living Better campaign, which surrounds the notion that ageing should not be something that separates you from community and society. It seems that the government has underestimated the level of leadership required to oversee the roll out of a significant reform such as Living Longer Living Better. Older Australians need certainty and the aged-care services sector needs stability. We would all like to know what the government is doing to make this happen.

What does it say about this government when it keeps cutting support from our most vulnerable in our communities? Labor understands that older Australians and those living with dementia deserve certainty; they most certainly do not deserve to be treated as a burden. Dementia is one of the biggest challenges for this country and of this century. It will also be one of greatest opportunities of the century. Labor will always stand up for fairness and the most vulnerable Australians. Only Labor will remain committed to listening, learning and working with the aged-care sector to grasp the opportunities and face the issues that arise. We owe it to those who built this great country to provide them with the aged-care facilities and the security they deserve as they age, and particularly those with dementia. Early onset dementia is devastating for younger people, and not only for them as individuals but for their families and for our community.

We need to recognise these challenges; we need to have a minister and a government that has the vision, the plan and the drive to give this the priority we know it deserves. The evident failure of Tony Abbott when he became Prime Minister was that he did not designate a minister for ageing. That was the beginning of the end for him to demonstrate in any capacity at all to the Australian community that he put ageing where it should be—and that is as the No. 1 priority—(Time expired)
Australian Broadcasting Corporation: Country Hour

Senator SMITH (Western Australia) (12:55): It is with pleasure that I rise today to make this contribution and in so doing note an anniversary that I think all sides of politics, and indeed all Australians, can join together to celebrate as a significant national milestone. On 3 December 1945, at 12.15 pm, ABC Radio in Sydney began an Australian rural tradition with the following announcement:

Hello, everyone. This is Dick Snedden of the Country Hour with a program for the farm families of Australia.

From that day, for one hour every weekday, the ABC's Country Hour has reflected the changing fortunes of our rural industries and communities. It is officially recognised by the Guinness Book of Records as being Australia's longest running radio program.

In its inception, the program was actually intended as a source of advice, an information service for returned soldiers who had taken up soldier settlement farms immediately following the end of the Second World War, but who had no or little idea about the practicalities of how to farm. Early on, the program was only broadcast from Sydney; however, after a couple of years, correspondents were also appointed in other capital cities, providing state market and weather information and contributing stories to the nationwide Country Hour. Later, the Country Hour became a separate weekday specialist program in each of Australia's states.

One of the early features of the program was a radio serial called The Lawsons, its plot lines giving listeners an incentive to tune in each day. In 1949, this was replaced by the serial Blue Hills, which continued to run until September 1976 and which is now fondly recalled by many as the definitive Australian radio serial. However, it was the Country Hour's coverage of news stories and issues of local relevance to the ABC's rural audience that have made the program the broadcasting institution it is today. From stories of bumper wheat harvests, high cattle prices and the mining boom to the devastating impact of floods, droughts, fires and cyclones, for 70 years the Country Hour has shared the very best and the very worst of rural life with its listeners, causing much needed debate, and even a few arguments in the homesteads, in the paddocks, the saleyards and even a few corporate boardrooms.

In Western Australia, its importance cannot be underestimated, for since its launch it has been instrumental in getting the rather conservative farming community to accept progressive ideas. Unlike other rural or regional programs, the Country Hour has focused, not on the current affairs side of regional life, but on the issues and events impacting on WA's rural communities: the opening of the Ord River Irrigation project in the 1960s; the collapse of the wool reserve price scheme in the 1990s; the deregulation of the Western Australian wheat industry; the introduction of GM crops; the impact of wild dog attacks; the suspension of live cattle exports to Indonesia. These are just some of the numerous issues that the Country Hour has brought forward to the listeners in my home state of Western Australia. In addition to its stories, the Country Hour also provides a necessary service to its rural listeners, providing up-to-date weather reports, information on harvest bans and bushfire or cyclone warnings.

It is also one of the strongest leaders in online journalism and has successfully expanded beyond the boundaries of traditional radio, into such areas as social media and video production. This is why the ABC's Country Hour has become one of the best training grounds for today's up-and-coming journalists, with hundreds applying each year for a coveted
position as a reporter with the program and the chance to bring stories from smaller rural communities to a wider audience.

In Western Australia, the *Country Hour* Team, headed by Executive Producer Richard Hudson and presenter Belinda Varischetti, has become one of the most dominant leaders in rural journalism, recently winning the Rural Media Association of Western Australia's awards for Best News Coverage Broadcast, Best Media Feature, Best New Entrant, Best Photograph; and Best Online Coverage.

Of course, the ABC is sometimes a subject of discussion and debate in this place, and I think that is proper. I think we should always be discussing ways that our nation's national public broadcaster can evolve. As chair of the government's backbench committee on communications, it is a discussion I have had frequently with my colleagues and, indeed, on occasion with those in senior management positions at the ABC. However, I have also expressed to them—and I think this is something that all senators in this place would agree with—my wholehearted admiration for the work the ABC does in regional communities across Australia, most particularly in my own state of Western Australia.

As I have noted in previous contributions in this place, it can be difficult for those living in some of Australia's major urban centres to properly appreciate just how important the local ABC radio station is to those living in many of our rural communities. It is not just the local radio station. In areas where there is limited choice of media outlets, it is also a vital hub in times of emergency or just in those challenging times that are all too frequently visited upon those living in regional communities as a result of things such as drought or a fall in commodity prices that pushes farm incomes down.

As patron senator for Durack, which is Australia's largest and most isolated regional electorate, and as chair of the communications backbench committee of this government, I recognise the importance of regional broadcasters and the challenges they face, especially in the rapidly evolving media landscape. We now live and work in the era of high-speed broadband, mobile technology and the 24-hour news cycle. More than that, the entry of players such as Netflix, Spotify and Apple TV to the market mean that consumers increasingly are able to simply pick the content they wish to view or listen to. Particularly for younger Australians, the concept of broadcasting is no longer always relevant. They do not switch on the radio or television and see what is on; rather, today they seek out the content—and only the content—that is of interest to them. The challenge for governments is to deal appropriately with this emerging market reality.

One of the greatest risks facing regional broadcasters is the increase in services from overseas and from capital cities, which has seen the reduction of many regional services and, regretfully, the retrenchment of many working in regional media markets. This inevitably leads to a loss of local flavour in some of Australia's regional communities. This concern applies equally to commercial broadcasters and to the ABC.

I have had reason to question some of the decisions ABC management have made over the past year in relation to resource allocation. We are operating in a constrained fiscal environment. That is just a reality that we all have to accept. Those of us in this place who are prepared to deal with fiscal reality—which, sadly, seems sometimes lacking from those opposite—understand that this means the ABC needed to make some difficult decisions. But I remain concerned that the ABC remains a top-heavy organisation. I am concerned that there
are those who see the reduction of the ABC's regional services as the easy option when it comes to reducing the organisation's costs, instead of examining more closely the organisation's operations in some of our larger capital cities. The closure of regional broadcasters and news services only serves to reduce the quality of the news, especially that information that is so unique to those residing in our rural communities.

I do not say this in the sense of looking backwards in some romantic sense to a golden era of radio. This is not a debate about sentimentality. Nor are these arguments solely about advancing the interests of rural and regional communities. As much as anything, there is an economic imperative that drives the need for quality regional broadcasting in Australia. This is because information flow is a two-way thing. The rural sector is incredibly important to Australia's economic performances, especially our growing export markets, which are moving into an exciting phase as a result of the work of this government in securing free trade agreements with South Korea, Japan and China. For that reason, it is vitally important that those living and making decisions in metropolitan parts of our country have an opportunity to find out about the issues that are having a day-to-day impact on rural life. The fact that many people living in our cities may not realise that only serves to underscore this point: it is crucially important that news from rural Australia forms part of the media content that is absorbed by those living in metropolitan areas.

National identity and character is shaped by people having an opportunity to share their unique stories. Just as that is true of Indigenous Australians and of Australians from different cultural backgrounds, so too it is true of Australians living in our regional communities, especially in a country as geographically large as our own, with significant numbers of people living many thousands of kilometres away from their largest major city. The ability of rural Western Australia to participate in the national debate can only continue if programs such as the Country Hour are able to maintain their specific regional focus. So, in congratulating the ABC's Country Hour on achieving the significant milestone of 70 unbroken years on the air, I also take this opportunity to acknowledge the work of all those people working in regional broadcasting and regional media outlets—both public and commercial—and pay tribute to the critical role they continue to play in shaping Australia's rich national story.

**Trade**

**Senator WHISH-WILSON** (Tasmania) (13:05): In the US as I speak now and over recent weeks there has been an extraordinary political debate occurring around trade deals or what are called 'modern partnership agreements'. I intend to use my time today to talk about what is happening in the space of globalisation, how that impacts on Australia and what we need to do about it. The debate has been around the Trans-Pacific Partnership agreement. It is not a trade deal; it is a partnership agreement. It is essentially a deregulation agenda driven by big business.

What is going on in the US in getting votes to support this in Congress in the Senate is straight out of a *House of Cards* episode. What is extraordinary about it is not just that it is the biggest hot-button political topic in the US at the moment. What is extraordinary about it is that the Democrats, essentially the labour movement in the US, are turning their backs on their President on this deal. It has now been called 'Obama trade', although I do not like using that term because I do not think it is a trade deal. Nevertheless, the Democrats themselves have rebelled against their President. Hillary Clinton has been making comments that she will
not support it in its current form, as have other significant senators and congresspeople with high profiles.

Yet we do not have any debate like that in this country. In fact, the debate in Australia on the deregulation agenda of the Trans-Pacific Partnership agreement and even other agreements that are being negotiated in secret, such as the trade-in-services agreement, is dismal.

There are a couple of reasons why the debate in this country is dismal, especially in the mainstream media. The first is that I think the Labor Party are terribly conflicted on these kinds of deregulation agendas. They have not commented much to the media because of that conflict. It has been hard to generate interest with many in the press gallery and journalists across the country; although, some have attempted some very good coverage of what the Trans-Pacific Partnership Agreement could mean for this country.

The other reason that I do not believe we have anywhere near the debate that is needed is our treaty process. The way we conduct trade and other partnership treaties in this country is broken. It is outdated and it is downright dangerous. Trade and partnership agreements are so complex now. They are not like they used to be. It is not just about putting things on ships or bringing things over on planes. These modern partnership agreements impact right across our society and economy. The treaty process has not changed to keep up-to-date with these developments in trade agreements. They are secret. There is no chance for parliament to change them once they have been signed by cabinet. Part of that secrecy not only leads to distrust in the community—and rightly so, when we know that powerful corporations are driving these deregulation agendas; it also leads to a lack of interest by stakeholders in the business community, as the Senate foreign affairs, defence and trade committee recently found out. So they are counterproductive in terms of getting participation in the treaty process. Senator Gallacher is here today, and he has heard all the evidence.

We need to fix the treaty process in Australia. We need to have parliamentary input and input of the Australian people through their parliamentarians and through direct input into the hearings around these modern agreements. They need to be transparent. There are some really good complex agreements being negotiated around the world where they are open to the public—all the minutes; in fact, there are live broadcasts of the negotiations while they are occurring. But these deals are being done in secret.

I want to read something that Nancy Pelosi wrote yesterday that is very valid for us to consider here in Australia. She said:

In order to succeed in the global economy, it is necessary to move beyond stale arguments of protectionism vs. free trade.

To do so, we must recognize that—

in modern agreements—

workers’ rights, consumer and intellectual protections, and environmental safeguards must be just as enforceable as the protection of the economic interests of investors.

... ... ...

As we look to the future, it is clear that the debate on the trade authority—

which is what they are debating the moment—
is probably the last of its kind.
This is the absolutely crucial bit:
The intense debate of the past few weeks has further convinced me that we need a new paradigm.
The reason this debate is occurring in the US is that congress has to give permission to the executive—that is, Obama—to fast track their deal. Fast track means that parliament will not get to scrutinise it. They are at least debating whether the US parliament will fast track this legislation to get it done. Guess what? The way our treaty process is set up is fast track by default. The parliament here does not get to scrutinise any of the treaty text before it is signed by cabinet. At least in the US they are having a healthy, robust parliamentary debate. And the labour movement in the US has got behind this and has mobilised civil society. This is a rebellion against a neoliberal agenda on a scale that I did not think I would see. I genuinely did not think I would see it. It is really significant. We need to have the same debate in Australia.

Here today, the government is going to be announcing their Chinese free trade agreement conducted under the same failed treaty process, totally in secret, with no cost-benefit analysis ever put up as to the benefits of these deals and why we enter into them in the first place. No doubt, the Minister for Trade and Investment, Mr Robb, and the Prime Minister will be spruiking the rivers of gold that are going to be delivered by these deals. There has been some information given to selected press.

We have strong business ties with China. It is good. China is a very important economic partner of ours, as is the US. These new agreements have things such as investor-state dispute clauses that give not just Chinese companies but the Chinese government, through state-owned enterprises, the right to sue our government for enacting policies in the public interest. The Chinese government will be able to sue us if we enact policies in the public interest. That is what is going to happen under a Chinese free trade deal. It happens with investor-state dispute clauses in other deals. We are being sued by Phillip Morris through a Hong Kong trade deal for plain packaging of tobacco and trying to protect our public. There are over 500 cases around the world. These are proliferating—and they are downright dangerous and undemocratic.

Minister Robb is going to be spruiking this deal. He has already talked about a $50 billion benefit to the Australian economy. The same modeller who is providing these figures to Minister Robb—and I have not looked at the detail yet, but we have seen some stuff in the press today—did the modelling for the Australia-United States Free Trade Agreement. At the time they said it would lead to a $5.6 billion benefit in extra trade. Now, 10 years later, a study by the Australia-Japan Research Centre found:
The agreement was responsible for reducing—or diverting—$53.1 billion of trade with the rest of the world by 2012. Imports to Australia and the United States from the rest of the world fell by $37.5 billion and exports to the rest of the world from the two countries fell by $15.6 billion over eight years to 2012.
Beyond the $53 billion of trade that has been diverted, there is no evidence that the agreement has been associated with an increase in trade between the two countries, or the creation of efficient low cost trade.
So this modelling is not worth the paper it is written on, if we base it on previous studies.
I was involved in the JSCOT and the foreign affairs, defence and trade committee processes where we were being urged to sign the Korean deal and the Japanese deal as quickly as possible. Well, guess what? Our terms of trade have fallen in the last six months since those deals were signed. I know that is only short-term, but the urgency with which we were being pushed as a parliament to vote for these undemocratic and secret trade deals has not delivered. It is just another reason to be sceptical of politicised so-called free trade deals.

The China deal will also cover really important aspects of our society. We are going to be talking about intellectual property rights, digital rights, immigration laws and labour laws. I know the Labor Party have significant concerns with some of these laws and will be scrutinising them closely, as will the Greens.

We have to have a mature debate in this country around this neo-liberal agenda. The economic rationalists are no longer winning the day in the US. They are now being challenged by a very strong civil society movement, who have seen the evidence that trade has not delivered for their country. The bill to get assistance for workers that has been put up by the Democrats in the US has so far gone down, but at least it is an acknowledgement that the government has to pay for the damage done by these free trade deals. We only ever hear about the benefits. We need a mature debate, we need to change the treaty process, we need democracy in these deals and we need to make sure that workers and the environment are put up there with corporate profits. (Time expired)

Clarke, Mr Ronald William (Ron), AO, MBE

Taxation

Senator McGrath (Queensland) (13:15): Today I wish to argue the case for urgent and widespread tax reform, but, to begin with, I want to pay tribute to one of Australia's greatest athletes, Ron Clarke, AO, MBE, who, sadly, passed away today. In his stellar career, Ron Clarke set an astonishing 17 middle- and long-distance world records. He was chosen to light the flame at the 1956 Melbourne Olympics and won a bronze medal at the 1964 Tokyo games in the 10,000 metres. He was the fastest man alive for a decade and also won long-distance medals at the Perth, Kingston and Edinburgh Commonwealth Games. I understand that the great Czech runner Emil Zatopek had great admiration for Ron. In 1968, he invited Ron Clarke to Czechoslovakia and, as a parting gift, gave him Emil's 1952 Olympic 10,000 metres gold medal with the following words: 'Not out of friendship but because you deserve it'. Ron was mayor of the Gold Coast from 2004 to 2012 and is an iconic figure in Australian support. To his wife, Helen, and their family, I extend my deepest sympathies, which I am sure will be shared by all senators.

Moving to tax, lower taxes are good for you; low taxes are good for you; no-one has ever been hurt by lowering taxes. So the time has come for us to embark on the great crusade in Australia to lower taxes—because Australia, the lucky country, is at an important juncture. We know that the population is ageing, with the ratio of working age Australians to over-65s falling from 7.3 in 1975 to 4.5 today, and it is expected to decrease to 2.7 in 2055, placing pressure on family and government budgets alike. Australia needs meaningful tax reform if it is to overcome these challenges and flourish in the decades ahead.

This coalition government has taken great strides already, particularly in tackling the debt and deficit and spending legacy left to us by Labor and the Greens. Government spending
should be low, open and accountable, but spending is only one side of the equation—and I will address ideas on that in a later speech. The tax white paper process is calling for a frank national conversation on how to build a better tax system that delivers lower, simpler and fairer taxes. On this side, we are fully committed to lowering taxes for Australians, and it is important that the Liberal-National party takes to the next election a platform of reforms that deliver lower taxes. Taxes, though necessary, diminish individual freedom. I believe that Australians themselves are best placed to decide how they spend, save and invest their own money. Lower taxes constrain the ability of government to spend and meddle in people's lives, but any proposals to reform our tax system must be taken to the Australian people at an election. In keeping with the spirit of Magna Carta, it is only with the people's consent that governments have the right to impose tax, and so any changes should have a mandate from the people. The Howard government lived up to this high standard with the 1998 election on the GST. In 2010, the Gillard government failed this test and failed as a government because it lacked a mandate from the electorate to introduce the carbon tax.

The composition of taxes has a critical influence on how our economy functions. In Australia, 58 per cent of all taxes are on income: 39 per cent from individuals and the other 19 per cent from companies. Compared to other developed countries and our regional competitors, our reliance on income taxes is too high. Personal income tax—especially one with high marginal rates like in Australia—is less than ideal economically. It discourages people from working and earning more and has a greater effect on decision making than a consumption tax. Increasingly, income tax bracket creep is further undermining work incentives. It is expected that, in 2016-17, an average full-time employee will fall into the second highest marginal tax rate. The proportion of taxpayers in the top two tax brackets will increase from 27 per cent in 2014-15 to 43 per cent in 2024-25. Income taxes must be cut across the board as a matter of priority. In particular, marginal rates should be cut and the structure flattened to reduce disincentives to work.

Company tax is even more damaging economically. It reduces the attractiveness of investment in Australia, which is especially detrimental to the inflows of foreign capital that we rely upon to build and grow our economy. New Zealand's company tax rate is 28 per cent, while the United Kingdom has progressively reduced its rate to 20 per cent. Singapore and Hong Kong have company tax rates of 17 per cent and 16½ per cent respectively, while Ireland has a general rate of 12.5 per cent. The company tax rate must be significantly reduced, for all businesses, to drive investment in our economy and create jobs. Payroll tax, a state tax, is another bad tax that needs the chop. It is a key revenue stream for the states and territories, to be sure, representing around 10 per cent of their revenues, but the effect of payroll tax is fewer jobs, lower wages and higher prices—a disastrous troika for our economy.

The only way that we can compensate for the reduction in revenues from these taxes is to bring in a GST that covers all consumption and is increased to 15 per cent. Despite its promise as a growth tax, the GST currently applies to only 47 per cent of Australia's national consumption. This coverage has progressively fallen since the GST was introduced. Moreover, the GST rate of 10 per cent makes it one of the lowest value-added taxes in the OECD, where the average is about 20 per cent. By way of comparison, across the Tasman, the GST applies to 96 per cent of consumption at a rate of 15 per cent. New Zealand also has lower personal and company income tax rates—hardly an accident. It is true that lower
income households spend a greater portion of their disposable income on GST exempt items, but in terms of revenue forgone it is the highest 20 per cent that receive the greatest dollar benefit from GST concessions—over 30 per cent in dollar terms. How is it equitable for one family to pay GST on dinner at McDonalds while another pays none on Wagyu steaks? It is not. We should broaden the GST to everything and increase its rate to 15 per cent. Instead of thinking of new items to take out of the GST base, the correct approach is to treat all consumption equally by broadening the GST.

Accompanying income tax cut and increased income support for pensioners and others can more than cover concerns about equity for low-income earners. No discussion about tax can occur without considering our federal framework. Indeed, the tax and federation white papers are running concurrently for that very reason. In Australia, 82 per cent on taxes are collected by the Commonwealth; 15 per cent by the states and territories; and only three per cent by local governments. This very high vertical fiscal imbalance has increasingly led to the states being ‘financially bound to the chariot wheels of central government’, as Alfred Deakin said, more than 100 years ago. About 45 per cent of state budgets come from the Commonwealth—about $107 billion, including the GST, in 2015-16. Reductions in Commonwealth income taxes and an increase in the GST goes some way towards freeing state and territory budgets from federal meddling. But we should go further and once again share the income tax base with the states and territories in exchange for a further reduction in Commonwealth income tax rates and the elimination of tied grants and other specific purpose payments. States should be able to set income taxes and should be accountable for the money raised and the money spent.

We should not fear the model of competitive federalism that the framers intended us to have when they wrote the Constitution. Rather, competition in taxation and service delivery amongst the states and territories will be the best guarantor of productivity and innovation. Those jurisdictions that succeed will be rewarded with growth, jobs and happy voters, while the others will be forced to adapt their rickety economies or suffer politically.

If we do not meet the challenge of substantial tax reform, then we will have no-one to blame but ourselves when the luck Australia once had runs out. We should be bold and take to the next election a policy platform of lower taxes, with reductions in productivity taxes partially offset by an increase in the GST. States should get a proportion of income tax, with federal tied grants all but abolished. Low taxes are good for you. The time has come for my party and my government to lower taxes, as lowering taxes never hurts anyone. A low-tax economy will help Australia and will help Australians.

**Nauru**

Senator GALLACHER (South Australia) (13:25): I am very pleased to be given this short amount of time to make a contribution here. I am going to refer to the Public Works Committee Act 1969:

(8) A public work the estimated cost of which exceeds the threshold amount shall not be commenced unless:

(a) the work has been referred to the Committee in accordance with this section;

(b) the House of Representatives has resolved that, by reason of the urgent nature of the work, it is expedient that it be carried out without having been referred to the Committee;
(c) the Governor-General has, by order, declared that the work is for defence purposes and that the reference of the work to the Committee would be contrary to the public interest …

I put that up there by way of a preamble. The responsible minister is the Minister for Finance, the honourable Senator Matthias Cormann. He also gets a guernsey in this contribution, because under the sections of the act entitled 'Exemptions', he is the only responsible officer who is able to give an exemption. As action by the Minister for Finance and Deregulation is necessary for all exemptions, Finance is responsible for coordinating necessary actions and must be informed at an early stage that an exemption to the act has been sought. So, any project over $15,000,000 is subject to a definition in the Public Works Act and scrutiny by the Public Works Committee. We know that Senator Cormann is in entire agreement with this, because I am going to quote his statement from Hansard:

I am sincerely shocked at how quickly this government have turned into a secretive government. I am shocked at the long and detailed presentation we have just had from the government, which essentially sums up one thing: they are running scared from openness, transparency and public accountability. This runs counter to everything they have said not only before the last election but also since. I will quote to Senator Ludwig a statement made by Senator John Faulkner at a recent conference. The speech, entitled ‘Open and transparent government—the way forward’, was made at Australia’s Right to Know, Freedom of Speech Conference. He said:

… the best safeguard against ill-informed public judgement is not concealment but information. As Abraham Lincoln said: ‘Let the people know the facts, and the country will be safe.’

Well, a quick scrutiny of the AusTender website, which details Australian government published spending on Nauru for the 2013-2014 financial period, accessed on 29 May, reveals that $2,977,204,122.98 has been spent in Nauru. Nauru has a GDP of $112 million. It is the recipient of about $20 million in Australian aid. We have spent—this government has spent—$2.977 billion on items in Nauru and not one item has been referred through public scrutiny of the Public Works Committee.

Mr Pezzullo, when asked if he was aware of the Public Works Act, and whether he had referred anything through the public works referral process, said:

The answer … is yes, I am certainly aware of how the relevant public works legislation works … In my time as secretary, since October 13 last year, we have made no referrals.

So we have the Minister for Finance and Deregulation, who promotes openness, transparency and scrutiny, and yet under his watch nearly $3 billion worth of expenditure has occurred—$40-odd million in a construction tender, no scrutiny of the Public Works Committee, and no adherence to parliamentary process or probity of taxpayers' money. And this is a person who lectures us and throws across the chamber at every opportunity: 'We do it better'! Well, I think at the very least he owes the Senate an explanation as to why there has been no public scrutiny, no public probity, about this very large public expenditure in Nauru.

**Budget**

**Senator WANG** (Western Australia) (13:30): Australia's 2015-16 federal budget presents a stark contrast to last year's budget, when the threat of looming economic straits was not dismissible. This time, the tone was different; but it was not a surprise to the parliament and the electorate, simply because the government had very publicly suffered setbacks in its support base and in its re-election prospects.
The current fiscal environment does not, of itself, give reason to be optimistic and, no doubt, a measure of caution is still justified in budget planning. Largely welcome are those measures that provide modest help for our small business enterprises and for young families—in combination, amounting to a commitment of billions of dollars. Humanitarian and new immigrant settlement provisions and a focus on improving youth employment prospects are also good moves that help, initially at least, to persuade us that the sky is not falling, that there is scope for investment and that, in the Treasurer's words, 'our nation's best days are ahead of us'. Compare this with his February 2015 statements, following the publication of the Intergenerational report, in which he forecast difficult times ahead; we are entitled to be just a little bit confused. This shift invites curiosity about how the budget savings have been achieved, regardless of the justification for boosting some expenditure at the cost of others. Hunting down the so-called savings, we begin to find—or, in some cases, not find—the rationale. A budget that has short-term political appeal can so easily produce unwanted longer-term consequences.

In Western Australia the combination of federal and state budget measures announced this year have led to the potential for a greater cost of living and hardship for our most disadvantaged community members. In particular, I note that the federal budget failed to address affordable housing in spite of this being a constant public topic of concern in communities across Australia. This has been on the COAG agenda for years, but with no appreciable improvement so far.

We need to better our understanding of the long-term political and societal harm that can arise from a legacy of cutting essential services and, thereby, worsening the often already diminished quality of life of the less-advantaged members of our communities. If the cold and clinical bean-counter philosophy is applied to such policy, it invariably ends up defeating its own objective when the deeper and more expensive implications begin to surface—increased health spending and the overloading of healthcare resources leading to longer wait times and treatment cycles; elevated numbers of homeless and crime on our streets, and the cost to the judicial and correctional systems. All of this will flow from policies which inflict pain on the weakest today, at the cost of all of us tomorrow. The federal government and COAG have a duty to ensure they behave in a collaborative manner so that the double whammy does not rip a hole in the lives of the needy.

By October this year, WA will have lost at least 50 financial counsellors. They are to be replaced by a helpline 'system'—I refuse to call it a 'service'. No guidance on what should happen next is on offer from the federal government. This expert resource is vital to assist those who are so often ill-equipped to manage their financial affairs and cope with the demands of bureaucratic processes when seeking support. Increases in household living costs and the ever-present calls for help from domestic abuse victims more than justify sustained investment in these support services. Last year in WA, 13,000 calls were received on the support helpline, with many of them leading to engagement with financial counsellors. Most people seeking help want to get back on their feet after a period of financial difficulty brought on by a range of circumstances. The DSS website states that the National Affordable Housing Agreement 'aims to ensure that all Australians have access to affordable, safe and sustainable housing that contributes to social and economic participation'. But I am advised that there has been no indexation applied to the agreement over the last two years and no capital funding.
Coinciding with all this is the chain effect of federal funding reductions in support of Western Australia's remote communities. As I speak, more people from these communities are gravitating towards metropolitan Perth in search of whatever sources of living support they can find. Meanwhile, increasing numbers of homeless people are reportedly heading from the heart of Perth to the outer suburbs, away from the harassment they experience from aggressive security guards charged by business owners and councils with moving them on. The flow-on effects of ignoring homelessness, failing to sustain support systems and hiding behind desktop rationalisation arguments are immeasurable. The weak are already starting to do the heavy lifting for this budget, which is unacceptable if we value being a caring, intelligent and fair country. The Senate seems to be the last resort, yet again, for sane thinking about how missteps in policy planning can be corrected. We should carefully consider rejecting any legislation that, without amendment, continues to represent hardship layered on top of hardship.

**Defence Procurement**

**Senator FAWCETT** (South Australia—Deputy Government Whip in the Senate) (13:37): I would like to raise for consideration in the Senate today the future of Australia's naval shipbuilding industry and dispel some of the myths that colour perception around this issue.

We are at a critical juncture. Within a month, we have had the launch of the NUSHIP Hobart, but we have also had the announcement by BAE that they will not respond to the Pacific patrol boat tender, which raises valid concerns about the future of Australia's naval shipbuilding industry. But I think it is important that we dispel some of the myths so that we can get to the crux of the issue and see how we can work collectively, as a parliament and as a nation, to ensure that this vital industry continues.

The first of these myths is that reform is not required and somehow we can just continue as normal. Political leaders often claim that national security is the first and foremost role of government, but unfortunately actions do not always bear this out. Investment decisions in defence capability are long term in nature, and neither the taxpayer, Defence nor industry gets value for money when defence is used as a political football.

I have been advocating for some years the need to have a bipartisan defence plan. That draws on the Danish approach of having a five-year plan which is approved by the various parties in their parliament. It provides medium- to long-term stability for both the defence department and the industry sector that supports it. Importantly, it lifts the capital productivity of the investment that stakeholders make into national security and defence. ASPI very kindly sponsored a workshop with key stakeholders to discuss this proposal. Whilst undoubtedly there was not uniform agreement and there are some issues to work through, it is viable and it is by far preferable to our current approach. For those who are interested, there is a paper on the ASPI website and there is a link from my website, where I explain that concept in more detail.

The first principles review also highlights that we cannot continue as we are. It highlights that we need a paradigm shift in thinking to treat defence industry as a fundamental input to capability. Surprise, surprise: that means that Defence and government have an interest in ensuring that key areas of industry remain commercially viable. This is a fundamental culture shift within Defence: that we actually have an interest in the commercial success of industry and we should find ways to constructively and collaboratively engage with them while still
maintaining probity as we expend taxpayers' money. The defence industry policy has for years, under governments from both sides, been the penultimate chapter in a white paper, deliberately separated from defence procurement policy. It is no longer viable to go down that path. Instead we need to see how our procurement policy interacts with our need to keep key areas of industry sustainable so that we decide on priorities and schedule—our approaches to procurement—and those, when they are submitted by Defence to government, provide that pathway for sustaining industry. A practical example of this is provided by the RAND report which was recently produced. It indicates that governments of Australia need to commit to a schedule and a scope of shipbuilding that removes the peaks and troughs so that we actually keep those industry sectors viable.

That leads to the second myth that I want to dispel: that somehow the 'valley of death' can be fixed by a decision overnight. The 23 May launch of Hobart was a great celebration. It was a significant milestone in a process that started over a decade ago with the 2000 white paper and continued with the decision in 2005 to contract ASC as the shipbuilder and, in 2007, the selection of the hull design by Navantia. Note that time frame: the work occurring today was approved over seven years ago. Given this time frame, the media releases that have come out today attacking the government because of BAE's decision are just examples of the shallow politics that we have arrived at in this nation, brazenly ignoring six years of inaction with no decisions by a Labor government to commission the construction of warships in Australia. If work on the AWD and LHD, both commissioned by the Howard government, is now just coming to a close, you do not have to be particularly partisan in nature to do the maths and work out that a decision for follow-on work for these programs would have had to be made several years ago. This kind of shallow political attack just reinforces in my mind the need for a bipartisan defence plan where we can work collectively to agree a way forward that will lead to an affordable, sustainable and effective naval shipbuilding industry.

The myth associated with this is that somehow we can just make a snap decision to get the ball rolling. Well, snap decisions have unintended consequences. You just have to think of the pink batts scheme, with lives lost and money wasted. That kind of unintended consequence is not something that we can chance when it comes to the equipment that the men and women of the ADF will use when they are serving this nation.

The third myth I want to dispel is that the government is not supporting the naval ship industry. As I have said, we cannot fix things overnight, but we can take steps, and the first of those is the Pacific Patrol Boat Program. In 2014, the government announced that it was bringing that program forward. The tender was released to industry and, as it happens, responses are due in exactly 18 minutes time; at 2 pm today the tender closes. So the government is taking steps to accelerate that program. The government has invested some $78 million to accelerate engineering studies of the viability of using the air warfare destroyer platform as the basis of the future frigate, incorporating the Australian designed and built CEAFAR radar.

The government is not afraid of facing bad news and problems. The government has been criticised for highlighting management problems within AWD. As any business leader will tell you, the quickest way to go broke is to ignore problems. At estimates earlier this month, evidence showed that industry partners within the Air Warfare Destroyer Alliance were highlighting productivity issues within ASC as early as 2011-12. Despite this being flagged
with the Department of Finance, who are the owner of ASC, and even the secretary of Defence saying that he had to go and see his opposite number, things did not improve. We now face a cost overrun, which has been made very public, of around $1.2 billion. Defence have indicated, though, that, with the change of government and a willingness to face the issues within ASC, cooperation has increased and there has been a sustained increase in productivity. The government is currently working to boost the industry expertise within ASC to ensure that this productivity continues.

The other myth I want to dispel is that Australia cannot build ships competitively. You only have to look back to the Anzac class to see quality ships delivered on time and on schedule. Look at Austal, who provide 15 per cent of the US Navy's fleet. They have exported some 92 naval vessels to eight countries. So clearly comments about things like a 30 or 40 per cent premium do not actually apply, particularly to the private sector.

Estimates also heard evidence that the out-turn costs for the third Air Warfare Destroyer—with these increased productivity measures—is going to be in the order of $1 billion. On top of that, you have to add other things for the whole program. But as you look forward, to purchasing ships in the future, what it says is this: if buying a hull from the Spanish is around a billion dollars, and to produce one here is around a billion dollars, then the sunk cost we have made—to establish the shipyard, to do the first of type, to build the ships—cannot be factored into the future; we cannot say, 'This is how much it is going to cost us in the future.' So we can build ships competitively.

In terms of evaluating value for money, RAND highlights that the spillover effects are real and measurable, and they place a value for shipbuilding at around 1.7. Governments of both persuasions have consistently refused to consider that the generation of new intellectual property and productive capacity emerging from complex Defence projects is valid to be considered as part of value for money. This has skewed recommendations to governments of both persuasions for many years. This must change if the Australian taxpayer is to get value for money. Complex programs and submarines and ships are certainly two examples of where this factor of 1.7 should be applied.

As I have mentioned frequently in this place, as you look at through-life costs, a small unique fleet configuration demands that Australia create and sustain the ability to build, modify, repair and certify these platforms of safe use, because this has been demonstrated to save money and increase availability over time.

The other comment that is often made is that Australia cannot build quality. Again, I come back to Anzac class: both the original ship and also the AMSD upgrade that has proven to be world beating, with the Australian built CEA system and the Saab Australia designed combat system. In the light of the Coles report, we see that Collins is not a dud sub; it is actually a very capable platform. Whilst AWD has been delayed, one of the hallmarks of Australian things when we build them is that we will seek quality, even if we have to change schedule. So you cannot say that it is not quality even if it is late and initially over cost.

Finally, there is the myth that somehow the competitive evaluation process for future submarines is flawed. In the July edition of the Asia Pacific Defence Reporter, the CEO of ThyssenKrupp, the German bidder, is quoted as saying that he welcomed the competitive evaluation process and that 'This was normal in Europe where potential offers from prime contractors can be very difficult to compare but offered the opportunity for dialogue with the
Commonwealth before a fixed set of requirements was established.' It goes on to say: 'So Minister Andrews' decision was a good one in the circumstances'.

In summary, Australia needs a viable shipbuilding industry as a fundamental input to maritime capability. We have and can continue to build the best ships at the best price, but it will take a long-term bipartisan approach. If we do this, if we implement FPR and Rand, we will see affordable ships and a sustainable continuous build of ships and submarines to support our defence capability.

Kirner, Ms Joan Elizabeth, AC

Senator WONG (South Australia—Leader of the Opposition in the Senate) (13:47): I rise to remember the late Joan Kirner. I mourn her passing at the age of 76 on Monday, 1 June 2015. I celebrate her life and the contribution she made to Victoria, to Australia and to the progressive cause. I recognise her enduring legacy as a mentor and inspiration to me and thousands of other Labor women.

Joan is best remembered as the first and only woman to serve as the Premier of Victoria—a woman who gained the leadership of the Victorian parliamentary Labor Party at one of the most difficult times in its history and led Labor to an election loss with her own integrity and dignity unblemished. She was also someone I was proud to call a friend.

I will turn to her substantial policy and political legacy in a moment but I want to start briefly with the personal, because Joan was the most personal of political figures. No-one who came into contact with Joan Kirner could fail to be touched by her warmth. Whether meeting a senior political figure, a businessperson, an aspiring political candidate, a community worker or members of one's family, Joan always took time to listen, encourage, counsel and, when the occasion demanded it, provide a hug.

I enjoyed sending her photos of my family, including just a few months ago a photo of my daughter Alexandra holding the polka dot umbrella I described as 'Joan Kirner's umbrella'.

I first saw Joan many, many years ago in Adelaide when I was much younger and she was giving a speech about Fightback! I recall quite vividly her description of Fightback! and she said, 'When you read this document, read it as a document of control.' As a young Labor person, I remember being struck by how evocative a way of describing that political manifesto that was.

As the founder of EMILY's List Australia, Joan Kirner was a friend and mentor to me and so many other Labor women seeking to enter the parliament. She was a strong supporter of affirmative action rules that helped change the culture of our party and brought a wave of progressive women into national and state politics.

As the Victorian president of the party in 1994, Joan Kirner moved the resolution entrenching the rule that women were to be elected to 35 per cent of parliamentary and party positions by 2002. Countless Labor women have benefited from the cultural and institutional changes she initiated and supported inside our party. Many of us who serve in the Senate and other houses of parliament today are the direct beneficiaries of her encouragement and guidance.

You could not meet a more supportive, positive or encouraging person than Joan Kirner. In one of my emails to her last year when I was speaking at an EMILY's List event to honour her, I asked her if there was anything she wanted me to say. Her response in her email was
instructive in that it basically talked about everybody else and what everybody else had done. It ended with: 'Many state women MPs defeated in 1992 gave strong support to EMLY's List to ensure the next generation of Labor women have the chance to become MPs. Then we took the affirmative action rule and changed the national conference and, to my delight, you are one of them.' This was the sort of warmth and personal support she provided to so many of us and why we will miss her so.

Following her passing, I have been touched by the many women who have recalled the phone calls they got from Joan when standing for Labor—sometimes without any prospect of success—and the many women who have spoken of her mentorship and inspiration.

Like Joan, I believe our parliament should reflect our society, and all Australians have Joan to thank for her efforts to make that aspiration a reality—at least on one side of politics. Joan Kirner dedicated her life to the service of others as a teacher, 'parents' club' president, parliamentarian, minister, premier and social justice advocate. In each phase of that life she demonstrated principle, courage and determination.

Joan Kirner first came to public attention as the head of the Victorian Federation of State Schools Parents Clubs in the early 1970s. She was an effective advocate for a cause she believed in passionately throughout her life: a better education for all our children. She was later appointed as a parent representative to the Whitlam government's Australian Schools Commission and became president of the Australian Council of State School Organisations. She joined the Labor Party in 1978 and was elected to the Victorian parliament in 1982, an election that saw Labor return to office after 27 years on the opposition benches. And just three years after entering parliament she was appointed Minister for Conservation, Forests and Lands. In that portfolio she established the Landcare program and a ban on mining in state and national parks. In 1988 she was appointed Minister for Education, and here her reputation as a reformer was entrenched, with the introduction of the new Victorian Certificate of Education, replacing the Higher School Certificate.

Joan became Deputy Premier in 1989 and on 9 August 1990 became Victoria's first and only woman Premier following the unexpected resignation of John Cain. There were no easy days in the Kirner premiership. The state economy was in strife, mostly for reasons beyond the control of the state government. Internal dissension existed within the caucus and labour movement, which undermined Joan's attempts to get the government back on track. Under Joan's leadership the state government took some hard decisions, including selling the State Bank of Victoria and reducing the size of the public sector workforce. As Premier, Joan was the subject of unprecedented personal vitriol. Derogatory labels and snide comments about her dress became the norm in a heated political environment, encouraged by the Liberal opposition, a hostile press and internal division. Regrettably, in many ways we have seen a reprise of that with our first woman Prime Minister. It is interesting to note that whilst I did describe the polka dot umbrella as the Joan Kirner umbrella, in fact, as Joan has said, she actually never wore polka dots; she was just drawn in cartoons wearing them.

Despite the environment in which she served as Premier and the attacks upon her, Joan did not buckle, but Labor did suffer a devastating electoral loss in 1992. After serving in the shadow ministry for a short period, Joan Kirner resigned her seat in May 1994, succeeded by future Labor Premier Steve Bracks. Those of us who knew Joan well also know that much of her post-political life was as hectic as the years that came before, some of it in the spotlight.
but much of it in the community, doing the sort of work that does not generate headlines but makes our world a better place. She remained a passionate advocate for Melbourne's west, particularly Williamstown, a community she loved—and one that loved her in return. She supported myriad women's and arts organisations and many progressive causes, including the campaign for women's reproductive rights, and she loved the Essendon Football Club.

I was honoured to be present at Joan's state funeral a couple of weeks ago, surrounded by the many people who loved her, respected her and appreciated her. I, like many others, will miss her dearly, and I extend my deepest condolences to Joan's husband, Ron, and their children and grandchildren.

Kirner, Ms Joan Elizabeth, AC

Senator LINES (Western Australia) (13:55): I too rise to extend my condolences on the death of Joan Kirner. It is hard to believe she is no longer with us, but I am comforted that her close family and friends tell us she is no longer in pain. I was very sorry not to be able to attend Joan's funeral as I was attending estimates here in the parliament, but I know that Joan herself would have thought that was a far more important job than attending her funeral. I have been able to read many of the wonderful tributes to Joan that were made at the funeral.

I knew Joan through EMILY's List as a proud member of EMILY's list and a very early member. It is very hard to imagine EMILY's List without Joan, but Joan set EMILY's List on a very strong path. As we just heard from our leader, Senator Wong, many women in this place and indeed state parliaments have been beneficiaries of EMILY's List in Australia. Joan left us with a very proud legacy. We are still not as strong as we should be as women in Australian parliaments, but I cannot imagine where we would be today without EMILY's List. When Joan first brought EMILY's List to Australia we all wondered—or certainly I did—just what it would mean and how effective it would be. Nevertheless, we all signed up, because that is what Joan wanted us to do. Joan was a very generous woman, a very courageous woman, but she was not a woman you could say no to very easily. So, when we were asked to sign up to EMILY's List, that is what we all did, because to not do so would have incurred the wrath of Joan. But EMILY's List has well and truly established itself on the Left of Australian politics. There are many fine women, both past and present, who are here because of EMILY's List, and it continues to make a massive contribution. But we do have a long way to go, and EMILY's List and affirmative action mean that the Australian Labor Party is able to produce very fine female politicians.

In the Australian Labor Party it is quite difficult to become a Labor hero. We set the bar very high. Gough Whitlam was a Labor hero we lost earlier this year, and Joan is easily a Labor hero. Despite there being a high bar, Joan well and truly met that bar, as an absolute champion. I know when she became the Premier of Victoria what a brave and courageous role she played. She absolutely led from the front. She did not skirt or try to get around any issues at all; she took them head-on and she led in the most courageous way—and, again, showed us as younger women what it means to be a courageous female leader. And when she stepped down from that parliament, after so many years as a community activist and a Labor politician, she could have been given the grace of retiring, but she did not. She was as feisty in retirement, in EMILY's List and other causes, just as she had been right through her working life and her community activity. She will be missed; there is no doubt about that. But
she has set us on a strong course, and those of us who are proud EMILY's List members are there as beneficiaries of Joan Kirner.

Debate adjourned.

MINISTERIAL ARRANGEMENTS

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:00): by leave—I advise the Senate that Senator Scullion, the Minister for Indigenous Affairs, will be absent from question time today as he is attending the National Native Title Conference in Queensland. In Senator Scullion's absence, Senator Payne will answer questions on Indigenous Affairs and Senator Nash will respond to questions in the Agriculture portfolio.

QUESTIONS WITHOUT NOTICE

National Security: Citizenship

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:00): My question is to the Minister representing the Prime Minister, Senator Brandis. Can the minister confirm that just three out of 19 cabinet ministers have been shown advice from the Solicitor-General on the constitutionality of the proposal to strip citizenship from Australian nationals? Can the minister confirm that the only ministers who have seen this advice are the Prime Minister, the Attorney-General and the immigration minister?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:01): No, I cannot confirm that.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:01): Mr President, I ask a supplementary question. I refer to communications minister, Mr Turnbull, who says that while Australia must deal with the threat of terrorism, we:

… have to do so within the rules … which above all, of course, sits the constitution with which we all have to comply.

Does the minister share the Prime Minister's confidence that the legislation will 'minimise constitutional challenge'?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:01): I agree with what Mr Turnbull said. What he said—that we should be compliant with the Constitution—is, of course, commonplace and something that I am sure every member of this parliament would understand and accept. In relation to the second question, the answer is yes.

Senator Conroy interjecting—

The PRESIDENT: Order on my left! Senator Conroy!

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:02): Mr President, I ask a further supplementary question. Can the Minister representing the Prime Minister advise who decided to exclude ministers who sit on the National Security Committee of Cabinet, including the foreign minister, from receipt of constitutional advice from the Solicitor-General? Was it the Prime Minister, or was it his office?
Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:02): Your question is entirely based on a false premise, Senator Wong.

Trade

Senator McGrath (Queensland) (14:02): My question is to the Minister for Human Services, Senator Payne, representing the Minister for Trade and Investment. Can the minister inform the Senate of the successful conclusion of the historic free trade agreement with China today? What benefits will this free trade agreement bring to Australia?

Senator Payne (New South Wales—Minister for Human Services) (14:02): I particularly thank Senator McGrath for that question because today Australia did sign a landmark free trade agreement with China, which is our largest trading partner, with total trade worth almost $160 billion in 2013-14, and a significant and growing source of investment. The China-Australia Free Trade Agreement, the ChAFTA, will lock in existing trade and provide the catalyst for future growth across a huge range of areas, including goods, services and investment. The agreement secures for Australia better market access to the world's second largest economy, improves our competitive position in a rapidly growing market, promotes increased two-way investment and reduces import costs. It is a win for households and businesses alike.

On day one of ChAFTA, more than 85 per cent of Australian goods exports will be tariff free. This will rise to 95 per cent on full implementation. Most importantly, Australia's agriculture sector will be able to capitalise on its well-deserved reputation as a clean, green producer of premium food and beverage products. Tariffs will be progressively abolished in Australia's $13 billion dairy industry. Australia's beef and sheep farmers will also gain from the phased abolition of tariffs, which range from 12 to 25 per cent, and all tariffs on Australian horticulture will be eliminated.

As Senator Brandis said on arriving in the chamber in relation to the historic signing today, there was a great sense of occasion at this particular event. That we have brought to fruition this free trade agreement with our largest trading partner is an extraordinary accomplishment for this government and a great credit to the trade and investment minister, Mr Robb. It will enhance our trade in goods and services, which already stands at $160 billion.

Senator McGrath (Queensland) (14:04): Mr President, I ask a supplementary question. Will the minister inform the Senate of the government's record in successfully negotiating free trade agreements with other countries?

Senator Payne (New South Wales—Minister for Human Services) (14:05): This is a very important supplementary question from Senator McGrath because it enables us to focus on the fact that ChAFTA completes an historic trifecta of trade agreements with our top three export markets, which account for more than 55 per cent of Australia's total goods and services exports. Together, these agreements will enhance our vital trade and investment relationships in the region, they will assist the process of reform and they will foster greater prosperity. Our free trade agreements with Korea and Japan are only months old, and we are already seeing increased exports compared to just a year ago. For example, there has been a 26 per cent increase in frozen beef prime cuts to Korea and, extraordinarily, a massive 84 per cent increase in the same product, frozen beef prime cuts, to Japan. Macadamia exports to...
Korea have more than doubled, and Japan is importing 82 per cent more of our rolled and flaked oats. (Time expired)

Senator McGrath (Queensland) (14:06): Mr President, I ask a further supplementary question. Will the minister advise the Senate how free trade agreements enhance Australia’s standing as a trading nation and create more jobs for Australians?

Senator Payne (New South Wales—Minister for Human Services) (14:06): Due to this trade trifecta, Australian exports of goods to Korea, Japan and China will be 11 per cent, or nearly $17 billion, greater in 2035 compared to what they would have been without these agreements. Our services exports will be 13 per cent, or around $2.2 billion, greater in 2035 than without these agreements. Our domestic consumption will be $46 billion higher over this period, which equates to almost $4,500 per household. But, most importantly, Mr President and Senator McGrath, modelling shows that between 2016 and 2035 there will be 178,000 additional jobs as a result of the FTAs, which is almost, on average, 9,000 extra jobs per year. I thought those opposite might be interested in jobs, but I am continuously disappointed by their attitude and today is no different. Our FTA will create new jobs and higher living standards for Australians. (Time expired)

Asylum Seekers

Senator O’Neill (New South Wales) (14:07): My question is to the Minister representing the Prime Minister, Senator Brandis. I refer to photos published today showing bundles of cash that Indonesian police say were paid to people smugglers by Australian officials to turn back boats. A recorded interview with the captain of the asylum seeker vessel confirming the payment has also been reported. Will the Abbott government confirm or deny these reports?

Senator Brandis (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:08): The captain of the people smuggler vessel would be a very reliable witness, Senator O’Neill—a very reliable witness indeed! As a matter of fact, Senator O’Neill, if you want to know, there is only one political party under whose watch people smugglers grew rich in Indonesia, and it was under your watch, because under your watch 50,000 people journeyed to Australia, not including those who lost their lives—

The President: Pause the clock.

Senator Wong: Mr President, I rise on a point of order on relevance. I know that Senator Brandis is auditioning, but the question was about a serious issue—

Senator Ian Macdonald: Which standing order?

Senator Wong: relevance, thank you, Senator Macdonald—about an important issue of photographs which have been published in a major Australian newspaper and an interview which has also been published. He should respond to that issue. That is the question which has been asked.

The President: Thank you, Senator Wong. I will remind the minister of the question. He has one minute and 31 seconds in which to answer.

Senator Brandis: You know, Senator Wong, if I were you I would not be talking about photographs too readily, because we saw some pictures of the ABC television last night,
Senator Wong, of you and those behind you, like Senator Stephen Conroy over there, which were—

The PRESIDENT: Pause the clock.

Senator Moore: Mr President, I rise on a point of order on direct relevance. Mr President, you have already reminded the minister of the question and again he has gone nowhere near the question in his response.

The PRESIDENT: Thank you, Senator Moore. I will remind the minister of the question. The minister has one minute and 17 seconds in which to answer.

Senator BRANDIS: Thank you, Mr President. Coming to your question, Senator O’Neill, over six years 50,000 illegal entrants, auspiced by people smugglers, who we know received an average fee of US$10,000—that is, US$500 million into the pockets of people smugglers over six years on your watch, on your party’s watch, as a result of—

The PRESIDENT: Pause the clock.

Senator Conroy: Mr President, I rise on a point of order on relevance. The minister is now repeating the answer exactly, to the word almost, that you have already drawn to his attention is not answering the question. This is now the third attempt from this side of the chamber to ask him to comply with your ruling. So could you please call him to order on a point of relevance and ask him to answer the question?

The PRESIDENT: Thank you, Senator Conroy. I will remind the minister again of the question and remind the minister he has 46 seconds in which to answer the question.

Senator BRANDIS: Thank you, Mr President. I was being asked a question about payments to people smugglers and I was making the point that the only payments that we have seen to people smugglers are the payments that were made as a result of the policies of the previous government—an average, by the way—

The PRESIDENT: Pause the clock.

Senator Kim Carr: Mr President, I rise on a point of order going to relevance. The minister was asked directly: will he confirm or deny the reports that were published in the paper this morning? That is the question. He has defied your ruling now on three occasions. I would ask you to draw him to actually answer the question.

The PRESIDENT: Thank you, Senator Carr. Minister, you have now had three quarters of the time allocated for the question. Minister, I cannot direct you how to answer the question, but I can ask you to be directly relevant to the question.

Senator BRANDIS: Senator Carr, Kim Jong Un was kinder to his uncle than you were to Kevin Rudd! Coming directly to the question, there is only one political party that put money into the pockets of people smugglers—$500 million in six years—and that is the Australian Labor Party.

Senator Wong: Mr President, I rise again on a point of relevance. I understand that in question time—and I hope the crossbenchers recognise this—there are times—

Senator Ian Macdonald: Is this a point of order or are you—

Senator Wong: Yes, the point of order is relevance, Senator Macdonald.

Senator Ian Macdonald interjecting—

CHAMBER
The PRESIDENT: Senator Macdonald, I determine points of order.

Senator Ian Macdonald interjecting—

The PRESIDENT: Order, Senator Macdonald! Senator Wong, you have the call.

Senator Wong: We understand that ministers will speak on tangential matters in the lead-up to answering a question. This minister, serially, has defied your ruling. He has not once even attempted to pretend to answer the question. He might sit there smirking and thinking that this abuse of Senate question time is appropriate, but you, as President, should put a stop to it.

The PRESIDENT: I will say that, in the last few seconds of the minister's answer, I believe that he was getting to the point, and he did indicate that there was only one side of politics that had paid people smugglers, which was directly relevant to the question. I will allow the minister to continue.

Senator BRANDIS: I have nothing to add.

Senator O'NEILL (New South Wales) (14:15): Mr President, I ask a supplementary question. I refer to reports that, following payment, asylum seeker vessels were redirected towards Indonesian waters, resulting in one vessel crashing on a reef at Landu Island, leaving some passengers stranded. Will the Abbott government confirm or deny these reports?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:15): Senator O'Neill, when it comes to security matters, we simply do not comment. We simply do not comment. That was the position taken by your leader, Mr Shorten, yesterday. Mr Shorten said yesterday that no serious leader of an Australian political party would comment on security matters. You have asked me to comment on a security matter. I direct you to what your leader, Mr Shorten, said. Of course, Mr Shorten said many things. Mr Shorten once said, 'Julia Gillard has my full support'. That was in 2013. He once said, 'Kevin Rudd has my full support'. That was in 2010. But it was yesterday that Mr Shorten said, 'No serious political leader would comment on security matters,' and yet that is what you have asked me to do.

Senator Conroy: Mr President, I raise a point of order as to relevance. I am not sure what any of that has to do with the question. You do not actually need this side of the chamber to draw his attention to it when it is so blatant.

The PRESIDENT: The minister, in answering the question, straight up said, 'We do not comment on those security matters'. I believe that he answered the question.

Senator O'NEILL (New South Wales) (14:17): Mr President, I ask a further supplementary question. Does the minister stand by the Prime Minister's statement that media outlets are promoting discord by reporting on this issue?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:17): I stand by everything that the Prime Minister says.

Asylum Seekers

Senator DI NATALE (Victoria—Leader of the Australian Greens) (14:18): My question is to the Minister representing the Prime Minister, Minister Brandis. He suggested that the captain of the vessel, Yohanis Humiang, was an unreliable witness. He suggested that he have evidence as
to why his testimony is wrong? If so, can he produce it? Can he provide an account of what actually happened, whether bribes were paid, when they were paid and to whom they were paid?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:19): Senator Di Natale, with respect, that is an astonishing question. Do I have evidence that the captain of a people smuggler vessel is an unreliable witness? Yes, I do. Do you know what that evidence is? It is because the man is the captain of a people smuggler vessel. The man is a person engaged in earning his living from the misery of other human beings and accepting a very large sum of money from it.

Honourable senators interjecting—

Senator BRANDIS: That is my evidence. As Senator Macdonald interjected before, perhaps you should stick to medicine. Because if you do not think that that is pretty compelling evidence that that particular man’s assertions and allegations should at least be treated with scepticism then, Senator Di Natale, you must come from another planet.

Senator DI NATALE (Victoria—Leader of the Australian Greens) (14:20): Mr President, I ask a supplementary question. Given that Senator Brandis—

Honourable senators interjecting—

Senator DI NATALE: I cannot hear myself speak at the moment.

The PRESIDENT: Just a moment, Senator Di Natale. On both sides, order!

Honourable senators interjecting—

The PRESIDENT: Senator Heffernan, do you have a point of order?

Senator Heffernan: And a plea: I notice in a pig sty that, when you chuck the feed out, the pigs shut up. Can someone bring some feed in?

The PRESIDENT: There is no point of order. That did not assist, Senator Heffernan. Can we come to order.

Senator DI NATALE: Firstly, let me apologise to the people at home who might be watching this. Given that the minister—

Honourable senators interjecting—

Senator DI NATALE: Are we going to restart the clock?

The PRESIDENT: Yes, we will restart the clock.

Senator DI NATALE: Given that the minister has refused to deny the allegations of bribery, can the minister tell the Senate from which departmental budget this bribe money was drawn? And can he confirm that it does not come from the foreign aid budget?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:22): Senator Di Natale, honestly and truly—a question based entirely on a false premise. Because, as I was trying to explain to Senator O’Neill before, there is only one occasion when people smugglers have been enriched, and that is during the period of the Labor government, when they earned $500 million off the back of the misery of fellow human beings as a result of policies you supported.
Senator Di Natale: Mr President, I rise on a point of order. There was no preamble. It was a very straightforward question: where did the money come from—which departmental budget? Was it foreign aid? That is all. Nothing else. I draw the minister's attention to the question.

Honourable senators interjecting—

The PRESIDENT: Order! There is no point of order, Senator Di Natale. The minister indicated up front that he believed it was a false premise of your question in the first place. Minister, do you wish to add to your answer?

Senator BRANDIS: I do, Mr President. Now $500 million over six years, Senator Di Natale, is about $83 million a year. Do you know what the GDP of Indonesia was in 2013? $868.3 billion. Because of policies that you supported, this industry was worth 10 per cent of Indonesia's GDP. That is the money.

Senator DI NATALE (Victoria—Leader of the Australian Greens) (14:24): Mr President, I rise on a further supplementary question: I would like to ask the minister to confirm whether the Assistant Minister for Immigration and Border Protection will do as the Senate requested yesterday, and that is to table all the documents relating to this tawdry affair? And I ask whether they will be shared with the Senate and the Australian people, as confirmation of his statement yesterday that everything that was done was within the law?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:24): Well, it is certainly not the practice of any political party in this country, or at least any governing party, on this side of the chamber or the other, to bring into the Senate and to table documents relating to the national security of Australia. You should know that, as the leader of a political party, Senator Di Natale. But notwithstanding that, I can advise you of some facts you seem to have forgotten: that during the period of the Labor government, as a result of policies you supported, more than 1,100 men, women and children drowned at sea—as a direct result of policies that you supported. But since the Abbott government was elected, not one life has been lost. As a result of the policies you supported, 50,000 people made a mortal passage to Australia, and since the Abbott government has been elected, the boats have been stopped. The boats have been stopped, the smugglers are out of business, and the lives are no longer being lost. (Time expired)

Student Visas

Senator JOHNSTON (Western Australia) (14:25): My question is to the Assistant Minister for Immigration and Border Protection, Senator Cash. Will the minister inform the Senate how the government will improve and simplify the immigration framework for international students?

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (14:25): I thank Senator Johnston for his question. I was delighted to announce yesterday, with the education minister, Minister Pyne, the introduction of a simplified student visa framework (SSVF) to support Australia's international education services sector. The simplified student visa framework will provide incentives for all education providers in all sectors to recruit genuine students.
Stakeholders have indicated that a new framework was required that maintained the benefits of streamlined visa processing but addressed issues such as the regulatory costs of the arrangements. The simplified student visa framework is expected to support the sustainable growth of the international sector by simplifying the student visa framework and reducing red tape; by creating a level playing field for all education providers; and by delivering a targeted and nuanced approach to immigration integrity. The new framework will replace both the streamlined visa processing arrangements and the current assessment level framework, and will apply to all international students. The changes outlined this week will mean a reduction in the number of student visa subclasses from eight down to two, and the introduction of a simplified, single immigration framework for all international students. An improved approach to the administration of student visas as part of the new framework will have clear benefits and reduce complexity within the current framework. The new framework will combine the immigration risk associated with both the student's intended education provider and the country of citizenship into a single immigration risk model. There will be no additional obligations or burdens placed on education providers. This government welcomes genuine international students and we are committed to improving and protecting the integrity of our immigration system to facilitate their entry to Australia. (Time expired)

Senator JOHNSTON (Western Australia) (14:28): Mr President, I ask a supplementary question. Will the minister advise the Senate what consultation was carried out with the international student sector, and what feedback has been received?

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (14:28): This government regards its discussions with relevant key sectors as critically important to improving immigration services. The changes that we have announced follow consultations on the government discussion paper, Future directions for streamlined visa processing. Written submissions were invited from members of the Education Visa Consultative Committee (EVCC) and other key stakeholders in response to the formal discussion paper, and a total of 32 submissions were received. Individual meetings were also held with individual stakeholders and discussions were held at quarterly EVCC meetings. The changes have been welcomed by the education sector, including today by representatives of Universities Australia, the Australian Council for Private Education and Training, and the International Education Association of Australia. But we do not stop there. Our consultation with the sector will continue, and a working group with international education sector stakeholders is being formed to guide implementation of the new framework. (Time expired)

Senator JOHNSTON (Western Australia) (14:29): Mr President, I ask a further supplementary question. Lastly, Minister, will you explain to the Senate how the simplified student visa framework will improve integrity within the system?

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (14:29): Again, the government is committed to maintaining a competitive student visa process that supports sustainable growth in the international education sector, whilst maintaining high levels of immigration integrity. The simplified student visa framework will enhance integrity by limiting streamline evidence requirements to only the lowest immigration risk providers in the highest risk markets, providing greater discretion to visa-processing officers to request
evidence of financial and English language capacity from streamlined students, where it is deemed appropriate, and reviewing and updating the risk ratings every six months.

The genuine temporary entrant requirement, established by a publicly available ministerial discretion or direction, will continue to be the main integrity safeguard and will enable decision makers to refuse non-genuine applicants. This government is committed to our international education sector, while at all times ensuring that immigration risk is properly managed.

Higher Education

Senator WANG (Western Australia) (14:30): My question is to the Assistant Minister for Education and Training, Minister Birmingham. There is an increasing perception of deliberate stonewalling and a preference for blaming the Senate. Will the government commit to more extensive consultation prior to releasing and tabling their next attempt at the higher education reform bill?

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (14:31): I thank Senator Wang for his question. The government is committed to ensuring that we deliver reform for higher education in Australia, reform that secures the future of quality higher education well into the future. What is important for our higher education institutions, for our universities, is that they have secure funding and funding that allows them to access not just a defined government scheme reliant upon a demand-driven program for places but also funding relevant to the course they are providing and that they are able to compete amongst each other, excel in areas of innovation and specialise in particular courses.

Throughout this process we have been very willing and committed to engage on these policy reforms. We stand by them. We think they are appropriate reforms to provide security to the higher education sector and to universities in the future. But, equally, we have been willing to compromise and listen. I have thanked in this chamber previously some of the other members of the crossbench and indeed you, Senator Wang, for the constructive way in which you have engaged with us and for your willingness to provide suggestions. We have adopted some of those suggestions in our reforms to date. We are very happy to continue those discussions. We are very happy to have those discussions with you and with the higher education sector.

But this chamber should remember that the higher education sector is broadly supportive of the reforms: Universities Australia, the G8 group and the Innovative Research Universities. All of these key institutions and groupings have stood together. Forty out of 41 vice-chancellors supported the reform package. The groundwork was done to build support, but we of course remain willing to listen, engage and consult. (Time expired)

Senator WANG (Western Australia) (14:33): Mr President, I ask a supplementary question. Insufficient competition exists between our public universities. Other options such as not-for-profit higher education providers should be considered. Can the government commit to providing Commonwealth Grant Scheme support to not-for-profit higher education providers?

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (14:33): Thank you, again, Senator Wang. As you, I know, would appreciate,
having looked at the legislation closely that there is an extension in certain areas of Commonwealth Grant Scheme support in the legislation that we have brought to this parliament. Importantly, it seeks to extend opportunities for sub-bachelor programs, for diploma courses and for those entry level pathways that will give greater opportunity to many more students. It is a profound disappointment that this Senate has stood in the way of giving those enhanced opportunities to more people.

We also absolutely stand for providing opportunity to non-university providers to enter this space. That, again, has been a feature of the reforms to date. So, Senator Wang, if there are areas that you would like to discuss with us, I, Minister Pyne and the government of course remain very happy to do so—with you and with other crossbenchers. We would be particularly happy if the Labor Party would actually have a constructive discussion with us on this very, very important reform rather than just saying no, no, no, as they have— (Time expired)

Senator WANG (Western Australia) (14:34): Mr President, I ask a further supplementary question. Not-for-profit higher education providers, such as Sheridan College in Western Australia, will provide competition to the public universities and ensure prices are kept low for students. Will the assistant minister take a personal interest in the submission of the not-for-profit Sheridan College in Western Australia?

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (14:35): Absolutely, Senator Wang. I will be very happy to look at that submission. I will be very happy if the opportunity arises to visit Sheridan College with you. I will make sure that it is brought to the attention of Minister Pyne and that he indeed gives consideration to what their particular proposals are.

But I think at the broader level it is critically important that we do address the issue of providing certainty to universities and to all higher education providers in Australia—certainty that they will be able to compete in an increasingly cluttered global landscape where more universities and more higher education providers are able to offer opportunities to Australian students. They are competing with us for international students and that is why they need the freedom, the freedom to be able to specialise in areas that suit them, the freedoms that differentiate themselves, which includes the freedom to differentiate through pricing rather than just having to operate under the constrained mechanisms that exist to date. Some important reforms have been made, but these important reforms we have need to be finalised. (Time expired)

Higher Education

Senator EDWARDS (South Australia) (14:36): My question is also to the popular erudite Assistant Minister for Education and Training, Senator Birmingham. Will the minister outline the benefits to Australia of international student education and why the government is working hard to promote it?

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (14:36): I thank Senator Edwards for that very important question about our international education sector. International education provides life-changing opportunities for students who come to Australia, especially from within our region, often from poorer nations, to study here. It is not only life changing for them, it is hugely important for Australia
and for the Australian economy. International education is our largest non-resources export industry and our third, or sometimes fourth, export industry overall. Around $17 billion in wealth is generated for the Australian economy annually as a result of the international education sector. It supports around 130,000 jobs as students study in our universities and schools, with our vocational education and training providers and with our English language providers, across every state and territory right around Australia and across so many local government areas. I acknowledge the Mayor of the City of Playford, Glenn Docherty, who is in the chamber today. I am sure Playford is one of the many areas that benefits from international education.

International education adds greatly to our culture and it also enriches the experience Australian domestic students have and their opportunities to build a better understanding of the region in which they will work and build businesses in the future. Under the previous government there was a collapse in international education, because of poor policy changes. Around $4 billion per annum was lost in relation to annual income in international education. It stands to their shame that in another area like this they got the policies wrong and Australia’s wealth declined as result.

I am pleased to say that our policies are working. Today we have seen the latest student enrolment data revealed, and there are more international students enrolled in Australia than ever before. Every single sector is up. We have delivered policies that have turned around the collapse that Labor brought into this sector.

Opposition senators interjecting—

The PRESIDENT: On my left!

Senator EDWARDS (South Australia) (14:38): Mr President, I thank the minister for his substantive answer and ask a supplementary question. Will the minister further advise the Senate of measures the government is taking to boost international student education?

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (14:39): In addition to the policies we have already applied, there are important new steps and strategies that we are applying, some of which have been identified in the chamber already today. The China-Australia Free Trade Agreement is an important additional step forward in supporting our international education sector. It will ensure that Australian institutions can be listed on China’s study abroad website, which will provide greater marketing and recruitment opportunities to Chinese students for Australian educational providers. This comes in addition to an agreement Minister Pyne signed last November with the Chinese vice-minister for education to promote qualifications recognition and increased student academic and research mobility between Australia and China. This is in addition to the simplified student visa framework, which Minister Cash was speaking about before, that also provides greater opportunity for us to continue to grow the international education sector. So two very important milestones have been achieved in this week alone, with the China FTA and the student visa framework. (Time expired)

Senator EDWARDS (South Australia) (14:40): Mr President, I ask a further supplementary question. Will the minister advise the Senate how the government is working towards a shared national strategy for international education?
Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (14:38): To take advantage of the opportunities provided by the China FTA and the FTAs with Korea and Japan, and via other growing international education markets, we are consulting extensively on the draft national strategy for international education. Just yesterday we published more than 100 submissions on that draft strategy that warmly welcome the fact that the government is applying this shared national strategy that brings together all of the stakeholders. Tomorrow around 100 of those stakeholders from all states and territories will come together here in Parliament House for a round table on international education to further the work on this national strategy.

The government has appointed a coordinating council on international education to finalise the strategy and an implementation plan. The coordinating council includes six ministers from education, immigration, foreign affairs and trade, as well as six experts from diverse backgrounds. It is all about not only protecting but growing a sector that is worth $17 billion at present and that supports 130,000 Australian jobs.

DISTINGUISHED VISITORS

The PRESIDENT: I acknowledge the presence today in the President's gallery a former senator and minister, the Honourable Chris Ellison, and, secondly, could I acknowledge the secretary general of the Inter-Parliamentary Union, Mr Martin Chungong. We are so pleased to have you in the Senate, as well.

Honourable senators: Hear, hear!

The PRESIDENT: Senator Day, you now have a distinguished audience for your question.

QUESTIONS WITHOUT NOTICE

Housing Affordability

Senator DAY (South Australia) (14:42): My question is to the Minister for Finance. The 2015-16 budget shows an eight per cent increase in childcare spending, or a 40 per cent increase over four years, or, in dollar terms, from $6.5 billion to over $11 billion. The reason families need child care is that both parents are forced to go out to work because of high housing costs. Then there is the $3 billion a year the Commonwealth spends on housing assistance. We all know the cost of building a basic house has not risen, in real terms, in 20 years. But the cost of land has skyrocketed. In essence, the government is spending over $14 billion a year to offset rising land costs. This is treating the symptoms, not the illness. Does the government accept this?

Senator CORMANN (Western Australia—Minister for Finance) (14:42): I thank Senator Day for that question and I also acknowledge his genuine interest in housing affordability for Australian families. In terms of the numbers he mentioned in relation to government expenditure on child care, Senator Day is broadly right. We expect to spend about $7.3 billion on government support for access to child care, in 2015-16. That is expected to rise to about $11 billion over the forward estimates. That is assuming, of course, that the Senate supports some of the spending reductions required out of the budget in order to pay for the additional investment into child care, because this government is committed to improving affordable access to child care and making access to child care simpler and more flexible, because we understand that is an important part of a strategy to help families get into work, stay in work.
and be in work. It is an important part of our strategy to strengthen growth and create more jobs.

When it comes to housing affordability more broadly, affordability is a function of both price and capacity to pay. Price is a function of supply and demand. In markets where you have demand exceeding supply, prices will go up. In markets where you have supply exceeding demand, prices will go down.

Senator Day is quite right. The housing affordability issue in Australia is principally an issue of land supply not meeting demand in the market. The principal lever to address that is at the state level, and the federal government is working, through the Treasurer, with state and territory governments to try and address that. I do not agree with Senator Day that housing building costs have not increased in real terms in Australia by international standards. Housing construction in Australia is significantly more expensive—(Time expired)

Senator DAY (South Australia) (14:45): Mr President, I ask a supplementary question. The Demographia international housing affordability survey for 2015 says the following:

It ranks Sydney and Melbourne third and 9th worst out of 378 cities in the world. What is the government doing to address this national crisis?

Senator CORMANN (Western Australia—Minister for Finance) (14:45): As I indicated in response to the primary question, the Treasurer is working with state and territory governments in relation to housing affordability policy issues. We do understand, of course, that the most sustainable way of improving housing affordability is by making sure that supply increases to a level where it can meet demand.

Australia has a growing population. We have, in particular, a growing population in some of the larger population centres, and obviously there are cycles in the property market. Right now, in Sydney and in Melbourne, demand significantly exceeds supply. There is of course a response in the market as a result. If you look at the national accounts for the first quarter of 2015, you will see that there is a lift in investment in dwelling construction, and that is clearly a response to that upward pressure on prices. But we do need to do more. We do need to ensure that the states actually do better in releasing land so that there can be a more appropriate response. (Time expired)

Senator DAY (South Australia) (14:46): Mr President, I ask a further supplementary question. In my experience, the critical factor for healthy markets is for barriers to entry to be as low as possible. How can the Commonwealth and governments in states and territories like my home state of South Australia remove these barriers to first home ownership?

Senator CORMANN (Western Australia—Minister for Finance) (14:47): State governments, like the state government in South Australia, could decide to release more land. They could decide not to sit on the land that they currently hold and have already developed in order to try and maximise profits. They could just release more land into the marketplace. If the state government in South Australia and state governments in other parts of Australia decided to do that, it would have a material beneficial effect on housing affordability.

Beyond that, we do need to have a mature conversation in Australia about why it is that in Australia it is significantly more expensive to build a house than it is in the United States, for
example. Why is it significantly more expensive to build a house in Australia than in the United States? I know that the Labor Party sneered at the Treasurer yesterday in the House of Representatives when he made the point that the coalition's abolition of Labor's carbon tax did help bring down the cost of construction— (Time expired)

National Security: Citizenship

Senator JACINTA COLLINS (Victoria) (14:48): My question is to the Attorney-General, Senator Brandis. I refer to the Attorney-General's statement yesterday that the government's decision to give ministers the sole discretion to revoke citizenship was based, word for word, on the advice of the then Independent National Security Legislation Monitor, Mr Bret Walker SC. Mr Walker has stated:

… my report does not provide a justification for what they intend to do … it is not what I said, nor what I think now, and anyone who claims otherwise is wrong …

Given that, will the minister correct the record?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:48): Senator Collins, what I actually did yesterday was read Mr Walker's words, word for word, to the senator who asked me the question—and I will read them again. I will read them again. And I invite you, Senator Collins, to read Mr Walker's report, because this is what he says at page 75:

Taking into account Australia's international obligations, and the national security and counter-terrorism risks posed by Australians engaging in acts prejudicial to Australia's security, the INSLM supports the introduction of a power for the Minister for Immigration to revoke the citizenship of Australians, where to do so would not render them stateless, where the Minister is satisfied that the person has engaged in acts prejudicial to Australia's security and it is not in Australia's interests for the person to remain in Australia.

That is what Mr Walker said—in his words, not mine, word for word.

Senator JACINTA COLLINS (Victoria) (14:50): Mr President, I ask a supplementary question. Mr Walker obviously disagrees, Minister. Why have you misrepresented the views of the former Independent National Security Legislation Monitor—indeed, the position you wanted to abolish—who is one of Australia's leading silks?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:50): Senator Collins, all I have done is read to you, word for word, what Mr Walker said. I have not commented on it; I have read to you, word for word, what Mr Walker said.

Senator JACINTA COLLINS (Victoria) (14:51): And very clear to Mr Walker! Mr President, I ask a further supplementary question. I refer again to Mr Walker, who has stated: I doubt many of those citing my report have read beyond the one paragraph they refer to and that does not bode well for mature consideration or lawmaking. Shouldn't the Senate expect mature consideration and law-making from the first law officer of the Commonwealth, rather than cherry-picking?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:51): Senator Collins, you say 'cherry-picking'—
Senator Jacinta Collins: Yes.

Senator BRANDIS: but the paragraph that I have read is the paragraph that is most immediately relevant to the issue. I have read with care the entire chapter of Mr Walker’s report, and what I have read to you is precisely what Mr Walker said in addressing himself to this issue. I have not commented on it; I have read you Mr Walker’s own words.

Illicit Drugs

Senator O’SULLIVAN (Queensland—Nationals Whip in the Senate) (14:52): My question is to the very effective Assistant Minister for Health, Senator Nash. Will the minister update the Senate on the progress towards the National Ice Action Strategy since the Prime Minister’s announcement of the establishment of the National Ice Taskforce on 8 April?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:52): I thank the senator for his question and note his very real concern regarding this issue. I can advise that the task force, the Minister for Justice, Michael Keenan, and I have been travelling around Australia to seek feedback from the community and from expert groups, allowing people who have been affected by this drug or who are involved in those services relating to it to have a direct input into the task force.

One of the things that has become extremely clear is that law enforcement alone will not tackle this issue. It is going to be much broader. We have law enforcement officers telling us now that we cannot arrest our way out of this problem; we cannot police our way out of this problem. It is a very important part, and I certainly pay credit to all of the police involved on the front line dealing with this drug. But it is much broader than that. We will need to look at issues of demand. We will need to look at issues around education, particularly for young people so that they never start and never get involved in this drug. Also, we will need to look at issues such as rehabilitation and treatment services—where the gaps are, what we need to address, what is working well and what is not.

The task force has conducted many consultations over the last six weeks. There have been 11 expert roundtables with health peak bodies, seven community discussions in Mt Gambier, Broome, Darwin, Newcastle, Hobart, Townsville and Mildura, and 13 one-on-one meetings with experts. Also, there has been more than 1,300 written submissions from people out there in the community directly to the task force. The task force is now in the process of consolidating the interim report to the Prime Minister, which will be presented in mid-July. I look forward to the Prime Minister receiving that report from the task force and updating the chamber on the very important issue.

Senator O’SULLIVAN (Queensland—Nationals Whip in the Senate) (14:54): Mr President, I ask a supplementary question. Will the minister explain to the Senate how the work of the task force and development of the National Ice Action Strategy are an important part of the Abbott government’s National Drug Strategy?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:55): The task force work is occurring in tandem with the development of the National Drug Strategy. The development of the new National Drug Strategy provides the most appropriate avenue for broader action to prevent harm across all classes of drugs, including ice. The National Drug Strategy is currently under development. Initial consultation has been undertaken, and the draft will go out for broader consultation.
following initial consideration by ministers at both the state and federal level. It is due to commence in 2016. The National Ice Action Strategy will be a key component of this broader strategy. The development of the strategies in tandem provides an opportunity to ensure the issues being raised through the consultation process that relate more broadly to illicit drugs can be considered through the National Drugs Strategy. The government understands the devastating effects illicit drugs have on our communities, and the Australian people are continuing to support the work in this area.

Senator O'SULLIVAN (Queensland—Nationals Whip in the Senate) (14:56): Mr President, I ask a further supplementary question. I thank the minister for her informative answers. Will the minister update the Senate on her engagement with communities impacted by the scourge of ice?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate and Assistant Minister for Health) (14:56): One of the things that has also become increasingly clear is that ice does not discriminate. It affects old people, young people, wealthy people, people not well off. We are talking about tradesmen. We are talking about people involved right across the community—housewives who are, indeed, taking this to be 'supermum'. It does not discriminate. That is why I have undertaken the community forums right across the country—to be able to personally engage with people and communities.

Over the past six weeks I have held 10 consultations in regional communities, travelling more than 20,000 kilometres across Australia. A significant amount of information has come forward relating to that. I particularly want to thank my colleagues that have been involved in supporting this process here in the Senate. I thank Senator O'Sullivan, Senator McKenzie and Senator Smith for the work they have done, as well as our House of Representatives colleagues.

Listening to those people out in the community has been absolutely vital in developing the strategy.

Defence Procurement

Senator KIM CARR (Victoria) (14:57): My question is to the Minister representing the Minister for Defence, Senator Brandis. I refer the minister to reports that BAE Systems will not tender for the government’s $600 million Pacific Patrol Boat Program. Is the minister aware that BAE has said that this decision was taken because the government's time line for awarding of a contract would not see a decision until 2017 and would not see a build until 2018? Is the minister aware that hundreds of BAE workers will lose their jobs in the first quarter of 2016? Why has the government not worked with BAE to avoid this situation?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:58): The government is very disappointed that BAE has said that this decision was taken because the government's time line for awarding of a contract would not see a decision until 2017 and would not see a build until 2018? Is the minister aware that hundreds of BAE workers will lose their jobs in the first quarter of 2016? Why has the government not worked with BAE to avoid this situation?

Senator BRANDIS: And I hear Senator Stephen Conroy, comically the shadow minister for defence, braying that for two years this government has been in—

Senator Conroy: You have been in charge for two years.
**Senator Conroy:** You have been in charge and ignored our plans. We had plans on the table.

**Senator BRANDIS:** Senator Conroy, the lead times for major infrastructure projects and major shipbuilding contracts are longer than two years. The fact is that, when the Labor Party was in office for six years, not one Australian warship was commenced at an Australian shipyard—not one.

When the Labor Party was in power for six years, not one thing was done to progress the Future Submarine program. In fact, the only ship acquisition for which the former Labor government was responsible was the purchase from the Royal Navy of a second-hand warship, the *Choules*. So do not come into this chamber—you, of all people, Senator Kim Carr, who was minister for industry at various times during that unlamented Labor government—and complain that a commercial decision has now been made by BAE as a result of being left high and dry for six years on your watch.

**Senator KIM CARR** (Victoria) (15:00): Mr President, I ask a supplementary question. I remind the minister that you are in government and it is your timetable which is now leading to the closure of this shipyard. Is the minister aware that in the United Kingdom a similar situation has arisen in naval shipbuilding and the Conservative government there has awarded BAE patrol boat contracts to avoid the shutdown? Why can’t that process be followed in Australia?

**Senator BRANDIS** (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (15:00): Well, Senator Carr, I will tell you what we are doing: we are reviving the Australian shipbuilding industry. We are reviving the Australian shipbuilding industry by completing the Air Warfare Destroyer project, a project begun by the Howard Liberal government, during your watch allowed to blow out in terms of delivery time and cost. We are committing to 12 new Australian submarines for the Royal Australian Navy, something that you did nothing to progress over six years. Your record, Senator Carr, was the delay of 119 defence projects, the cancellation of eight and the reduction of 45. That is what you did on your watch over six years. Is it any wonder that a defence contractor, starved by you for six years, has made this commercial decision now?

**Senator KIM CARR** (Victoria) (15:01): Mr President, I ask a further supplementary question. Given the impractical time lines for the Pacific Patrol Boat Program, the offshoring of the supply ships, the sham Future Submarine process designed to deliver work to Japan, why is it that this government is so determined to kill off local shipbuilding, a decision that will see the loss of thousands of Australian jobs in shipyards in this country?

*Honourable senators interjecting—*

**The PRESIDENT:** Order on both sides!

**Senator BRANDIS** (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (15:03): The truth is, Senator Carr, that the Australian shipbuilding industry had a near-death experience on your watch. For six years, not a single project was commenced. The only acquisition, as I said before, was the acquisition of a second-hand warship from the Royal Navy.

*Senator Kim Carr interjecting—*
The PRESIDENT: Senator Carr, you have asked your question.

Senator BRANDIS: When the coalition came into office, we had to revive an industry that you had rendered moribund. We had to revive the Air Warfare Destroyer project, as we have done. We had to revive the Australian Future Submarine program, as we have done. We have saved the Australian shipbuilding industry from your neglect, your inattention, your inaction and your lack of interest. Mr President, I ask that further questions be placed on the Notice Paper.

DOCS

Asylum Seekers

Order for the Production of Documents

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (15:04): I table a response to the order for the production of documents.

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

National Security: Citizenship

Asylum Seekers

Senator O'NEILL (New South Wales) (15:04): I move:

That the Senate take note of the answers given by the Attorney-General (Senator Brandis) to questions without notice asked by the Leader of the Opposition in the Senate (Senator Wong) and Senators Collins and O'Neill today relating to proposed amendments to citizenship laws and to recent media reports concerning people smugglers.

What an act it was by the Acting Leader of the Government in the Senate. Unfortunately, it does not look like the senator can hold a candle to his leader, Senator Abetz. In his short time as acting leader, he has already alienated the crossbench and he has taken a frighteningly cavalier attitude towards Senate estimates by being more interested in the poem My Country than in his responsibilities to it, and more interested in his collection of classic Australian bush poems rather than in the budget situation. I think he was very aptly described the other day by my colleague on this side of the chamber Senator Cameron, who described him as the equivalent of Mulga Bill on his bicycle riding into the ditch, and that is where this government is taking Australia—into dangerous territory where we will suffer injury.

The arrogance of the Acting Leader of the Government in the Senate was absolutely on show again today, with the crossbench voting against the government, voting with the Labor Party and the Greens to institute two new inquiries to see what is actually going on, because this minister is determined to hide and to cover up from the Australian people every one of the dirty deals that characterise their actions with regard to international relations. The senator is facing divisive issues close to home, with his own cabinet colleagues selling him out to the media. There are at least some voices on the other side that will speak, it seems, to tell just a little of the truth to the Australian people, who this man is seeking to mislead.

The senator refused to answer questions today about why he has excluded his own colleagues from receiving information from the Solicitor-General. Such hubris, such arrogance—that is the characteristic of this man that dominates every response in question time. Why? We have to ask. Does it show a lack of trust in his own colleagues? It would seem...
so. Perhaps it is an even greater problem for Senator Brandis that he is so on the outer now that his gaffe-after-gaffe prone activities have his colleagues not wanting to have anything to do with him. How much longer can the senator expect to continue on in this way?

I will go to the questions that were asked by Senator Collins first. The misrepresentation of the words of the noted silk, Mr Bret Walker SC, are very important, but they were merely brushed aside as irrelevant by the arrogant Attorney-General in his responses today. Mr Walker actually stated:

My report does not provide a justification for what they intend to do—

'They' being the government—

It is not what I said nor what I think now and anyone who claims otherwise is wrong.

That is Mr Walker saying that the Attorney-General is wrong; and, indeed, Mr Walker is correct. Mr Walker casts doubt on the capacity of the government even to do the due diligence of checking reports carefully:

I doubt many of those citing my report have read beyond the one paragraph they refer to. That does not bode well for mature consideration or lawmaking.

What we saw on show here today was not mature consideration, and it was not a fair effort by any stretch of the imagination in answering the questions that were put to the Attorney-General today.

Senator Wong asked questions about why the foreign minister of the country was excluded from receiving advice from the Solicitor-General on the constitutionality of the proposal to strip citizenship from Australian nationals. Things are so dysfunctional, so bad, in the government ranks that they are hiding information from one another, let alone hiding it from the Australian public. I turn now to the questions that I asked about reports published in Australian papers today: Indonesian police reports, saying that people smugglers were actually paid by Australian officials to turn back the boats—recorded interviews, photographs of cash, reports about vessels crashing on reefs. These are facts that are on the public record in Australian newspapers. Instead of answering those questions, we have a government that says: 'The media reports are promoting discord.' They are promoting a question for the government—a question and a request that they tell the truth. We are relying on this government to finally come forward and actually speak the truth for a change.

Senator BACK (Western Australia) (15:09): The contrast between the government and the opposition in the Senate was evident for everybody to see today. When you saw the level of questions and the level of excellent responses by ministers to questions, the difference was absolutely amazing. The Leader of the Opposition in the Senate asked questions that took less than one minute to respond to, because, as a former minister, Senator Wong herself knows that those questions that are raised in cabinet will not be the subject of commentary across the Senate chamber. Adding further insult to herself, Senator Wong then went on and quoted from Minister Turnbull, only to find the excellent Attorney-General turn that around against her and he, of course, concurred with Mr Turnbull's comments about the rule of law. That did not take very long—did it?—before we got to the questions asked by Senator O'Neill. The Attorney-General, of course, had no hesitation in drawing Senator O'Neill's attention to the words of her own leader, Mr Shorten when he went on to say—

Senator O'Neill interjecting—
Senator BACK: I did not interfere when you were speaking, Senator O'Neill. Mr Deputy President, I did not interrupt when Senator O'Neill was speaking, but it is interesting that Mr Shorten made the statement that governments do not comment on security matters. Who was the authoritative—

Opposition senators interjecting—

The DEPUTY PRESIDENT: Order!

Senator BACK: Who was the authoritative source that Senator O'Neill was quoting?

The DEPUTY PRESIDENT: Senator Back, you might resume your seat. The Senate needs to come to order.

Senator BACK: I was being distracted by those opposite, Mr Deputy President. The authoritative source that Senator O'Neill was quoting from was none other than the captain of the people smugglers himself. What a wonderful reputation!

Senator O'Neill interjecting—

Senator Lines interjecting—

The DEPUTY PRESIDENT: Order!

Senator BACK: What a wonderful source that person would be to be quoted by a senator from the Labor opposition.

The DEPUTY PRESIDENT: Senators should cease interjecting.

Senator BACK: As everybody in this place knows, we are talking about the six years when we know about a person who drowned at sea every second day. There were many more—

Senator O'Neill: Tell the truth!

Senator Lines: The truth will come out!

Senator BACK: Tell the truth? Those are the body counts! Those are the body counts, Mr Deputy President. But when you go to speak to those naval officers, as we had the opportunity to do—I asked them: 'Was 1200 the real number?' They said: 'They are the ones we know about, Senator Back.' I had Senator McEwen with me on that occasion when we travelled up to Darwin for that inquiry.

As the Attorney-General has told us, US $500 million was poured into the pockets of people smugglers as a result of the failure of the last government. There were 50,000 illegal arrivals, who were put on more than 800 leaking vessels, as the result of the encouragement given to them by your government. Then, of course, we come to the commentary by Senator Collins on the Attorney-General with regard to Mr Bret Walker. I have had the opportunity to read some of the final report of Mr Bret Walker, and probably the most accurate thing that Senator O'Neill quoted was that Mr Walker seems to have changed his mind; it is his opinion now.

Senator O'Neill: That is not what I said.

Senator BACK: Mr Deputy President, here are some of the comments that Mr Walker made in his final report. First of all, Mr Walker—

Senator O'Neill: That is not what I said.
The DEPUTY PRESIDENT: Order!

Senator BACK: If you listened, rather than tried to speak, you might learn.

The DEPUTY PRESIDENT: Senator Back, just resume your seat. I have been constantly calling the Senate to order, and it is time that the interjections ceased completely.

Senator BACK: The points I wish to make with regard to Mr Walker's comments in his final report are these. First of all, he said that dual citizenship is not a human right; he referred to the action going on in Britain, where a similar discretion is given to the Secretary of State—a minister of the government. Of course, Senator Brandis made no commentary at all, either yesterday or today. He made no commentary at all on what Mr Bret Walker said. For the benefit again of Senator Collins, he merely read out verbatim from Mr Walker's report. Now Mr Walker might come back and want to retract—to change it, to amend it or whatever—but to attack the Attorney-General on something that Mr Walker himself had said in his report is a bit rich. (Time expired)

Senator DASTYARI (New South Wales) (15:15): I was actually hoping I could cede my time to Senator Back to keep him going, but unfortunately I am not sure I can! To take the heat out of the issue a little bit, I want to talk about some of the substance of what we are actually here to discuss—taking note of the answers from Senator Brandis to the questions that were asked of him. I think the real concern here is that fundamentally it comes down to how we as a Senate want to tackle this question of transparency and information. What are the opportunities and what role should this Senate be playing? I think it is unfortunate that some of the opportunities to answer the true questions that are being asked and which were asked today for Senator Brandis to respond to are being missed. The issue of transparency and information and getting to the bottom of what has happened—

Senator Bernardi: Did you get paid money to be on the ABC program?

Senator Conroy: Maybe he'll get a Walkley!

Senator Bernardi: A Walkley? Or a Logie!

The DEPUTY PRESIDENT: Senator Dastyari, take your seat. We might let the other senators exhaust their comments and then we will resume. When the Senate comes to order, I will give you the call.

Senator DASTYARI: I have fans everywhere, and there are fans in this chamber. That is fine. It does not bother me. I will be doing autographs later in the evening!

On the issue of transparency—and I think this is really important—legitimate concerns are being raised regarding what has happened on the high seas and what has happened with the purported amounts of cash. They are, at this point in time, simply allegations. No-one from this side is coming forward and saying that they are necessarily matters of fact. We are saying that these are serious allegations. They are important allegations. They are allegations of a significant nature. They have been made. It is in the interests of us in the Senate and in the interests of the parliament for us to be able to have an open, frank and transparent debate within the boundaries of what is and is not in the national interest, taking into consideration the national security implications.

I think it is unfortunate that the Attorney-General, when asked these questions today, chose to try to turn that which was a legitimate debate into something that it was not. Let's be clear:
nobody wants or should want to see people die at sea. Nobody wants to see people smuggling. We as a Senate, a parliament and a nation want to have a proper debate about the best way to bring these kinds of practices to an end. There is a legitimate concern that, if paying people smugglers is a technique that is being used, that should not be the path forward. Yet, unfortunately, when we tried to go down that path of questioning, when we tried to go down a legitimate line of inquiry with legitimate questions about how much money has been given, we ended up having obfuscation, with the Attorney-General doing everything he could to avoid answering the real question.

Unfortunately we saw that happen as well when we were talking about the issue of national security and dual citizenship. Again, let's have the debate. There are people in this chamber and in this parliament who believe that there may be a case in the right circumstances for the stripping of dual citizenship. There may not be a case for that. We want to make sure. We have to look at the specifics and have that debate. I think it is unfortunate that we are trying to do this in the vacuum of actual legislation. If legislation had been presented and put forward, it would be a lot easier for us to have these debates.

But, again, when we try to ask some legitimate questions that have been raised by someone as senior as Bret Walker SC, what do we get? We get stonewalling. We get the debate being shifted. So far, in what have been very difficult debates, I think it has been a positive development for this parliament that there has been, to an extent, so much bipartisanship on these kinds of issues. But that cannot exist when the information is not there. You cannot have a bipartisan approach in a vacuum. Unfortunately, we have not seen this legislation and, when we ask legitimate questions of the Attorney-General, he tries to enact a bit of theatre and play some games but he does not answer them.

Senator McGrath (Queensland) (15:20): I, too, would like to take note of the answers given by Senator Brandis to questions from Senators Wong, Collins and O'Neill. The answer given to especially Senator O'Neill's question comes down to what we are doing on border security. It is interesting that we take the word of a people smuggler, someone who appears on television wearing a balaclava. I think this comes down to the different approach taken between our parties. It is the coalition who have strengthened the borders and have strengthened border security in this country. It is the coalition who have stopped the boats. It is the coalition who have put a steel border up—

Senator Lines: Paid the boats.

Senator McGrath: I am happy to take interjections. We sat here quietly on this side and listened to the other side. I sat here very quietly—

Opposition senators interjecting—

The Deputy President: Senator McGrath, just resume your seat for a moment. I do not think anyone can claim that this motion to take note of answers given today has been without interjections from both sides. I have called the Senate to order on a number of occasions, and I would ask the Senate to remain in order for the remainder of Senator McGrath's contribution.

Senator McGrath: I should put on record that I did interject. I certainly smiled and laughed at some of the interjections, so I am guilty, as charged, of that. It is very important to look at the consistency in some of the responses that have been given by the different leaders.
Labor last night again refused to rule out what it has called on the government to rule out. On 7.30 last night, it was reported that the ABC had asked Bill Shorten, the Leader of the Opposition, if he could rule out the possibility that payments had been made to people smugglers by the former government during the Rudd-Gillard years. A Labor spokesperson said:

It's unlawful … to divulge security or intelligence information.

The Abbott coalition government has implemented, lawfully, a suite of proven policies that have stopped the boats. We have done what governments before us have done but applied the measures with vigour and resolve. We have broken the people smugglers' business model. This is what it comes down to. The person who is quoted in today's paper and who appeared on Sky News today is a people smuggler. It is someone who makes their money out of the misery of other human beings. I do not think we should be taking their word in terms of telling the truth.

It is also significant that the deputy opposition leader yesterday refused to commit her party to maintaining the tough border policies that ended the years of dysfunction and failure of the Rudd-Gillard governments. The question that probably should be put is: where does Labor and Mr Shorten stand on turn-backs? Our record stands for itself. The most decent—the most moral—thing you can do is stop the boats and stop the deaths at sea. Even on Sky TV this morning, the member for Fraser, Andrew Leigh, when asked if the Labor Party paid people smugglers, said that it would be inappropriate for him to comment on operational matters. The Leader of the Opposition, Mr Shorten, also refused to comment on the same question when asked in a press conference earlier today.

This government will not detail operational activities under Operation Sovereign Borders. What matters is that, under our policy, the boats are stopping. Illegal maritime migration is being stemmed and so are the deaths at sea. My colleague Senator Back from Western Australia made mention of the 1,200 people—the known 1,200 people—who perished at sea under the former Labor-Green government. Those were 1,200 people who we could have saved if our policies had been in operation. In 2008, we had seven boats; in 2013, 302 boats arrived. Since we were elected, in 2014 and 2015, only one boat has arrived. We have put up borders of steel; whereas the Labor Party, sadly, through their failed policies, had, effectively, borders of lace. They put together a border of their nannas' doilies to create a border to stop people smugglers—and it did not work. (Time expired)

Senator LINES (Western Australia) (15:26): I rise to take note of answers from Senator Brandis to questions from Senators Wong, Collins and O'Neill. I would like to put on the record that my grandmother was a staunch feminist and she would not have had a doily in her house to put anywhere.

Senator Fieravanti-Wells interjecting—

Senator LINES: Again, we see this broad generalisation, these sweeping statements from the government to anything that is serious.

Senator Sterle interjecting—

Senator LINES: Today, when we tried to ask very serious questions about citizenship, about cabinet leaks—
Senator Lines, just resume your seat. The Senate needs to come to order. I want Senator Lines to be given the same respect that I insisted be given to Senator McGrath—and that is to be heard in silence.

Senator Lines: What those opposite do not like to hear is the truth. There are very serious questions being asked in Australia right now by voting Australians and by the media about what really transpired on the high seas. The government can say all it likes. They may have stopped the boats. They have certainly turned boats around and they have made boats disappear. But what they do not appreciate, because they are really a government of the 1960s, is that the media has moved on. We have a 24/7 media now; we have Twitter; we have Facebook; we have all sorts of investigations going on—and you cannot hide these things. This morning, whether they liked it or not, evidence came out that the Abbott government paid captains of leaky boats to turn them around and go back to Indonesia. We will hear more and more about that. Just like their cabinet leak, that leak is now out, and more and more journalists will go after the truth.

We heard Senator Brandis use the term 'braying' in here. Well, I heard braying from Senator Brandis today. That is what we heard in this place today. The government can berate and they can ridicule and they can yell like Senator Back chose to do, but the truth will come out—and it is slowly coming out. They can refuse to answer questions; one week they will give a comment and the next week they will not. But the truth about what is happening on our high seas—despite the government trying to brand everything as an on-water matter or trying to brand everything as something that is national security—will eventually come out. We will not resile from asking the hard questions in this place. They can refuse to give answers, or they can give ridiculous, insulting 10-second answers like we heard today from Senator Brandis. But we will continue to ask them—and the truth will come out. What an embarrassing start to the day it was to have two inquiries simply because they refused to tell the truth, simply because they will not come clean in this place, simply because somehow they think they can avoid scrutiny. Well, they cannot.

On the issue of citizenship, we have heard all sorts of rumours. We know, for example, there is a real problem in the government, not just between the backbenchers and the government but between cabinet ministers. There is a real issue on the issue of citizenship. As usual, the Abbott government has jumped out there and tried to bully people and somehow lead by berating and belittling people, while others in the cabinet have said, 'Hang on, enough's enough.' So now they have a leak in their cabinet. Despite them now not wanting to talk to us about what they might be proposing in the area of citizenship, they pretend they are still consulting. That will not wash either.

Now an eminent QC has made comments in the media, and what do we see? We just see cherry-picking by Senator Brandis. Although Bret Walker himself said he has been misquoted, did that stop the flurry of Senator Brandis insulting him? No. Senator Brandis might like to read fiction and poetry at Senate estimates, but, if the man who wrote the report said, 'I didn't say that,' the fiction given in answers by Senator Brandis to questions today will not wash. The government needs to learn that you might be able to hoodwink some people some of the time but that that does not last. Bret Walker today clearly said—I heard him myself this morning on the radio—that he has been misquoted. Yet here today the man who said bigots are good somehow tried to suggest, 'No, no. Bret Walker got that wrong; this is
what he said.' Cherry-picking will not wash. I am sure Bret Walker will continue to defend himself, as he should, and we in this place will continue the hard questions. (Time expired)

Question agreed to.

Asylum Seekers

Senator DI NATALE (Victoria—Leader of the Australian Greens) (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 Di Natale today relating to recent media reports concerning people smugglers.

Just when you thought the government could not sink any lower—just when you thought that this debate could not sink to new depths—what we have are allegations through the Indonesian government, relayed by people who were witnesses to the actions of the Australian government, effectively showing that we are engaged in the people-trafficking business. We have crossed a line here. In order to avoid a bad headline, we have Australian government officials involved in people-trafficking. When is this going to stop? At what point will we decide, 'Enough is enough—we cannot continue going down the road that we are on'? We have gag orders to prevent people from speaking out around the conditions in detention. We have doctors, nurses and teachers being prevented from communicating with the Australian community about what is going on in detention centres. This is being done in the name of the Australian community. We have members of parliament being spied on. Young kids in detention are being locked up indefinitely, causing self-harm. Women about to give birth are being denied decent antenatal care. That is where this debate is going, and now we have gone even further. We have put people's lives at risk on the high seas and we have given people smugglers wads of cash in order to do it. We have to stop.

Senator Brandis refused to deny the fact that we are now engaged in bribery. We are paying people large sums of money to avoid a bad headline. That is not the basis of good public policy—it is not. We are being shown up by our regional neighbours. We have the Indonesian foreign minister showing more transparency and accountability than our own government. It is not good enough. Where is this money coming from? From what government department and what program? Is this foreign aid money? Will we find out later that this is contributing to the effort to combat poverty internationally?

Yesterday an order for the production of documents was moved in this place. If the government wants to stand by its claim that it did not break the law, either here in Australia or internationally, it has the opportunity to demonstrate that by providing all of the documents around this activity that has occurred in relation to paying people traffickers. What did we learn in question time today? The government will not produce those documents—it is a matter of national security. Yes, those boats coming from Indonesia are just waiting to take over the Australian mainland. Those people fleeing from oppressive regimes—people from right across the planet leaving regimes that inflict torture and great harm on individuals, including young children—just cannot wait to put our national security at risk. What nonsense.

This debate must end here. We need some leadership—we absolutely, desperately need some leadership. We need a circuit breaker. We need those good people on all sides of the chamber, who understand that what is being done demeans us as a people, to speak up. Our
leaders are letting us down. It is no longer good enough to engage in this reckless, lawless activity that is in breach of our own domestic law and in breach of international law. I have some advice for my colleagues in the Australian Labor Party, who are now contemplating the notion of supporting the turn-back policy. At some point, you have to come to the realisation that you cannot continue following the government down this path—down these depths—because they know no boundaries when it comes to the rule of law, when it comes to respecting international norms and when it comes to showing decency, compassion and humanity. They are simply not capable of it, and you must take a stand. You must join with us in taking a stand to end what has been a demeaning, destructive and, in many ways, completely futile debate. What we need here is some global leadership. We need the Australian government to play its part as a responsible global citizen and know that, regardless of what we do, the problem will continue and we need to ensure that we play a constructive role in the solution.

Question agreed to.

NOTICES

**Senator Fifield** to move:

That the Community Affairs Legislation Committee report on the Social Services Legislation Amendment (Fair and Sustainable Pensions) Bill 2015 by 22 June 2015.

**Senator Bilyk** to move:

That the Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity be authorised to hold private meetings otherwise than in accordance with standing order 33(1) during the sittings of the Senate from 10 am, as follows:

(a) Thursday, 13 August 2015;
(b) Thursday, 10 September 2015;
(c) Thursday, 15 October 2015;
(d) Thursday, 12 November 2015; and
(e) Thursday, 26 November 2015.

**Senator Singh** to move:

That the Parliamentary Joint Committee on Law Enforcement be authorised to hold private meetings otherwise than in accordance with standing order 33(1) during the sittings of the Senate from 5.30 pm, as follows:

(a) Wednesday, 12 August 2015;
(b) Wednesday, 9 September 2015;
(c) Wednesday, 14 October 2015;
(d) Wednesday, 11 November 2015; and
(e) Wednesday, 25 November 2015.

**Senator Smith** to move:

That the Joint Committee of Public Accounts and Audit be authorised to hold private meetings otherwise than in accordance with standing order 33(1) during the sittings of the Senate, followed by public meetings, from 10.30 am, as follows:

(a) Thursday, 13 August 2015;
(b) Thursday, 20 August 2015;
(c) Thursday, 10 September 2015;
(d) Thursday, 17 September 2015;
(e) Thursday, 15 October 2015;
(f) Thursday, 12 November 2015;
(g) Thursday, 26 November 2015; and
(h) Thursday, 3 December 2015.

**Senators Sterle and Rice** to move:

That the following matter be referred to the Rural and Regional Affairs and Transport References Committee for inquiry and report by the first sitting day of 2016:

The increasing use of so-called Flag of Convenience shipping in Australia, with particular reference to:

(a) the effect on Australia’s national security, fuel security, minimum employment law standards and our marine environment;
(b) the general standard of Flag of Convenience vessels trading to, from and around Australian ports, and methods of inspection of these vessels to ensure that they are seaworthy and meet required standards;
(c) the employment and possible exposure to exploitation and corruption of international seafarers on Flag of Convenience ships;
(d) discrepancies between legal remedies available to international seafarers in state and territory jurisdictions, opportunities for harmonisation, and the quality of shore-based welfare for seafarers working in Australian waters;
(e) progress made in this area since the 1992 House of Representatives Standing Committee on Transport, Communications and Infrastructure report *Ships of shame: inquiry into ship safety*; and
(f) any related matters.

**Senators Williams, O’Sullivan and Canavan** to move:

That the Senate—

(a) notes:
   (i) 408 million dozen eggs are produced by Australian growers annually,
   (ii) at current growth rates it is forecast that 971 million dozen eggs, an increase of 138 per cent, will have to be produced by Australian growers by the year 2055,
   (iii) the average Australian consumes 220 eggs annually,
   (iv) Australians have a choice of cage, barn or free-range eggs,
   (v) that there is no national farming standard for free range eggs, and
   (vi) that the Australian Competition and Consumer Commission (ACCC) has launched legal action against a number of free-range egg producers for allegedly misleading consumers; and
(b) further notes that at the Legislative and Governance Forum on Consumer Affairs (CAF) meeting on Friday, 12 June 2015:
   (i) ministers agreed to direct officials to prepare a draft national standard on egg labelling, for consideration by ministers later in 2015, to enhance consumer confidence and certainty around egg labelling,
(ii) CAF officials will consult with affected stakeholders and industry in preparing a cost
benefit analysis, with the draft standard to include a statement of when the free-range label may be used, having regard to recent ACCC case law, and

(iii) CAF officials were asked by the ministers to include in the draft standard other potential
category labels.

Senator Ludlam to move:
That the Senate—

(a) notes that:

(i) the planning for the Perth Freight Link is in absolute chaos,

(ii) the project is counter to current state planning priorities set out in ‘Perth @ 3.5 million &
beyond’ which aims for renewal and infill of existing urban areas,

(iii) over 18 groups and three local councils are now part of a formal alliance against this project, and

(iv) no matter how the freight arrives at Fremantle Port it will be at capacity within a decade; and

(b) calls on the Government to commit to suspending federal environmental assessment and all federal
funding for the project until such time as the Western Australian Barnett Government:

(i) publicly releases the business case for the project,

(ii) releases a detailed plan for stage 2 and 3 of the Perth Freight Link, showing how it proposes to
build the road through Fremantle all the way to the port,

(iii) undertakes formal assessment and community engagement on those plans, and

(v) formally investigates all alternative options, including the Outer Harbour.

Senators Milne, Back, Xenophon and the Senator Wong to move:
That the Senate—

(a) notes with deep concern:

(i) that the Australian journalist, Mr Peter Greste, remains subject to an ongoing re-trial in Egypt,

(ii) that having been deported from Egypt under Presidential Decree, Mr Greste continues to be
subject to ongoing proceedings,

(iii) the nature of the charges and allegations made against Mr Greste, and

(iv) the nature and the lack of evidence presented before the Court by the prosecution in respect of
those charges;

(b) acknowledges:

(i) the important role journalists perform internationally in their work, and

(ii) the extensive efforts of parliamentarians across the political spectrum and the ongoing efforts
made by the Australian Government, including the Prime Minister (Mr Abbott), the Minister for
Foreign Affairs (Ms Bishop) and others, to make representations to the Egyptian Government to ensure
that Mr Greste’s case is dealt with justly, and in accordance with due process; and

(c) supports Mr Greste’s bid to clear himself of the charges, and the Government’s continuing efforts to
make representations on his behalf.

Senator Whish-Wilson to move:
That the Senate—

(a) condemns the decision of the Government to reject the application for funding made by the
Tasmanian Aboriginal Legal Service; and
(b) calls on the Government to restore annual funding to the Tasmanian Aboriginal Legal Service so that local Indigenous people can be provided with locally-based assistance.

Senator O’Sullivan to move:

That the Senate—

(a) welcomes the commencement of gas exports from QCLNG’s Curtis Island Queensland Liquefied Natural Gas (LNG) plant, the first in the world to produce LNG from coal seam gas (CSG), and

(b) notes that these plants will eventually produce roughly 8 per cent of global LNG production, transforming Australia into the world’s largest gas exporter by 2017 and potentially generating $53 billion in export earnings between 2013 and 2017.

Senator Siewert to move:

That the Senate affirms that people should be able to marry the person they love, in accordance with the principles of equality and personal freedom, to end discrimination, and to support the mental health and wellbeing of lesbian, gay, bisexual, transgender and intersex Australians and their families.

Senators Leyonhjelm, Wang and Day to move:

That the Senate—

(a) recognises that:

(i) the growing popularity of motorcycling is helping to ease congestion in our cities, both on the roads and with parking,

(ii) motorbikes use less fuel, produce fewer emissions and cause less road wear than other vehicles, while up to five motorbikes can occupy the same parking space as a single car, and

(iii) state and territory governments could do much more to promote motorcycling by reducing direct costs and addressing factors that discourage motorcycle adoption; and

(b) calls on the Government to develop a motorcycle strategy through the Motorcycle Safety Consultative Committee to address:

(i) the social and economic benefits of greater use of motorcycles,

(ii) the social and economic cost of road-related motorcycle injury and death, and

(iii) the need for a satisfactory national standard for motorcycle helmet certification.

Senator Wright to move:

That there be laid on the table by the Minister representing the Minister for Health, no later than 3.30 pm on Thursday, 25 June 2015, the report on the governance arrangements of Headspace, conducted by an independent reviewer and received by the Department of Health, as outlined by the Primary and Mental Health Care Division First Assistant Secretary, Mr Mark Booth, in the Community Affairs Legislation Committee estimates hearing on Monday, 1 June 2015.

Senators Wang, Day and Leyonhjelm to move:

That the Senate notes that:

(a) public universities currently do not sufficiently compete with one another to lower fees for domestic undergraduate students, instead, they routinely charge the maximum amount allowed by the current government, thus rewarding inefficiency and keeping tuition artificially high for students;

(b) competition brings down tuition fees for students, for example, government funding would allow private not-for-profit colleges, such as Sheridan College in Perth, to deliver current and future courses without a charge to students, and many other private colleges and universities would also reduce fees;

(c) students would have the choice to earn an undergraduate degree without incurring a crushing debt burden;
(d) the Government would be under no obligation to provide capital grants, such as land, building, equipment etc. to such colleges;
(e) extending funding to private colleges and private universities would both benefit students and save government money; and
(f) a proposal to extend the Commonwealth Grants Scheme (CGS) to not-for-profit private colleges and universities should be considered irrespective of the rest of the Government’s higher education deregulation agenda, as funding private not-for-profit colleges, such as Sheridan College, levels the playing field leading to the possibility of free education for Australian students.

Senator Rhiannon to move:

Senators Ludlam and Rhiannon to move:
That the Senate—
(a) notes:
(i) the perilous state of the Greek economy and the misery being endured by many in the Greek community as a result of economic conditions,
(ii) that in May 2010 the Eurozone countries, the European Central Bank and the International Monetary Fund (IMF) launched a €110 billion bailout that was conditional on implementation of austerity measures, and
(iii) tripartite lenders to Greece are currently demanding further austerity measures, without future debt relief, in order to release the remaining funds from the current lending program agreement; and
(b) calls on the Australian Treasurer (Mr Hockey), a member of the International Monetary and Financial Committee of the IMF, and Governor of the IMF and the World Bank Group to:
(i) express concern at the continued support by IMF officials for the austerity program for Greece,
(ii) seek the support of other IMF member states for alternative measures that will better address social and humanitarian challenges in Greece, and
(iii) insist the IMF refrain from imposing policy conditions upon Greece which will potentially lead to a default of more than AUD$40 billion debt towards the IMF.

Senators Xenophon, Madigan and Lambie to move:
That the following matters be referred to the Economics References Committee for inquiry and report by 17 September 2015:
(a) the extent of building product non-conformance across the Australian building and construction industry;
(b) the impact of building product non-conformance on Australia’s product supply chain, including the effect on consumers, building costs and compliance;
(c) the current regulatory framework, including any gaps in regulatory coverage and failures of the regulatory and policing framework to enforce existing regulations;
(d) the overall conformance of imported building products to the required regulations and standards, and how this can be improved;
(e) the regulatory framework of building product conformance, with particular reference to the relevant Australian Standards, and how this can be improved;
(f) potential options to enhance surveillance screening on imported building products;
(g) the enforcement of existing building products regulations and standards, and how this can be improved;

(h) the economic contribution of the building industry, and how non-compliant products impact on this contribution; and

(i) any related matters.

Senator Hanson-Young to move:

That the Senate—

(a) does not accept the claim of public interest immunity made by the Assistant Minister for Immigration and Border Protection in failing to provide the documents that were ordered by the Senate on 16 June 2015, namely, all documents relating to the payment of money to turn back or take back vessels bound for Australia or New Zealand, and

(b) resolves that further consideration of the Migration Amendment (Maintaining the Good Order of Immigration Detention Facilities) Bill 2015 be made an order of the day for the next sitting day after the Assistant Minister for Immigration and Border Protection has tabled the documents.

Senator Siewert to move:

That the Senate—

(a) notes:

(i) that the 24-hour phone hotline staffed by lawyers provided by the New South Wales Aboriginal Legal Service has had its funding cut by the Federal Government, and

(ii) that New South Wales legislation requires police to call an Aboriginal legal hotline when arresting an Indigenous person, and that this service was a recommendation of the Royal Commission into Aboriginal Deaths in Custody; and

(b) calls on the Government to restore the funding to this critical service.

COMMITTEES

Community Affairs References Committee

Reporting Date

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

Community Affairs References Committee—availability of cancer drugs in Australia—extended from 17 June to 4 August 2015.

The PRESIDENT (15:37): Thank you, Clerk. Does any senator wish to have that question put? There being none, we will now proceed to the discovery of formal business.

Education and Employment References Committee

Reference

Senator McEWEN (South Australia—Opposition Whip in the Senate) (15:38): At the request of Senators Carr and Lazarus, I move:

That the following matters be referred to the Education and Employment References Committee for inquiry and report by 3 November 2015:

(a) current levels of access and attainment for students with disability in the school system, and the impact on students and families associated with inadequate levels of support;

(b) the social, economic and personal benefits of improving outcomes for students with disability at school and in further education and employment;
(c) the impact on policies and the education practice of individual education sectors as a result of the More Support for Students with Disabilities program, and the impact of the cessation of this program in 2014 on schools and students;
(d) the future impact on students with disability as a result of the Government's decision to index funding for schools at the consumer price index after 2017;
(e) the progress of the implementation of the needs-based funding system as stated in the Australian Education Act;
(f) the progress of the Nationally Consistent Collection of Data on School Students with Disability and the findings, recommendations and outcomes from this process, and how this data will, or should, be used to develop a needs-based funding system for students with disability;
(g) how possible changes as a result of the Nationally Consistent Collection of Data on School Students with Disability will be informed by evidence-based best practice of inclusion of students with disability;
(h) what should be done to better support students with disability in our schools;
(i) the early education of children with disability; and
(j) any other related matters.

Question agreed to.

DOCUMENTS

Marine Reserves

Order for the Production of Documents

Senator McEWEN (South Australia—Opposition Whip in the Senate) (15:39): At the request of Senator Lazarus I move:
That there be laid on the table by the Minister representing the Minister for the Environment, no later than 3.30 pm on 24 June 2015, all documents relating to the issuing, from August 2013 to date, of exploration licences and special prospecting authorities in the 40 new marine reserves declared in 2012, including:
(a) how many were issued;
(b) to whom;
(c) in which marine reserves;
(d) for what purposes;
(e) for what duration; and
(f) the geographical parameters for each of the licences and authorities.


The PRESIDENT: Leave is granted for one minute.

Senator FIFIELD: The Minister for the Environment is not responsible for the granting or management of petroleum exploration leases or special prospecting licences in Commonwealth waters. This is the responsibility of an authority in the Industry and Science portfolio—the National Offshore Petroleum Titles Administrator. The Department of the Environment and the Director of National Parks are consulted by the Department of Industry and Science on the environmental and regulatory features of the proposed release areas. The Department of Industry and Science, through its acreage release process, provides the information to prospective bidders on third party considerations, including environment and
heritage protection, marine reserves, native title rights and interests, navigation and maritime safety, fishing activities, defence activities, submarine telecommunication cables, international issues and insurance. This information for the third parties is provided through what are called the 'notices for all areas' and 'notices for specific areas', issued by the Department of Industry and Science. All information related to acreage release programs and subsequent allocation of permits is available on the Department of Industry and Science website.

Question agreed to.

MOTIONS

Toyne, Mr Phillip

Senator MILNE (Tasmania) (15:40): I, and also on behalf of Senators Siewert, Birmingham and Singh, move:

That the Senate—

(a) expresses its deep gratitude for the great contribution to the protection of Australia's environment and the advancement of Aboriginal and Torres Strait Islander land rights made by the late Phillip Toyne; in particular his contribution to the establishment of Landcare, his enduring commitment to the Australian Conservation Foundation and the Australian Bush Heritage Foundation, as well as his contribution in helping convince the Hawke Government to hand back Uluru to its traditional owners; and

(b) conveys its sympathy and condolences to his wife Molly and sons Jamie, Atticus and Aaron.

Question agreed to.

DOCUMENTS

Broadband

Order for the Production of Documents

Senator McALLISTER (New South Wales) (15:42): I move:

That there be laid on the table by the Minister for Finance (Senator Cormann) and the Minister representing the Minister for Communications (Senator Fifield), by 3.30 pm on Thursday, 18 June 2015:

(a) a complete and unredacted copy of the NBN Corporate Plan 2015-18, prepared by NBN under the Public Governance, Performance and Accountability Act 2013 and applicable rules and guidelines, and containing each and every financial and deployment forecast identified by NBN and the Department of Communications during the 2015-16 budget estimates hearings as being contained in the NBN 2015-18 Corporate Plan;

(b) a complete and unredacted copy of the NBN Co Corporate Plan 2014-17, prepared by NBN Co under the Commonwealth Authorities and Companies Act 1997 and applicable regulations and guidelines; and

(c) a complete and unredacted copy of the NBN Co Strategic Review.

The PRESIDENT: The question is that general business notice of motion No. 728 be agreed to.

The Senate divided. [15:46]

(The President—Senator Parry)
Ayes .................. 37
Noes .................. 29
Majority ............ 8

AYES

Bilyk, CL
Bullock, J.W.
Collins, JMA
Dastyari, S
Gallacher, AM
Hanson-Young, SC
Lambie, J
Leyonhjelm, DE
Ludlam, S
Madigan, JJ
McAllister, J
McLucas, J
Moore, CM
O’Neill, DM
Rhiannon, L
Siewert, R
Urquhart, AE
Whish-Wilson, PS
Xenophon, N

Browm, CL
Cameron, DN
Conroy, SM
Di Natale, R
Gallagher, KR
Ketter, CR
Lazarus, GP
Lines, S
Ludwig, JW
Marshall, GM
McEwen, A (teller)
Milne, C
Muir, R
Peris, N
Rice, J
Singh, LM
Waters, LJ
Wright, PL

NOES

Back, CJ
Birmingham, SJ
Canavan, M.J.
Colbeck, R
Fawcett, DJ
Fifield, MP
Johnston, D
Macdonald, ID
McKenzie, B
O’Sullivan, B
Payne, MA
Ronaldson, M
Ryan, SM
Sinodinos, A
Williams, JR

Bernardi, C
Bushby, DC (teller)
Cash, MC
Edwards, S
Fierravanti-Wells, C
Heffernan, W
Lindgren, JM
McGrath, J
Nash, F
Parry, S
Reynolds, L
Ruston, A
Seselja, Z
Smith, D

PAIRS

Carr, KJ
Polley, H
Sterle, G
Wong, P

Abetz, E
Scullion, NG
Cormann, M
Brandis, GH

Question agreed to.
MOTIONS

Environmental Conservation

Senator O’SULLIVAN (Queensland—Nationals Whip in the Senate) (15:48): I move:

That the Senate welcomes:

(a) the recognition by the UNESCO World Heritage Centre of the important work undertaken by this Government which recommended against the Great Barrier Reef being listed as 'in danger';

(b) the announcement by the Minister for the Environment (Mr Hunt) of the Reef 2050 Long-Term Sustainability Plan, a testament to the close working relationship enjoyed by successive Commonwealth and Queensland governments in protecting the reef;

(c) the additional $200 million of funding from the Australian and Queensland governments for water quality; and

(d) the Minister for the Environment's historic permanent ban on the disposal of capital dredge material in the Great Barrier Reef Marine Park, as a sign of this Government's commitment to protecting this natural asset.

The PRESIDENT: The question is that general business notice of motion No. 730 be agreed to.

The Senate divided. [15:50]

(The President—Senator Parry)

Ayes ......................34
Noes ......................33
Majority ..............1

AYES

Back, CJ
Birmingham, SJ
Canavan, M.J.
Colbeck, R
Fawcett, DJ
Fifield, MP
Johnston, D
Lindgren, JM
Madigan, JI
McKenzie, B
Nash, F
Parry, S
Reynolds, L
Ruston, A
Seselja, Z
Smith, D
Williams, JR

Bernardi, C
Bushby, DC (teller)
Cash, MC
Edwards, S
Fierravanti-Wells, C
Heffernan, W
Leyonhjelm, DE
Macdonald, ID
McGrath, J
Muir, R
O’Sullivan, B
Payne, MA
Ronaldson, M
Ryan, SM
Sinodinos, A
Wang, Z
Xenophon, N

NOES

Bilyk, CL
Bullock, J.W.
Collins, JMA
Dastyari, S
Gallacher, AM

Brown, CL
Cameron, DN
Conroy, SM
Di Natale, R
Gallagher, KR
Question agreed to.

COMMITTEES

Environment and Communications References Committee
Reference

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (15:52): I move:

That the following matter be referred to the Environment and Communications References Committee for inquiry and report by 22 February 2016:

The influence of the Australian fossil fuel industry on the Federal Government, with particular reference to:

(a) the role and lobbying activities of the fossil fuel industry whether directly via peak industry bodies or via other lobby groups such as the Institute for Public Affairs, including but not limited to:

(i) weakening or limiting environmental protections, including the proposed transfer of federal approval powers to the states and territories,

(ii) opposing the minerals resources rent tax,

(iii) opposing the carbon price, the Renewable Energy Target and other climate change mitigation policies,

(iv) funding campaigns to promote the views of climate science deniers,

(v) limiting tax reform,

(vi) securing project approvals, and

(vii) initiating parliamentary inquiries;

(b) government subsidies to the fossil fuel industry;

(c) political donations by the fossil fuel industry to political parties;
(d) foregone revenue from fossil fuel companies' tax deductible contributions to peak industry bodies and other lobby groups, whose purpose is advocacy;

(e) the revolving door between government and the fossil fuel industry in relation to public servants, political staff and politicians; and

(f) any related matters.

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

The Senate divided. [15:52]

(The President—Senator Parry)

Ayes .................... 10
Noes .................... 54
Majority ............... 44

AYES

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

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

NOES

Back, CJ
Bilyk, CL
Brown, CL
Bushby, DC
Canavan, M.J.
Colbeck, R
Conroy, SM
Edwards, S
Fifield, MP
Gallagher, KR
Ketter, CR
Lazarus, GP
Lindgren, JM
Ludwig, JW
Madigan, JJ
McAllister, J
McGrath, J
McLucas, J
Muir, R
O’Neill, DM
Parry, S
Peris, N
Ronaldson, M
Ryan, SM
Singh, LM
Smith, D
Wang, Z

Bernardi, C
Birmingham, SJ
Bullock, J.W.
Cameron, DN
Cash, MC
Collins, JMA
Dastyari, S
Fawcett, DJ
Gallacher, AM
Heffernan, W
Lambie, J
Leyonhjelm, DE
Lines, S
Macdonald, ID
Marshall, GM
McEwen, A (teller)
McKenzie, B
Moore, CM
Nash, F
O’Sullivan, B
Payne, MA
Reynolds, L
Ruston, A
Seselja, Z
Sinodinos, A
Urquhart, AE
Williams, JR
MOTIONS

Housing Affordability

Senator RHIANNON (New South Wales) (15:56): I move:

That the Senate—

(a) notes that:

(i) the median Sydney house price has increased from $73 000 in 1985 to over $914 000 in 2015,
(ii) the ratio of housing price to income in Sydney has increased from 3.4 to 11.4 over that same period,
(iii) currently 41 per cent of all housing finance is for the purposes of investment, compared to 16 per cent in 1992, and
(iv) a poll published in the week beginning 14 June 2015 found that 80 per cent of Sydneyiders said housing was not affordable, compared to a national average of 69 per cent; and

(b) calls on the Government to immediately review the existing beneficial tax arrangements for property investment with a view to improving housing affordability for first home buyers, and providing housing for those on social housing waiting lists and those experiencing homelessness.


The PRESIDENT: Leave is granted for one minute.

Senator FIFIELD: Mr President, social housing is primarily a state issue. The Commonwealth has existing review processes, like the tax white paper and the Standing Council on Federal Financial Relations working group on housing supply, looking at coordinated policy responses on key aspects of these issues.

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

The Senate divided. [15:57]

(The President—Senator Parry)

Ayes ....................12
Noes ....................51
Majority ...............39

AYES

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

Hanson-Young, SC
Madigan, JJ
Muir, R
Rice, J
Waters, LJ
Wright, PL

NOES

Back, CJ
Bilyk, CL
Brown, CL

Bernardi, C
Birmingham, SJ
Bullock, J.W.
Question negatived.

**DOCUMENTS**

**Rural Industries Development Corporation: Report**

*Order for the Production of Documents*

**Senator RHIANNON** (New South Wales) (16:01): I move:

That there be laid on the table by the Minister representing the Minister for Agriculture, by 18 June 2015, the Rural Industries Development Corporation’s market research report *Characterising the Australian public and communicating about kangaroo management*, Project ID: PRJ-008967.

Question agreed to.

**MOTIONS**

**Budget**

**Senator LEYONHJELM** (New South Wales) (16:02): I, and also on behalf of Senators Day and Wang, move:

That the Senate accepts the desirability and merit as a general budgetary principle of lowering taxes irrespective of whether the budget is or is not in surplus.

**Senator FIFIELD** (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (16:02): I seek leave to make a short statement.

The **PRESIDENT**: Leave is granted for one minute.
Senator FIFIELD: While lower taxes are desirable, the faster we can get to the point where as a nation we live within our means and reach our target of a budget surplus, the more capacity we will have to incentivise people through tax cuts.

The PRESIDENT: The question is that the motion standing in the name of Senators Leyonhjelm, Day and Wang, be agreed to.

The Senate divided. [16:04]

(The President—Senator Parry)

Ayes ......................2
Noes ......................53
Majority ...............51

AYES
Leyonhjelm, DE (teller)  Wang, Z

NOES
Back, CJ  Bilyk, CL
Brown, CL  Bullock, J.W.
Bushby, DC  Cameron, DN
Canavan, M.J.  Cash, MC
Colbeck, R  Collins, JMA
Dastyari, S  Di Natale, R
Fawcett, DJ  Fifield, MP
Gallacher, AM  Gallagher, KR
Hanson-Young, SC  Heffernan, W
Ketter, CR  Lambie, J
Lazarus, GP  Lindgren, JM
Lines, S  Ludlam, S
Ludwig, JW  Macdonald, ID
Marshall, GM  McAllister, J
McEwen, A (teller)  McKenzie, B
McLucas, J  Milne, C
Moore, CM  Muir, R
Nash, F  ONeill, DM
Parry, S  Payne, MA
Peris, N  Reynolds, L
Rhiannon, L  Rice, J
Ruston, A  Seselja, Z
Siewert, R  Singh, LM
Simondos, A  Smith, D
Urquhart, AE  Waters, LJ
Whish-Wilson, PS  Williams, JR
Wright, PL

Question negatived.

BUSINESS

Leave of Absence

Senator McEWEN (South Australia—Opposition Whip in the Senate) (16:07): by leave—I move:
Document:

That leave of absence be granted to Senator Conroy on 18 June 2015 for personal reasons.
Question agreed to.

Documents

Consideration

Documents tabled earlier today were called on but no motions were moved.

Committees

Scrutiny of Bills Committee

Report

Senator McEWEN (South Australia—Opposition Whip in the Senate) (16:09): On behalf of Senator Polley, I present the 6th report and alert digest No. 6 of 2015 of the 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) (16:10): I present delegated legislation monitor No. 6 for 2015 of the Standing Committee on Regulations and Ordinances.
Ordered that the document be printed.

Environment and Communications Legislation Committee

Additional Information

Senator O'SULLIVAN (Queensland—Nationals Whip in the Senate) (16:11): On behalf of the chair of the Environment and Communications Legislation Committee, Senator Ruston, I present additional information received by the committee on its inquiries into the Australian Broadcasting Corporation Amendment (Local Content) Bill 2014 and the provisions of the Communications Legislation Amendment (SBS Advertising Flexibility and Other Measures) Bill 2015.

Treaties Committee

Report

Senator O'SULLIVAN (Queensland—Nationals Whip in the Senate) (16:11): I present two reports of the Joint Standing Committee on Treaties as listed at item 15 on today's Order of Business, and I seek leave to have the tabling statement incorporated in Hansard.
Leave granted.

The document read as follows—

Mr President, today I present two reports for the Joint Standing Committee on Treaties: Report 149 and Report 150.

Report 149 contains the Committee's views on recent amendments to the Bonn Convention and Report 150 contains views on three proposed treaty actions: Australia's withdrawal from the World Tourism Organization, the International Maritime Organization's Instrument Implementation Code and the extension of the treaty between Australia and the Netherlands with regard to the Malaysia Airlines Flight MH17 disaster.
The Bonn Convention seeks to conserve land, bird and fish species that migrate across or outside national boundaries. Mr President, the amendments have added 31 species to the Bonn Convention. However, Australia has lodged a Reservation to adding five of the shark species to the Convention. We understand that the Reservation has raised concern in some quarters but the Committee is satisfied that it is necessary in this instance. A number of these species are occasionally caught by recreational fishers in Australian waters. If the Reservation had not been made, recreational fishers would break the law every time they caught a member of the species.

Mr President, Australia proposes to withdraw from the World Tourism Organization. Australia rejoined the Organization in 2004 but since then membership fees have increased ninety-two per cent. There appear to be limited benefits to Australia's tourism industry from membership of the Organization and there are claims that we are not receiving value for money. The Committee is aware that the decision can be reversed, as it has been in the past, if institutions or national priorities change.

The International Maritime Organisation's Instrument Implementation Code provides a mandatory audit scheme aimed at improving maritime safety. The IMO is the United Nations agency responsible for the safety, security and environmental performance of international shipping. A range of relevant IMO conventions will need to be amended to make sure the Code applies to regulations such as fire safety and management and environmental standards. Mr President, making the scheme mandatory will encourage ongoing compliance and help the IMO identify countries that require assistance to meet its standards.

Lastly, the treaty arrangements that were put in place in late 2014 to facilitate the recovery effort after the downing of Malaysia Airlines Flight MH17 are due to expire on 1 August 2015. There is still work to be done and Australian personnel are likely to remain in the Netherlands beyond that date. The original treaty needs to be extended to ensure their ongoing protection.

Mr President, the Committee supports the withdrawal of Australia from the UNWTO and the ratification of the remaining treaties in these two reports.

Mr President, on behalf of the Committee, I commend the Reports to the Senate.

Senator O'SULLIVAN: I move:

That the Senate takes note of the report.

I seek leave to continue my remarks.

Leave granted; debate adjourned.

Community Affairs References Committee

Government Response to Report

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (16:11): I present a government response to the report of the inquiry of the Community Affairs References Committee into involuntary or coerced sterilisation of people with disabilities in Australia and involuntary or coerced sterilisation of intersex people in Australia, as listed at item 15 on today's Order of Business. In accordance with the usual practice, I seek leave to incorporate the document in Hansard.

Leave granted.

The document read as follows—

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CHAMBER
Australian Government response to the Senate Community Affairs References Committee reports:

Involuntary or coerced sterilisation of people with disabilities in Australia
Involuntary or coerced sterilisation of intersex people in Australia

May 2015

Introduction

The Australian Government welcomes the Senate Community Affairs References Committee report on the involuntary or coerced sterilisation of people with disability and the report on the involuntary or coerced sterilisation of intersex people in Australia.

The Australian Government recognises people with disability have historically been subjected to sterilisation without their consent or against their wishes, the majority of whom have been women. The Committee's report includes the testimony of women who have been irreparably affected by these procedures.

Over the past two decades, the regulation of sterilisation of people with disability has been subject to a number of inquiries and reviews and state and territory law regulating sterilisation has been significantly reformed. These laws now provide better protection for people with disability than has historically been the case across Australia.

The majority of the recommendations in the report on the involuntary or coerced sterilisation of people with disability are directed to ensuring a more consistent approach to the regulation of sterilisation. The regulation of sterilisation of adults with disability is primarily a state and territory issue. The Commonwealth's jurisdiction in sterilisation cases exists only under the Family Law Act 1975 and is confined to matters involving children. However, the Australian Government supports increased consistency across jurisdictions and will raise the Committee's recommendations regarding the legal framework regulating sterilisation for people with disability with state and territory governments.

As the Committee identified, the question of capacity is a threshold question in the regulation of sterilisation for people with disability. A report by the Australian Law Reform Commission on Equality, Capacity and Disability in Commonwealth Laws was tabled in November 2014. The report examined Commonwealth laws that deny or diminish the equal recognition of people with disability as persons before the law and their ability to exercise legal capacity, and made 55 recommendations for reform. The Government is currently considering the recommendations in the report.

The Senate Committee report also makes a number of recommendations to improve sexual health and family planning education for people with disability. The Australian Government encourages state and territory governments to review sexual and reproductive health education programs including specific funding or support for programs or materials for people with disability and the disability sector. The report also includes recommendations to improve medical workforce training and the Australian Government similarly encourages National Health Boards and specialist medical colleges to review the Senate Committee's findings as regards education for medical practitioners.

While available data suggests the numbers of sterilisations of people with disability is quite low, the inconsistency of data collection practices remains a cause of concern. For this reason, the Australian Government, through the Attorney-General's Department, has provided funding to the Office of the Public Advocate Victoria representing the Australian Guardianship and Administration Council to develop indicators to standardise the collection of data across jurisdictions.

The report on the involuntary or coerced sterilisation of intersex people outlines a broad range of views regarding the appropriate treatment of infants born with intersex variations. As with the report on people with disability, it includes testimony from people whose adult lives have been shaped by the medical treatment that began when they were infants or children.
The Committee recommends the treatment of intersex infants is best managed by multidisciplinary teams and this is well supported by evidence from medical experts and advocates. In this regard, the Government understands a number of major hospitals have formed multidisciplinary teams to coordinate the treatment of intersex infants.

The Committee has recommended significant law reform so that the authorisation of civil and administrative tribunals or the Family Court of Australia would be required for all proposed intersex medical interventions for children and adults without the capacity to consent. A variety of views on the desirability or benefit of legal authorisation to medical treatment were submitted to the Committee during the Inquiry. The question of whether or not bringing the medical treatment of intersex variations into the jurisdictions of guardianship tribunals would lead to better outcomes for intersex people is one that would benefit from further research and consideration. However at this time the Government does not support amendment of the Family Law Act to expand the role of the Family Court of Australia.

There is increasing recognition of the needs of people who are intersex in Commonwealth law and policy. In 2013, the Sex Discrimination Act 1984 was amended to introduce protections from discrimination on the grounds of intersex status. Australia is one of the first jurisdictions to provide specific protection from discrimination for people who are intersex. The Australian Government Guidelines on the Recognition of Sex and Gender (2013) clearly define intersex as a biological condition and provide an avenue for people who are intersex to establish or change their gender in Australian Government records. Over time, these reforms should support greater social acceptance of variations in gender identity and sex characteristics.

The Government thanks the Senate Committee for their reports.

1. Involuntary or coerced sterilisation of people with disability

Recommendation 1:
The committee recommends that, in education programs relating to disability and in sex education and family planning information targeted to the disability sector, education about relationships and sexuality for people with disability should be prioritised, with an emphasis on the reasonable and normal aspirations of people with a disability regarding their sexuality and relationships.

Response: Noted.

Sex education programs in Australia are largely the responsibility of state and territory governments. The Australian Government encourages state and territory governments to ensure the funding of sexual and reproductive health education programs includes specific funding for programs or materials for people with disability and the disability sector.

Recommendation 2:
The committee recommends that medical workforce training with respect to sexual and reproductive health includes content on supporting sexual relationships and sexual and reproductive health needs for people with a disability.

Response: Noted.

The requirements for undergraduate education and training of health professionals in Australia, including medical practitioners, is determined by the relevant National Board for that profession.

The Australian Government understands that all accredited undergraduate health professional degrees include content on supporting sexual relationships and the sexual and reproductive health needs for people with a disability.

The Australian Government encourages National Health Boards and specialist medical colleges to review the Senate Committee's findings and to take action to support appropriate medical workforce training in relation to the sexual and reproductive health needs of people with disability.
Recommendation 3:
The committee recommends that medical workforce training include training with respect to the ethical and legal aspects of informed consent, substitute and supported decision making and fertility control.

Response: Noted.
As noted above, the requirements for undergraduate education and training of health professionals in Australia, including medical practitioners, is determined by the relevant National Board for that profession.

The Australian Government understands that all accredited undergraduate health professional degrees include the ethical and legal aspects of informed consent, substitute and supported decision making and fertility control. The Australian Medical Council accreditations standards for Primary Medical Education Providers notes as part of Domain 4 that Australian medical graduates must be able to demonstrate professional values including a commitment to high quality clinical standards, compassion, empathy and respect for all patients. Further information regarding the accreditation standards can be found at <www.medicalboard.gov.au/Accreditation/Medical-schools.aspx>.

The Australian Government encourages National Health Boards and specialist medical colleges to review the Senate Committee's findings and to take action to support appropriate medical workforce training in relation to informed consent and substituted and supported decision making for people with disability.

Recommendation 4:
The committee recommends that, in the development of participant plans (particularly for participants approaching puberty and in their teens), the participant work with any person assisting them with plan development, and with Disability Care Australia, to cover the need for understanding of sexuality and sexual relationships, support for relationships and sex education that meets the participants' needs, and covers appropriate support for menstrual management for girls and women with disabilities.

Response: Accepted in principle.

The Australian Government agrees with this recommendation in principle, but notes this is a matter for the National Disability Insurance Agency (the Agency). The Agency has informed the Australian Government that its current practices for developing individual plans with participants include discussion of the participant's goals and aspirations.

The Agency has also advised that it will ensure that future training for Agency planning staff includes a component on identifying where participants may need support to understand sexual relationships and menstrual management.

Governments have agreed the respective roles of the National Disability Insurance Scheme (NDIS) and other service systems, including the health system. In this agreement, the Agency can fund general capacity building and skills development for people with disability. The NDIS will not fund clinical services as these activities remain the responsibility of other parties within the health system.

Recommendation 5:
The committee abhors the suggestion that sterilisation ever be used as a means of managing the pregnancy risks associated with sexual abuse and strongly recommends that this must never be a factor in approval of sterilisation.

Response: Accepted.

The Australian Government has a zero tolerance approach to violence against all women and notes women with disability experience higher rates of sexual violence than the general population.

The National Plan to Reduce Violence against Women and their Children 2010-2022 (the National Plan) brings together the efforts of governments across the nation to make a real and sustained reduction in the levels of violence against women.
The Australian Government shares the Committee's view that sterilisation should never be viewed as a response to mitigate the risk of pregnancy as the result of sexual assault.

The Government will raise this issue with state and territory governments that do not explicitly proscribe sterilisation on these grounds. The Government recommends these jurisdictions consider amending relevant legislation to provide that sterilisation should not be approved by a Guardianship Tribunal or equivalent if the sterilisation is to remove the risk of pregnancy resulting from sexual abuse.

**Recommendation 6:**

The committee recommends that, for a person with a disability who has the capacity to consent, or to consent where provided with appropriate decision-making support, sterilisation should be banned unless undertaken with that consent.

**Recommendation 28:**

The committee recommends that each jurisdiction enact legislation prohibiting the performance or procurement of unauthorised sterilisation procedures. State and territory legislation should also make it an offence to take, attempt to take, or to knowingly assist a person to take, a child or an adult with a disability oversees for the purpose of obtaining a sterilisation procedure.

**Response: Noted.**

Almost all state and territory legislation regulating sterilisation creates an offence where a person carries out a sterilisation procedure without the consent of a Guardianship Board, Tribunal or Court.

The Australian Government will raise this issue with state and territory governments whose legislation does not create such an offence.

**Recommendation 7:**

The committee recommends that, for a person with a disability for whom it may reasonably be held that they may develop the future capacity to consent, irreversible sterilisation should be banned until either the capacity to consent exists, or it becomes reasonably held that the capacity to consent will never develop.

**Response: Noted.**

A number of state and territories prevent Guardianship Boards or their equivalent from consenting to a sterilisation procedure for a person unless they are satisfied it is unlikely the person will acquire the capacity to give an effective consent at any time, or anytime in the foreseeable future.

The Australian Government will raise this issue with those state and territory governments that do not provide this protection and encourage these jurisdictions to consider introducing such provisions as appropriate.

The Government is of the view that the Family Law Rules, which require the Family Court to consider the future capacity to consent in sterilisation cases (see rule 4.09(1)(h)), provide adequate protection to allow the Court to defer sterilisation where appropriate.

**Recommendation 8:**

The committee recommends that state and territory legislation regulating the sterilisation of adults with disabilities be amended to explicitly state that it is presumed that persons with disabilities have the capacity to make their own decisions unless objectively assessed otherwise. The legislation should be amended to specify that it cannot be presumed that persons are without legal capacity in relation to the proposed special medical procedure, including a sterilisation procedure, even where there is an existing guardianship order in place.
Response: Noted.
This is a matter for state and territory governments. The Australian Government encourages state and territory governments to ensure guardianship law evolves to ensure the highest possible standard of support for people with disability.

Recommendation 9:
The committee recommends that Commonwealth, state and territory legislation regulating the sterilisation of adults with disabilities be amended to explicitly state that a court or tribunal does not have authority to hear an application for an order approving a proposed special medical procedure, including a sterilisation procedure, where the person with a disability has legal capacity.

Response: Noted.
This is a matter for state and territory governments. The Family Court's jurisdiction in sterilisation cases under the Family Law Act is limited to matters involving children.

Recommendation 10:
The committee recommends that each Australian jurisdiction use the same definition of capacity, to ensure that a person's rights to autonomy and bodily integrity do not vary according to, and are not dependent on, the jurisdiction in which they live.

Response: Noted.
This is a matter for state and territory governments.

Recommendation 11:
The committee recommends that all jurisdictions adopt in law a uniform 'best protection of rights' test, replacing current 'best interests' tests, that makes explicit reference to the protection of the individual's rights; and the maintenance of future options and choices.

Recommendation 12:
The committee recommends that, in those cases where the need for supports has a bearing on the assessment of interests, regard should be had to best support services available, rather than the deficit in services provided in the past.

Response: Noted.
The Australian Government is of the view that the 'best interests' tests as articulated and applied in Australia in relation to children is consistent with Australia's international obligations. A key principle underlying decision-making in relation to children, including in courts, administrative authorities and legislative bodies under the Convention on the Rights of the Child is that a child's best interests be a primary consideration.

The principle of 'best interests' is well established in the context of family law. The best interest test allows the court to make an objective decision about what is best for a child in the particular circumstances of each case. This could include, but is not limited to, the consideration of the rights of the child. It could also include the availability of support services. The Australian Government believes a shift away from this principle is not desirable, or necessary.

However, the Australian Government encourages state and territory governments to review the articulation of the test in relevant legislation to ensure a person's rights are considered in determining their best interests. This may also include an assessment of the best support services available.

Recommendation 13:
The committee recommends that the states and territories ensure that independent representation is provided for people with disabilities. Representation should be independent; while family or guardians should have a right to be involved, an independent representative should not be a member of the person's family or a caregiver.
Response: Noted.
This is a matter for state and territory governments.

Recommendation 14:
The committee recommends that the costs of legal representation for adults should be covered by the relevant legal aid commission. State and territory governments should review legal aid funding arrangements to ensure that there are adequate funds to meet the costs of providing a legal representative for persons with disabilities in special medical procedure cases, including sterilisation cases.

Response: Noted.
This is a matter for state and territory governments.
The Australian Government encourages state and territory governments to consider the level of assistance available for people with disability requiring legal representation in special medical procedure matters.

Recommendation 15:
The committee recommends that a legal representative be appointed in each child sterilisation case regardless of the jurisdiction in which the matter is heard. Commonwealth, state and territory legislation should be amended as necessary to ensure that the appointment of a legal representative of the child is mandatory in each sterilisation case.

Response: Not supported.
Under the Family Law Act, the Family Court of Australia has the power to appoint an independent children's lawyer in particularly complex cases. Independent children's lawyers act as a 'best interests' advocate for children on behalf of the Court.

The appointment of an independent children's lawyer is not mandatory, but made by a court depending on the circumstances of the case. Independent representation may be ordered on the courts' own initiative, on the application of a party, the child themselves, or an organisation concerned with the welfare of children (Family Law Act, section 68L).

Independent children's lawyers are primarily funded by the Australian Government through Legal Aid Commissions. Legal Aid Commissions are responsible for appointing independent children's lawyers following an order from the Court.

The Australian Government considers the appointment of a legal representative for children in sterilisation cases should remain a matter for the Court, rather than establishing a mandatory legislative requirement. This allows the Court to decide whether the appointment of an independent children's lawyer is appropriate in the individual circumstances of each case.

Guidance for the appointment of an independent children's lawyer is set out by the Full Court of the Family Court of Australia in the case of Re: K (1994) FLC 92-46. This Guidance provides that an independent children's lawyer should normally be appointed where applications are made to the Court's welfare jurisdiction relating to the medical treatment of children where the child's interests are not adequately represented by one of the parties.

If an independent children's lawyer is appointed by the Court, their role includes representing the child's best interests, ensuring all relevant information is provided to the Court about the child's welfare, and informing the Court about any views expressed by the child (section 68LA Family Law Act).

A number of states already require or allow the appointment of an independent legal representative for children. The Australian Government will raise this issue with those state and territory governments that do not include any provision for the appointment of an independent children's lawyer and encourage these jurisdictions to consider whether their legislation should be amended to allow for their appointment.
Recommendation 16:
The committee recommends that legal aid be provided to cover the costs incurred by the child's legal representative. The committee recognises that governments may need to revise current legal aid funding arrangements to ensure that there are sufficient funds to meet the costs of children's representatives in sterilisation cases.

Response: Noted.
The Australian Government believes the Commonwealth's current legal aid funding arrangements are adequate to meet the costs of child sterilisation matters heard by a federal court because of the small number of cases and the priority they are afforded.

The National Partnership Agreement on Legal Assistance Services is the agreement between the Commonwealth Government and each state and territory government to fund legal aid commissions for Commonwealth service priorities. Under the Agreement, family law matters involving children, including the appointment of a court appointed independent children's lawyer, are listed as a Commonwealth legal aid service priority. The agreement expires on 30 June 2015.

Legal assistance funding for sterilisation matters in state jurisdictions is an issue for state and territory governments. The Australian Government encourages state and territory governments to consider the level of assistance available for representing children in proceedings regarding sterilisation procedures.

Recommendation 17:
The committee recommends that Commonwealth, state and territory governments work with legal aid commissions and relevant law societies to develop training courses for legal practitioners about children's legal capacity, techniques to communicate, and the varying effects and nature of disability. Successful completion of such courses should be mandatory before being appointed to represent a child.

Response: Supported in principle.
Independent children's lawyers are managed by state and territory legal aid commissions. It is a national prerequisite that all lawyers who conduct independent children's matters must have completed the Independent Children's Lawyer Training Program.

In 2013, the Australian Institute of Family Studies released a report examining the use and efficacy of independent children's lawyers in the family law system. This report was commissioned by the Commonwealth Attorney-General's Department. The report noted some concerns about the adequacy of accreditation, training and ongoing professional development arrangements in equipping independent children's lawyers to deal directly with children and perform optimally in matters involving family violence and child abuse.

The Australian Government has been working with the Law Council of Australia and National Legal Aid to address the Institute's findings so that training and professional development can be improved to better equip independent children's lawyers to deal directly with children, especially in matters involving family violence and child abuse.

The Australian Government also encourages the Law Council of Australia to review the Independent Children's Lawyer Training Program to ensure it provides adequate guidance on the legal capacity of children with disability.

Recommendation 18:
The committee recommends that Commonwealth, state and territory legislation be amended to provide the right to public advocates, such as the Office of the Public Advocate, to be a party to child or adult sterilisation cases.

Response: Not accepted.
The Australian Government believes a public advocate or equivalent can make an important contribution in proceedings related to sterilisation.
Under the Commonwealth's jurisdiction, a public advocate is able to request the Family Court of Australia allow them to join proceedings. The Australian Government considers the decision to allow a public advocate to join sterilisation cases in the Family Court of Australia should remain a matter for the Court, rather than establish a right for public advocates to be a party. This allows the Court to decide whether the appointment of a public advocate is appropriate in the individual circumstances of each case.

The Australian Government notes the Family Court of Australia has a range of mechanisms available to it to ensure it has sufficient evidence before it to make decisions which are in the best interests of children in sterilisation cases, in addition to allowing a public advocate to join proceedings. The evidence must include evidence from a medical, psychological or other relevant expert witness.

The Court is also able to:
- invite the Attorney-General or a state and territory child protection authority to intervene in proceedings,
- order an independent children's lawyer to represent the best interests of the child (section 68L), or
- order a family consultant's report.

In most states and territories, the public advocate has standing to appear before the Tribunal or Board. The Australian Government encourages state and territory governments to review relevant legislation and consider inserting provisions to ensure, at a minimum, a public advocate is able to seek leave of a court to join sterilisation cases.

Recommendation 19:
The committee recommends courts and tribunals develop information packs and questionnaires to provide guidance for medical experts in sterilisation cases. The information packs should specify the factors that courts and tribunals consider under the relevant legislation, and should also note issues that the courts and tribunals are not authorised to consider such as outdated and paternalistic attitudes to disability, eugenic arguments or assessments of the person's current or hypothetical capacity to care for children. Questionnaires should seek the medical expert's advice about the procedures that could usefully be adopted in the particular case to facilitate both a robust medical assessment and the person's participation in proceedings.

Response: Supported in principle.

The development of supporting or guiding material for experts appearing before courts or tribunals is a matter for consideration by the individual courts and tribunals. Federal courts and tribunals are independent of government and each responsible for their own operation and management, including what guidance they provide to court and tribunal users.

Recommendation 20:
The committee recommends that the Family Court of Australia gives strong consideration to the evidence gathered by this inquiry about the absolute necessity of ensuring that judicial officers participating in special medical procedure cases have appropriate skills and expertise in disability matters. The committee urges the Family Court of Australia to develop training courses about disability matters and to ensure that such courses are completed by any judicial officer who may hear cases concerning special medical procedures.

Response: Supported in principle.

Participation by federal judges in professional development and training opportunities is voluntary. However, ongoing professional development of the judiciary is encouraged and supported through the courts' own programmes, the National Judiciary College of Australia and the Australasian Institute of Judicial Administration.
The Family Court of Australia has published resources, available on its website <www.familycourt.gov.au>, to assist court users to understand processes of the Court and facilitate the resolution of special medical procedure matters.

The Australian Government notes the federal family law courts (the Family Court of Australia and the Federal Circuit Court of Australia (Family Division)) are specialised courts that deal with family law matters. Paragraph 22(2)(b) of the Family Law Act 1975 also provides a person shall not be appointed as a Judge of the Family Court of Australia unless, by reason of training, experience and personality, the person is a suitable person to deal with matters of family law.

**Recommendation 21:**

The committee recommends that the Commonwealth government establish a special medical procedures advisory committee, to provide expert opinion to the Family Court upon request in relation to specific cases, and to other statutory decision-makers and government as appropriate on best practice in relation to sterilisation and related procedures for people with disability; and that the committee must include non-medical disability expertise as well as medical expertise.

**Response: Not supported.**

Current evidentiary requirements for sterilisation cases and the ability of the Family Court of Australia to receive or request information means the Court is well placed to make informed decisions in these cases.

In all special medical procedure cases, the Court must be satisfied that the proposed medical procedure is in the best interests of the child. Evidence in support of a procedure must include evidence from a medical, psychological or other relevant expert witness.

As noted above, the Family Court of Australia also has a range of mechanisms available to it to ensure that it has sufficient evidence before it. The Court is able to:

- invite the Attorney-General or a state and territory child protection authority to intervene in proceedings (see Part IX of the Family Law Act)
- grant an application for a non-party to intervene, for example the Australian Human Rights Commission or the Office of the Public Advocate, or allow interested parties to join proceedings as friends of the court (amicus curiae) (see rule 6.05 Family Law Rules)
- order an independent children's lawyer to represent the best interests of the child (section 68L), or
- order a family consultant's report (see Part III of the FLA).

It is the Australian Government's view that these mechanisms ensure the Court has access to expert opinion to assist in sterilisation cases and does not support the creation of a special medical procedures advisory committee.

**Recommendation 22:**

The committee recommends that legal aid should be provided to cover the costs incurred by the parents or guardians in child sterilisation cases. The legal aid grant should not be subject to capping or to a means or merits test.

**Response: Not supported.**

All grants of legal aid are means and merit tested and may be subject to a cap. These measures ensure that available legal aid resources are targeted at the most disadvantaged Australians and the most meritorious matters.

The Australian Government does not support the removal of eligibility requirements for parents or guardians seeking legal aid in child sterilisation cases. It is the view of the Government that it would not be appropriate for a separate set of rules to apply only to the provision of legal aid for child sterilisation cases.
Recommendation 23:
The committee recommends that the matter of the scope and operation of the relevant courts and tribunals be placed on the agenda of the Standing Council on Law and Justice for ongoing review.

Response: Noted.
In December 2013, the Council of Australian Governments agreed to streamline the Council system. The Standing Council on Law and Justice has been amalgamated with a number of councils to form the Law, Crime and Community Safety Council. The new Council will promote best practice in law, criminal justice and community safety, including in policy, operations and service provision.

The Australian Government supports increased consistency in the regulation of sterilisation across jurisdictions and will work with state and territory governments to support the implementation of recommendations regarding the legal framework regulating sterilisation for people with disability.

Recommendation 24:
The committee recommends that the Standing Council on Law and Justice obtain information about the frequency and nature of 'therapeutic' sterilisation cases being conducted, and compare the circumstances of those cases with 'non-therapeutic' cases that have been authorised by courts or tribunals.

Recommendation 25:
The committee recommends that data about adult and child sterilisation cases be recorded, and reported, in the same way in each jurisdiction. Data records should include the number of applications made for a special medical procedure, the kind of special medical procedures specified in the application, the categories of parties to the proceedings (for example, parents, medical experts, public advocates), and the outcome of the case.

Response: Supported in principle.
While available data suggests the numbers of sterilisations of people with disability is quite low, the inconsistency of data collection practices is cause for concern. For this reason, the Australian Government will work with the Australian Guardianship and Administration Council to standardise the collection of data across jurisdictions.

Recommendation 26:
The committee recommends that the Department of Human Services investigate the pattern of vasectomy in young males, including the apparently high number occurring in Queensland, and provide information to the Standing Council on Law and Justice if it has reason to believe the figures include sterilisations of men with disability.

Response: Noted.
Policy responsibility for health matters, the Health Insurance Act 1973 and the Medicare Benefits Schedule rest with the Department of Health. The Department of Human Services provides Medicare payment data to the Department of Health.

Neither the Department of Human Services nor the Department of Health currently have the required information to undertake the requested analysis of this recommendation.

There are two sterilisation procedures for males in the Medicare Benefits Schedule—item 37622 and 37623—the first performed by a General Practitioner, the second by a specialist. Medicare benefits are only payable for services listed in the Medicare Benefits Schedule where the procedure meets the item descriptor and is clinically relevant. Medicare data shows that there were no Medicare benefits paid to males aged less than 19 years of age for these items in the 2013-14 financial year, and no such benefits have been paid for 2014-15 to date.

The Department of Human Services is able to confirm the publically available information on its website concerns men in the 15-24 age range who have had relevant sterilisation services. However,
under the Privacy Act 1988, the National Privacy Principles relating to the use and disclosure of personal information would preclude the release of a breakdown of this information for individual ages. In addition, at present, there is no requirement in the Health Insurance Act (which underpins the Medicare programme), to include information about patient disability when registering for Medicare or claiming benefits under the programme and therefore this information is not collected. Furthermore, as it is unlawful to carry out sterilisation of a minor without appropriate authority, Medicare would be prevented from paying Medicare Benefits for these services without sighting appropriate authority, noting that authorities of this type are not required to include information about patient disability.

**Recommendation 27:**

The committee recommends that the Council of Australian Governments oversee the development of uniform model legislation to regulate the sterilisation of persons with disabilities. Based on this model, a new division of the Family Law Act 1975 (Cth) should be created.

**Response: Not accepted.**

The Australian Government believes the Law, Crime and Community Safety Council is the most appropriate body to consider the regulation of sterilisation of people with disability.

Developing uniform provisions regarding sterilisation of minors was on the agenda of the Standing Committee of Attorneys-General between 2003 and 2008. The issue was removed from the agenda when the Committee found the number of reported sterilisations that were occurring appeared to be significantly less than originally reported, and that existing procedures for approval of sterilisation procedures appeared to be working adequately in light of treatment options and education initiatives.

Given the recent consideration of this issue, the Australian Government is of the view that uniform model legislation is unlikely to be successful. However, as noted above, the Australian Government supports a more a consistent approach to the regulation of sterilisation between jurisdictions and will work with individual state and territory governments to encourage a consistent, principles-based approach to this issue.

**Recommendation 28:**

The committee recommends that each jurisdiction enact legislation prohibiting the performance or procurement of unauthorised sterilisation procedures. State and territory legislation should also make it an offence to take, attempt to take, or to knowingly assist a person to take, a child or an adult with a disability oversees for the purpose of obtaining a sterilisation procedure.

**Response: See response to recommendation 6**

2. Involuntary or coerced sterilisation of intersex people

**Recommendation 1:**

The committee recommends that governments and other organisations use the term 'intersex' and not use the term 'disorders of sexual development'

**Response: Supported in principle.**

The Australian Government Guidelines on the Recognition of Sex and Gender standardise the gender classification system and the evidence required for a person to establish or change their sex or gender in personal records held by the Australian Government. These Guidelines use the term intersex to describe people with genetic variations that mean they have the biological attributes of both sexes or lack some of the biological attributes considered necessary to be defined as one or the other sex. Australian Government departments and agencies have until July 2016 to align their practice to the new standards.

The Guidelines apply only to Australian Government departments and agencies. However, the Australian Government encourages other organisations to adopt the terminology used in the Guidelines as appropriate.
Recommendation 2:
The committee recommends that health professionals and health organisations review their use of the term 'disorders of sexual development', seeking to confine it to appropriate clinical contexts, and should use the terms 'intersex' or 'differences of sexual development' where it is intended to encompass genetic or phenotypic variations that do not necessarily require medical intervention in order to prevent harm to physical health.

Response: Noted.
The Australian Government cannot mandate the language used by health professionals and organisations. Health organisations are largely managed by state and territory governments and the private sector.

Recommendation 3:
The committee recommends that all medical treatment of intersex people take place under guidelines that ensure treatment is managed by multidisciplinary teams within a human rights framework. The guidelines should favour deferral of normalising treatment until the person can give fully informed consent, and seek to minimise surgical intervention on infants undertaken for primarily psychosocial reasons.

Response: Noted.
This is a matter for state and territory governments.
The Australian Government encourages all state and territory governments to review the Victorian Decision-Making Principles for the Care of Infants, Children and Adolescents with Intersex Conditions, and consider adopting or developing specific principles for their jurisdiction in consultation with intersex support groups and medical experts as appropriate.

Recommendation 4:
The committee recommends that the Commonwealth government provide funding to ensure that multidisciplinary teams are established for intersex medical care that have dedicated coordination, record-keeping and research support capacity, and comprehensive membership from the various medical and non-medical specialisms. All intersex people should have access to a multidisciplinary team.

Response: Not supported.
The Australian Government supports the principle of multidisciplinary and coordinated care for people who are intersex. However, service provision is generally a state and territory responsibility.

Recommendation 5:
In light of the complex and contentious nature of the medical treatment of intersex people who are unable to make decisions for their own treatment, the committee recommends that oversight of these decisions is required.

Recommendation 6:
The committee recommends that all proposed intersex medical interventions for children and adults without the capacity to consent require authorisation from a civil and administrative tribunal or the Family Court.

Recommendation 7:
The committee recommends that the Standing Committee on Law and Justice consider the most expedient way to give all civil and administrative tribunals in all States and Territories concurrent jurisdiction with the Family Court to determine authorisation for intersex medical interventions proposed for a child.
Recommendation 8:
The committee recommends that civil and administrative tribunals be adequately funded and resourced to consider every intersex medical intervention proposed for a child.

Response: Noted.

A variety of views on the desirability or benefit of legal authorisation to medical treatment were submitted to the Committee during the Inquiry. The question of whether or not bringing the medical treatment of intersex variations into the jurisdictions of guardianship tribunals would lead to better outcomes for intersex people is one that would benefit from further research and consideration. However at this time the Government does not support amendment of the Family Law Act to expand the role of the Family Court of Australia. The Australian Government considers that substantive regulation of medical treatment is a matter for state and territory governments.

The issue of resourcing for civil and administrative tribunals to consider applications for medical treatment of intersex children or people unable to consent to treatment would be a matter for consideration if or when these tribunals were to be granted jurisdiction to hear such cases.

Recommendation 9:
The committee recommends that the special medical procedures advisory committee draft guidelines for the treatment of common intersex conditions based on medical management, ethical, human rights and legal principles. These guidelines should be reviewed on an annual basis.

Response: Not supported.

Recommendation 21 of the Senate Committee's report on the involuntary or coerced sterilisation of people with disability recommends the Commonwealth government establish a special medical procedures advisory committee to provide expert opinion to the Family Court. This recommendation is not supported by the Australian Government for the reasons outlined above.

However, the Australian Government commends the Victorian Decision-Making Principles for the Care of Infants, Children and Adolescents with Intersex Conditions and notes other jurisdictions are not precluded from adopting or developing their own principles in consultation with intersex support groups and medical experts as appropriate.

Recommendation 10:
The committee recommends that complex intersex medical interventions be referred to the special medical procedures advisory committee for consideration and report to whichever body is considering the case.

Response: Not supported.

Recommendation 21 of the Senate Committee's report on the involuntary or coerced sterilisation of people with disability recommends the Commonwealth government establish a special medical procedures advisory committee to provide expert opinion to the Family Court. This recommendation is not supported by the Australian Government for the reasons outlined above.

The Australian Government notes the Family Court of Australia has a range of mechanism available to it to ensure it has sufficient evidence before it to make decisions which are in the best interests of children in special medical procedure cases. In particular, in all special medical procedure cases evidence must be given to satisfy the Court that the proposed medical procedure is in the best interests of the child. The evidence must include evidence from a medical, psychological or other relevant expert witness.

The Court is also able to:
- invite the Attorney-General or a state and territory child protection authority to intervene in proceedings
grant an application for a non-party to intervene, for example the Australian Human Rights Commission or the Office of the Public Advocate, or allow interested parties to join proceedings as friends of the court (amicus curiae) (see rule 6.05 Family Law Rules)

- order an independent children's lawyer to represent the best interests of the child7 (section 68L), or
- order a family consultant's report.8

It is the Australian Government's view that these mechanisms ensure the Court has access to expert opinion to assist in special medical procedure cases.

Recommendation 11:
The committee recommends that the provision of information about intersex support groups to both parents/families and the patient be a mandatory part of the health care management of intersex cases.

Response: Noted.
Health care management in Australia is largely the responsibility of state and territory governments and the private sector. The Australian Government encourages state and territory governments and health care providers to facilitate patients and families accessing support and information available from intersex support groups.

Recommendation 12:
The committee recommends that intersex support groups be core funded to provide support and information to patients, parents, families and health professionals in all intersex cases.

Response: Noted.
Health care management in Australia is largely the responsibility of state and territory governments. The Australian Government encourages state and territory governments to support intersex support groups to provide support and information to patients, parents, families and health professionals in intersex cases.

Recommendation 13:
The committee recommends that the Commonwealth Government support the establishment of an intersex patient registry and directly fund research that includes a long-term prospective study of clinical outcomes for intersex patients.

Response: Not supported.
The Australian Government considers preliminary investigations regarding the possibility of adding an indicator to Australian Institute of Health and Welfare data sets or other existing data sets to capture intersex data a more appropriate response to the lack of data and research on long-term outcomes for people who are intersex. The Australian Government will raise this recommendation with the Institute.

Recommendation 14:
The committee recommends that the Commonwealth government investigate the appropriate regulation of the use of dexamethasone for prenatal treatment of CAH.

Response: Noted.
The Therapeutic Goods Administration is responsible for ensuring therapeutic goods, including prescription medicines, available for supply in Australia are safe and fit for their intended purpose. Dexamethasone is in Schedule 4 of the Standard for Uniform Scheduling of Medicines and Poisons and is, therefore, a prescription only medicine. Dexamethasone has a wide range of clinical uses, including treatment of adults and children with adrenal hyperplasia. It is not specifically approved for use in the prenatal management of congenital adrenal hyperplasia and its use for this purpose has been at the discretion of the prescribing physician in consultation with the patient.
Recommendation 15:
The committee recommends that, effective immediately, the administration of dexamethasone for prenatal treatment of CAH only take place as part of research projects that have ethics approval and patient follow-up protocols.

Response: Noted.
As above, dexamethasone is not specifically approved for use in the prenatal management of congenital adrenal hyperplasia (CAH) and its use for this purpose could be considered "off-label".

Where a clinical trial is undertaken for an unapproved indication, the investigator is required to notify the Therapeutic Goods Administration of the trial under the Clinical Trial Notification Scheme. The purpose of the Scheme is to enable supply of the therapeutic good for the trial. The Therapeutic Goods Administration would have a limited monitoring role in any clinical trials undertaken, however the outcomes of any trials may inform any potential regulatory action that the Therapeutic Goods Administration may or may not need to take.

In the absence of good data from long-term clinical trials that dexamethasone is safe and effective for the prenatal management of congenital adrenal hyperplasia, a recommendation that the administration of dexamethasone for prenatal treatment of congenital adrenal hyperplasia only take place as part of research projects that have ethics approval and follow up protocols has merit.

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1 Family Law Act, s 68L
2 see Family Law Rules 6.05
3 see Part IX of the Family Law Act
4 Section 68L of the Family Law Act.
5 See part III of the Family Law Act
6 see Part IX of the Family Law Act
7 Section 68L of the Family Law Act.
8 See part III of the Family Law Act

Senator MOORE (Queensland) (16:12): I move:
That the Senate take not of the document.

We appreciate that the minister has tabled these responses today. It actually gives you faith that only one week ago in Senate estimates we asked a question about when these reports were going to be tabled and were told imminently. So, now, for the first time we actually seem to have a real reflection of what imminent means. We have been trying to get that. We could not get that a week ago but we now we have it.

This has been long-awaited. Only last week the Human Rights Commission brought down a very interesting report on issues around gender in Australia, and one of the key recommendations of that human rights report was that the particular issues raised in these two Community Affairs Committee inquiries—one on the involuntary or coerced sterilisation of intersex people in Australia and the other one on the issue around intersex in Australia—was that these recommendations be taken up and that there be consideration of these issues in our community, and it noted the work of the Senate committee.

In terms of the response we received from the minister today, we do appreciate that the government has acknowledged that it is really important that these issues, particularly to do with issues of discrimination around women—particularly women but not only women—and
people with disabilities who have been subject to sterilisation without consent or against their wishes was wrong. We understand that we need to have some consideration in our community and in our governance about this process. One of the core things is that it is important that there is consistency around jurisdictions. This came out in a number of the recommendations in both reports. I will look at the involuntary or coerced sterilisation issues first.

I turn first to the report on involuntary or coerced sterilisation of people with disabilities. There were a number of recommendations put forward by the committee, but I am a little bit confused about the responses from the government to those recommendations. While the government consistently acknowledge the issues, they also consistently say that, largely, sterilisation, legal support and the health of people with disabilities—in particular, those who have been subject to sterilisation—are a state or territory responsibility. But our committee knew that. We consistently said that during the hearings we had, when we listened to the gut-wrenching evidence from people and families who have been subject to this medical process and abuse over the years.

What we were seeking from the government was not just an acknowledgement that something needs to be done about it, and they do say that. We wanted some leadership on this from the federal government—that, whilst it was not their primary responsibility, they would talk to the states and territories and they would put this on the agenda so that there could be real efforts towards consistency across things as straightforward as definitions and how people should be handled through the difficult process—and it is not easy area—of looking at whether a decision about sterilisation should be taken. We did not get that.

There were a range of verbs used in the government's response. There was 'noting'; the federal government 'noted' many of the recommendations. The high point of the responses, using 'raise', was:
The Australian Government will raise this issue with state and territory governments whose legislation does not create such an offence.

That was specifically around recommendation 6, which said:
The committee recommends that, for a person with a disability who has the capacity to consent, or to consent where provided with appropriate decision-making support, sterilisation should be banned unless undertaken with that consent.

It also concerned recommendation 28:
State and territory legislation should also make it an offence to take, attempt to take, or to knowingly assist a person to take, a child or an adult with a disability oversees for the purpose of obtaining a sterilisation procedure.

This is a horrifying action which we know, from the evidence we received, is not rare. With many people who currently cannot receive this particular medical intervention legally at the state level in Australia because of their needs, the decision by their families or carers is to take them overseas to where this procedure can be carried out.

Now, we know that does not meet any requirements of due care. We know it does not meet any requirements under international obligations. But what we have not been able to get from the federal government is a clear indication that they think this is something that should be taken up in serious discussions with the states and territories, and that permeates the government's response. There is acknowledgement of the issue, but then they say:
This is a matter for state and territory governments.

They say:

The Australian Government encourages state and territory governments to consider the level of assistance available for people with disability requiring legal representation in special medical procedure matters.

The federal government say they acknowledge it is important that they look at having wraparound services and multicultural teams taking into account the range of issues that are important in such decision making. They acknowledge that is important; they say states and territories should do something about it. But nowhere do we actually see agreement from the federal government that this is so important—despite the evidence of these people who have been brave enough to come to a Senate committee inquiry and expose the pain that they have experienced in the past, or the evidence from advocacy groups who fear what could continue to happen in the future—that they will take leadership on this issue and put on the agenda for any of their intergovernmental meetings the importance of getting standardisation of definitions, standardisation of support and encouragement of best practice both legally and medically. That is what our committee hoped would be the response from the government.

One of the valuable things, though, is that the government have said in their response:

… the question of capacity is a threshold question in the regulation of sterilisation for people with disability.

Indeed, that applies to any decision making about people with disabilities or where there is concern about capacity to make decisions. The response also talks about the report put out by the Australian Law Reform Commission—a really good report—called *Equality, capacity and disability in Commonwealth laws*, which was tabled in this parliament in November 2014. The government response says:

The report examined Commonwealth laws that deny or diminish the equal recognition of people with disability as persons before the law and their ability to exercise legal capacity …

The report—which is well worth reading, Madam Acting Deputy President O'Neill—made 55 recommendations about providing people with the best possible support to ensure they have the clear ability to make decisions in any situation that impacts on them. The government response says:

The Government is currently considering the recommendations in the report.

So we look forward to seeing the government report on that issue.

The second report, which was supplementary to our review of involuntary or coerced sterilisation of people with disabilities, was on the particular issues for the involuntary or coerced sterilisation of people who identify as intersex in our community. The government has made much the same kind of response to that report. They have acknowledged that this is a reality, they have acknowledged the importance of having services that respond effectively to intersex people, who are not great in number but who are very great in need. Our report actually looked at the history—quite a shameful history, in many ways—in our country and internationally of the desire for people to seem and be considered 'normal' rather than to meet their particular needs. There was strong evidence heard in our inquiry. Again, the government response is:
The Australian Government supports the principle of multidisciplinary and coordinated care for people who are intersex. However, service provision is generally a state and territory responsibility. They say the Australian government 'cannot mandate the language used by health professionals and organisations' because this is a state and territory, and private sector, responsibility.

But we knew that when the recommendations were put to us by the people who gave evidence and when we wrote our report. Again, what we wanted was for the government to say, 'Yes, this is important; we know there is variation across the states and territories, and there should not be. No matter where you live, if you are seeking support, you should have an expectation of effective, professional and compassionate service.' That is what people who identify as intersex want in terms of service delivery from their professionals.

We would hope that the government would actually follow through on the acknowledgement they have made in their response that this is important—that they will not just say that this should be done and that the states and territories have prime responsibility but that they will engage with the state and territories proactively, put it on the agenda and have consultation meetings across governments to ensure that things such as definitions are standardised. (Time expired)

Senator SIEWERT (Western Australia—Australian Greens Whip) (16:22): I too rise to take note of the government's response to the report Involuntary or coerced sterilisation of people with disabilities in Australia and, our second report, Involuntary or coerced sterilisation of intersex people in Australia. I chaired this committee inquiry—in fact, it was two inquiries in one, because we did the second report on coerced sterilisation of intersex people in Australia. At this point, I want to note former senator Louise Pratt, who very strongly worked on this issue—and, in fact, urged the committee to make a separate report on involuntary or coerced sterilisation of intersex people in Australia. So I would like to note—

Senator Moore: And Sue Boyce.

Senator SIEWERT: And Sue Boyce as well. Former senator Sue Boyce was also part of the committee and was very interested in both of these inquiries. In fact, she very strongly drove this inquiry. As we know, she had a very deep commitment to disabilities while she was in the Senate. I know damn well she still has that very deep interest.

As with many of the community affairs inquiries, this was a deeply emotional inquiry. I think that is very important to note. In fact, we heard the voices of, in particular, women with disabilities. We went to great lengths to organise hearings in a manner that enabled women to talk to us about their personal—deeply personal—and distressing experiences. I would like to place on record again our thanks to those women for sharing their accounts.

I am very disappointed in the government's response. In the introduction, they say some nice words such as: 'The government supports increased consistency across jurisdictions and will raise the committee's recommendations regarding the legal framework regulating sterilisation for people with disability with state and territory governments.' But if you skip through to one of the key recommendations of the committee, it states:

…that the Council of Australian Governments oversee the development of uniform model legislation to regulate the sterilisation of persons with disabilities. Based on this model, a new division of the Family Law Act 1975 (Cth) should be created.
The government has not accepted this recommendation.

We are talking about model legislation. The government talks about talking to the states and territories. One of the reasons we had this inquiry was that the states and territories were not doing the right thing. They are not doing the right thing in many cases. So it was very clear from the evidence that we needed this model legislation. When the government says it will talk to the states and territories, how about actually doing something? How about actually taking the leadership and working up this legislation?

We got some very powerful evidence about the need, in particular, for people's representation and people's relationship with the court and legal process to be supported. Where the government says on a number of recommendations, 'Yes, noted, and we will take it up with states and territories,' in particular they reject the issues around people being able to get better representation and to feel more comfortable with the legal system. In one of the recommendations the government has rejected in the first report, *Involuntary or coerced sterilisation of people with disabilities in Australia*, where the committee recommends that legal aid should be provided to cover the costs incurred by the parents or guardians in child sterilisation cases and the legal aid grant should not be subject to capping or to a means or merits tests, it is not supported. This is a big blow to those parents who are addressing, dealing with and coming to terms with the issues associated with helping young people and around sterilisation. It is deeply concerning that the government is saying it does not support that recommendation.

The government also does not support the establishment of a special medical procedures advisory committee to provide expert advice to the Family Court upon request in relation to specific cases. The recommendation goes on to say:

…other statutory decision-makers and government as appropriate on best practice in relation to sterilisation and related procedures for people with disability; and that the committee must include non-medical disability expertise as well as medical expertise.

These recommendations were very carefully thought out based on the evidence that we received. The evidence clearly said there needs to be more support in the Family Court. It is in the Family Court where people are struggling to deal with these issues and need better support. Also, better support is needed for children in this process. The committee recommended:

…that Commonwealth, state and territory legislation be amended to provide the right to public advocates, such as the Office of the Public Advocate, to be a party to child or adult sterilisation cases.

Again, the evidence was overwhelming that that sort of representation and advocacy was needed. Government has fallen down again in terms of supporting people with disability.

Then there is the recommendation that recommends that in the development of participant plans, particularly for participants approaching puberty and in their teens—this is for the NDIS—the participant work with any person assisting them with the plan development. The government has accepted this in principle but has pushed it through to the NDIA. Again, I would have hoped for a lot better support for that in terms of a commitment to making sure it happens. We want a commitment to make sure that particular recommendation happens.

I want to spend some time also on our second report, *Involuntary or coerced sterilisation of intersex people in Australia*. I will put on the record—and without unduly boasting of the
community affairs committee's work—this report has been noted internationally. It is now seen to be a seminal report in terms of dealing with issues of involuntary or coerced sterilisation of intersex people around the world. I would like to put on record that our report is, I would hope, having not only broader Australian influence but also international influence. I am pleased that the government has accepted and supports in principle our first recommendation:

The committee recommends that governments and other organisations use the term 'intersex' and not use the term 'disorders of sexual development'.

I want the government to take this beyond supporting it in principle and actually doing something about it. We were given some very important and sensitive evidence, and again I thank the people that so generously shared with the committee their personal accounts of their experiences.

I am extremely disappointed again to see that, where the government could be showing essential leadership on some key legal and medical issues, they are balking and not supporting some of our key recommendations, such as recommendation 4:

The committee recommends that the Commonwealth government provide funding to ensure that multidisciplinary teams are established for intersex medical care that have dedicated coordination, record-keeping and research support capacity, and comprehensive membership from the various medical and non-medical specialisms. All intersex people should have access to a multidisciplinary team.

The issues around multidisciplinary teams were considered absolutely essential by people giving evidence to the inquiry.

Other areas not supported related to special medical procedures. Our recommendation 9 states:

The committee recommends that the special medical procedures advisory committee draft guidelines for the treatment of common intersex conditions based on medical management, ethical, human rights and legal principles. These guidelines should be reviewed on an annual basis.

That is not supported by the government, and I am extremely disappointed about that. Nor will the government support recommendation 10:

The committee recommends that complex intersex medical interventions be referred to the special medical procedures advisory committee for consideration and report to whichever body is considering the case.

We will continue to work with organisations to pursue these recommendations, because they are based on the evidence that was given to the committee. We will also pursue the government to follow this up in a very purposeful manner with the states and territories. I do acknowledge, and we say in our committee report, that the states and territories need to be taking more action. The Commonwealth needs to show some leadership, in particular with the model legislation I was referring to earlier. I do appreciate and thank the government for their response. It has taken a little while but I am glad it is there now. We will continue to pursue these recommendations and we urge the government to show leadership on these issues.

Senator IAN MACDONALD (Queensland) (16:32): I too wish to say a few words on the government's response to the report of the Community Affairs References Committee. I thank the government for its response on what is essentially a state government matter. The
government in its response has addressed the issues and has treated the Senate committee's report seriously and with some respect.

I am interested to hear of the worldwide recognition this Senate committee report has received. Over a long period of time, Senate committee reports have been treated seriously, because by and large Senate committees operate well and are part of government. Contrast this with a farcical situation we had today, where the Senate Legal and Constitutional Affairs Legislation Committee had, by request of Labor and Greens senators, set down a Senate estimates spillover hearing dealing with a particular matter. That was on the books of the legislation committee.

Yesterday the Senate decided, with the Greens-Labor majority, to refer the same matter to the Senate Legal and Constitutional Affairs References Committee, on which the Greens and the Labor Party have a majority. In fact, that committee is chaired by a Greens senator and it has a four to two Labor-Greens majority. Madam Acting Deputy President, you may ask whether this is relevant to the debate before the chamber.

The ACTING DEPUTY PRESIDENT (Senator O'Neill): That is very astute of you, Senator.

Senator IAN MACDONALD: The point I am making is that Senate reports are well received. They have a certain standing. But when the sort of action that has occurred in relation to this other matter happens yet again—following along the line of the Senate abuse committee set up by the Palmer United Party into the investigation of a political matter in Queensland, with one government member—Senate committees start to lose respect. A report as good as this will shortly be seen to be just another Senate report.

My concern is that all Senate committees are being thrown into disrepute by the actions of the Greens and the Labor Party in ramming through political inquiries without any reference to the normal courtesies and in fact the democracy of the chamber. The matter I talk about was referred to the references committee just today. They held an urgent meeting this afternoon and they have proposed that the committee sit this Friday, with one day's notice. The two government members on that committee, Senator Reynolds and I, both have longstanding commitments on that day. Everyone would know of my passion for northern Australia. The newspapers are reporting that the government's northern Australian white paper is to be released in Cairns this Friday. Clearly there is no place in the world I am going to be apart from Cairns this Friday, and that is fairly well known. Senator Reynolds, a very hardworking member of many Senate and joint committees, is precommitted to Amberley for a hearing of the Senate defence committee. So the two government members on the committee clearly have longstanding commitments on Friday. Did that worry the majority of the committee, chaired by Senator Wright? Of course not. Labor and the Greens just slam through this inquiry for Friday, knowing that the government, which has the most senators, simply will be unable to be represented—no consultation, none of the usual courtesies of 'Bring your diary. Will you be available this day? Or perhaps there is some other day we could do this?'

Senator Urquhart: On a point of order, Madam Acting Deputy President, of relevance. The report that is referred to in the documentation is the Community Affairs References Committee's Involuntary or coerced sterilisation of people with disabilities in Australia. We
seem to be hearing about a Legal and Constitutional Affairs meeting that is held on Friday. I would draw the chair's attention to that.

**The ACTING DEPUTY PRESIDENT:** Senator Macdonald, I do draw your attention to the title of the report under discussion and ask you to bring your remarks back to that report.

**Senator IAN MACDONALD:** The motion before the chamber, I understood, was to note the government's response to a particular committee report.

**The ACTING DEPUTY PRESIDENT:** That is right.

**Senator IAN MACDONALD:** As part of the debate, Senator Siewert indicated this was a report of a Senate committee that has received wide acclaim. My point is that reports of Senate committees, even this one, will not achieve any sort of acclaim if they are seen to be the work of a chamber of the parliament that for political reasons rams through the sort of Palmer United Party inquiry into the Queensland government and appoints one government member to it. Similarly, the reference for Friday will go ahead without government representation. Once you start doing that, this very good report, which the government has responded to today, will suffer the fate of everything that comes out of the Senate, if the Labor party and the Greens continue to abuse the processes of the Senate committee system. I get very angry about this. It happened in that Queensland committee, which was an absolute and abject farce; it was a committee that was set up by the Labor Party and the Greens in support of a ridiculous motion by the then Palmer United Party—I do not think the party exists any more.

**Senator McLucas:** On a point of order, Madam Acting Deputy President. Usually in these sorts of debates we do allow a fair bit of latitude, but I do think that Senator Macdonald has a particular issue he wants to prosecute, and this is not the time to do it. We should be talking about the government's response to the Community Affairs Report—that is the issue on the table at the moment. I do not disagree that Senator Macdonald has a right to ventilate these views, but now is not the time.

**Senator Ryan:** On that point of order, Madam Acting Deputy President. When you drew Senator Macdonald's attention to the question before the chair earlier, I think he directly addressed it. He was also responding to some other contributions to the motion before the chair that highlighted the standing of Senate committee processes and the regard in which this particular report was held. I was listening to Senator Macdonald actually respond directly to your previous request. So I think, with respect, Senator Macdonald responded to the previous request quite promptly.

**The ACTING DEPUTY PRESIDENT:** Thank you for that, but I will remind you, Senator Macdonald, the reports for discussion this afternoon are *Involuntary or coerced sterilisation of people with disabilities in Australia* and *Involuntary or coerced sterilisation of intersex people in Australia*. I draw your attention to the need to make relevant comments with regard to those reports.

**Senator IAN MACDONALD:** As you would have heard me say at the outset, I thanked the government for its response, which is the motion before the chair and not the committee's report—but the government's response to it. I did want to acknowledge the work that my former Senate colleague and friend, Senator Sue Boyce, made to that. The point I am making, Madam Acting Deputy President, is that it is a good report, and the government has
acknowledged that in its response, which we are debating. But Senator Siewert is indicating that it is a report that has received wide acclaim. What I am saying is: if the Labor Party and the Greens continue to abuse the processes of the Senate committees in the way they are doing, and I have mentioned a couple of instances, then this committee report will not have the same standing, because people will say: 'Oh, that's a Senate committee report; that's a Senate that puts on one government member when the government has the largest number of senators in the chamber on a committee.'

My point is, and it is germane to this particular report: it was well received but it will not be well received if people start to say: 'Senate committee reports are just things that the Greens and the Labor Party play with.' They set them up just to advance their political interest, rather than what has been the time honoured use of Senate committee inquiries to consider good things, as this committee has done, reported on and come up with a set of recommendations. That sort of respect with which Senate committee reports are treated will not be there if the Greens and the Labor Party continue to abuse the processes of the committee system in this Senate for their own political purposes. People will say: 'Well, is this committee just another Labor-Green political shambles—another Green-union political slam through inquiry that we should take no notice of?' Or will they ask whether it is a serious report like this one.

I would like to make it clear to Senator Siewert, who did chair this committee: it is her political group that gives Labor the support that they need to bring forward these political inquiries, which bring the Senate into disrepute. I do not mind being on a committee where I am outvoted, but when you have one government member out of five or when you set up an inquiry knowing that the two government members will not be available and you give them one day's notice. That brings the whole process into disrepute. The regard we have for this committee report will not be there in the future, if Labor and the Greens continue—(Time expired)

Senator BERNARDI (South Australia) (16:45): I rise to make a contribution, following on from Senator Macdonald, to thank the government for their response to these reports. These reports, of course, have been a long time in the making and they deal with a number of significant issues. The government have provided a timely and wise response.

In responding to some of the points that Senator Macdonald made, I have to say that I concur with him. I think there is a risk if we diminish the cooperation of the committee system. We can all count. We know that if you have the majority of members you can do whatever you want, basically. You can have a vote and call private meetings and push through whatever agenda you want. But to do that in the manner which Senator Macdonald has reflected on and that some of us have experienced in recent times really does diminish the credibility and authority, I would say, of what hitherto has been an unbelievable system within the Senate.

I say that for two reasons. The first is that when an inquiry is being conducted there are always going to be political differences and some of us strive on some issues to reach a consensus and, at other times, we accept the fact that the government is going to put forward a particular majority view of the committee and there are going to be dissenting reports. However, that time-honoured principle is undermined when inquiries are called at very short notice knowing that regular contributing members of a committee cannot attend. Senator
Macdonald highlighted that inquiry that has been pushed through and called for this Friday. It is a very important inquiry that reflects—

Senator McLucas: Madam Acting Deputy President, I rise on a point of order. Again, I want to raise the question of relevance. I want to make the same point of order I made during Senator Macdonald's contribution, which is to suggest that Senator Bernardi find a better time to prosecute this argument. You have a right, Senator Bernardi, to—

Senator BERNARDI: I don't need a lecture from you, thanks. You've made your point of order, now sit down.

The ACTING DEPUTY PRESIDENT: Senator Bernardi, please contain your remarks. Senator McLucas has the call. Please, Senator McLucas, complete your point of order.

Senator McLucas: Senator Bernardi has the right to make these points, but not in response to the government response to committee reports that are absolutely not related in any way to what he is prosecuting at this time. I suggest that if the senator does not address the matter in front of the chamber it is disrespectful to the chamber and that he should be shut down.

Senator Ryan: Madam Acting Deputy President, I rise on a point of order. I reiterate what I said earlier. I think Senator Bernardi is responding to debate in the chamber. He is well within order because he is commenting on the regard of Senate reports, which has been raised by numerous other contributors to this debate, and on the regard of the government's response. I think, to be fair, the chamber has traditionally allowed quite a lot of latitude on this. I have myself sat here and listened to debates where there was a much less clear link between the topic before the chamber and the contribution being made.

The ACTING DEPUTY PRESIDENT: I call Senator Bernardi, but I do remind him of the nature of the discussion this afternoon—the government response to two reports with a very specific focus.

Senator BERNARDI: I need no reminder because I was absolutely relevant to the government's response. What concerns me is that these very important government responses to what hitherto have been incredible inquiries led by senators could be compromised. I do not want to see any more politicisation of the system than we currently have. Quite often you can get consensus on reports, and governments respond to that in a very positive and favourable manner. I think this positive response from the government reflects that.

I want to come back to the point that you can undermine the system of integrity, as Senator Macdonald highlighted in his contribution before, by having very important inquiries called at short notice knowing that government members cannot be in attendance. You might have the technical right to do that, you might have the numbers to do it, but there is no positive contribution to the overwhelming good of the Senate in that respect. I have seen this happen with other committees as well and I think it risks diminishing the potential for positive responses such as the government's response to the report on the involuntary or coercive sterilisation of people with disabilities in Australia.

Committees such as the Nauru committee, of which I am a part of, I regret unfortunately continually call meeting after meeting after I have indicated that I am unavailable on that particular day. To reflect on Senator Macdonald's concerns, the two government senators were not available for a particular period of time and there was an arrangement for the
committee to be extended to allow a further hearing with our participation. That was unilaterally changed. How can a government expect to respond positively to a Senate committee report when in many ways, shapes and forms there have been barriers put up to the participation of government senators? No-one is more concerned about the rights and the good of refugees in this place than government senators; I can assure you of that. But instead of having a Senate committee operate as it is meant to, with a bit of politics, to get good responses, such as the government's response that I keep coming back to—

The ACTING DEPUTY PRESIDENT: I appreciate that, Senator Bernardi.

Senator BERNARDI: I keep coming back to this because it is about reprehensible behaviour—‘involuntary and coercive behaviour. Those are two of the first words—‘involuntary’ and ‘coerced’—in these responses from the government to the reports of the Senate.

What is worse is when there is contrived and confected outrage about Senate committees when they are being undermined from within. The fifth columnists are at work in the Senate. They are seeking to undermine the integrity of the committee system for base political reasons. If you want meaningful responses and respectful reports—understanding that we have political disagreements and understanding that we are always going to have different views on any number of matters—it will require cooperation. It required cooperation when I was in opposition. I tried to work well with members of the government to initiate inquiries and to get outcomes—say, for men's health. I remember the minister at the time, Minister Roxon, was very receptive to the committee's recommendations because they were bipartisan and they were genuinely an attempt to get some men's health outcomes. The government responded to them.

The government has responded in a positive manner to the report, a very important report, that we are discussing today. But how can we logically expect the government to positively respond to committee inquiries that have been hijacked and had raw numbers used against them, limiting the participation—and deliberately and wilfully so—of members of the Senate who have a genuine interest in the subject matter at hand. It does not matter whether they are on that side or on this side or on the third side or the fifth wheel or wherever they want to be. It is about the right and the responsibility of every senator to be able to participate fully.

There are circumstances where we have to accommodate people's absences and to rejig things, but that is generally done with consultation. I can say that consultation on some of these committees has been woeful. In fact, it has been worse than woeful. It seems to me that on some committees the majority—the ruling clique, if you will—will go out of their way to inconvenience other senators, whether it is in their quest for media exposure, their determination to have the limelight all to themselves or to just shut down a dissenting point of view. It is wrong, and it will undermine the reports and the responses from government such as we are discussing here.

Do any of us really want to undermine important inquiries like the involuntary or coerced sterilisation of people with disabilities in Australia? I know people are concerned about that. The government has been concerned about that, and that is why they have responded to this report. But how can we expect this Senate to operate to the best of its ability when there is no concern for the overwhelming good of the Senate and little or no concern for anything else other than base political survival? The institution is bigger than any one of us. If you think
that is not the case, just look around at any one of your colleagues who has left. They are all pretty much forgotten as soon as they go—not you, Madam Acting Deputy President O'Neill. I am sure you will be remembered for a very long time.

The ACTING DEPUTY PRESIDENT: You are very kind, Senator. That might be gilding the lily somewhat, though.

Senator BERNARDI: The institution is important; tradition is important; convention is important; courtesy is important. They are the things that determine how this place functions. Without that history, that convention and that cooperation, we lose something very special here. That is why I think this place is much better equipped than the other place to handle these sorts of inquiries. When we put together a report, there will be occasions when it is going to be unanimous and we are going to say, 'Yes, we have to fix this grievous injustice,' or 'We have to sort something out'—and the government can respond. But how can we do that in the face of committee chairs and collusion to get the raw base numbers that almost limits people from participating in the committee system? There is something wrong about it. Senator Macdonald was absolutely spot-on when he gave his example earlier today. I have lived through a very similar example myself. It is something that should be of concern to all of us in this place who are concerned not only about the involuntary or coerced sterilisation of people with disabilities in Australia but about the wellbeing of this general organ of government.

Question agreed to.

MINISTERIAL STATEMENTS

China-Australia Free Trade Agreement

Senator RYAN (Victoria—Parliamentary Secretary to the Minister for Education and Training) (16:57): On behalf of the Minister for Trade and Investment, Mr Robb, I table a ministerial statement and related agreement on the China-Australia Free Trade Agreement. I will take this opportunity to congratulate a friend of many of us, Mr Robb, on this momentous achievement.

BILLS

Airports Amendment Bill 2015

Customs Amendment (Australian Trusted Trader Programme) Bill 2015

First Reading

Bills received from the House of Representatives.

Senator RYAN (Victoria—Parliamentary Secretary to the Minister for Education and Training) (16:58): 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 will be moving 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 RYAN (Victoria—Parliamentary Secretary to the Minister for Education and Training) (16:51): I move:

That these bills 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—

AIRPORTS AMENDMENT BILL 2015

On 15 April 2014 the Australian Government announced that the site for Western Sydney’s new airport will be Badgerys Creek. This delivers on a Government promise when in Opposition to make a decision on Sydney’s future airport needs during its first term in office.

It demonstrates the Government’s commitment to the Western Sydney region. A new airport will be a major boost for the local economy and create thousands of jobs during construction and a pipeline of jobs once an airport becomes operational. These benefits are being seen already with the start of construction of road upgrades to support the proposed new airport.

The Government continues to deliver on this commitment with the progression of formal consultations with Sydney Airport Group on developing the proposed airport and the commencement of a new environmental impact assessment for the Badgerys Creek site.

A new airport for Western Sydney will create infrastructure for the 21st century and generate jobs and economic growth in Western Sydney.

To ensure these outcomes can be realised as soon as possible the Airports Amendment Bill 2015 amends the Airports Act 1996 to provide for the creation of an airport plan for the proposed Western Sydney Airport. The Airports Act provides the framework to manage and operate Australia’s federally leased airports.

The airport plan will authorise the initial development, and specify the Australian Government’s requirements for the airport.

It will do this by taking processes ordinarily relating to master plans and major development plans currently in the Airports Act and combining them into a single streamlined process applicable to a greenfield airport development.

In doing so, the Bill recognises the importance of the environmental assessment process currently underway for the airport, and confers an approval function on the Environment Minister in relation to environmental matters.

The usual process in Major Development Plans is for a referral to be made to the Environment Minister for the project to be assessed under the Environment Protection and Biodiversity Conservation Act 1999 if required, and for the Environment Minister to provide advice to the Minister for Infrastructure and Regional Development, who is the final decision maker on the plan.

Badgerys Creek is a greenfield development, and preparation of an Environmental Impact Statement is underway, and will be finalised under the EPBC Act. This Bill will require the Minister for Infrastructure and Regional Development to incorporate in the plan any environmental conditions imposed by the Minister for the Environment following completion of the EIS.

The community will have the opportunity to comment on both the environmental impact statement and airport plan as consultation on each will occur at the same time.
Once the airport plan is in place, no further planning or development approvals will be required prior to initial construction commencing. It will enable detailed design and construction planning to commence as soon as possible after contract signature.

This is a practical, common sense measure that recognises the unique circumstances of a greenfield airport development.

The Bill also includes measures that would help the Government pivot to ready alternatives if Sydney Airport Group turns down an offer to develop and operate the proposed airport.

Under the 2002 sale agreement for Sydney (Kingsford Smith) Airport, the owners of Sydney Airport have a right of first refusal to develop and operate a second major airport within 100 kilometres of Sydney’s centre.

Once the consultation period is complete, the Government will come to a decision on the need for and nature of a second Sydney airport in Western Sydney. This is a contractual step required before the Government can make an offer.

This offer must be made to Sydney Airport Group first. If it declines to accept, the offer can be made to third parties, or the Commonwealth can undertake the project itself.

However, the Airports Act currently effectively prevents the Commonwealth from taking either of these actions in the event Sydney Airport Group declines to accept the offer.

Section 18 of the Airports Act requires that the airport-lessee companies for Sydney (Kingsford Smith) Airport, and any airport site declared to be Sydney West Airport, as it is referred to in the Airports Act, must be subsidiaries of the same company. This is a legacy provision from the Airports Act as originally passed in 1996.

While the Government is contractually obliged to engage commercially with the Sydney Airport Group, and is not opposed to a common ownership situation, it needs to be legislatively possible for the two airports to be under different ownership in the event Sydney Airport Group turns down an offer to develop and operate the airport.

The Airports Amendment Bill removes the requirement of common ownership, providing the Commonwealth with the commercial flexibility to deal with third parties or to develop the airport itself if required.

The Bill also removes the airport cross-ownership restrictions currently placed on Sydney West Airport. These restrictions prevent cross-ownership of more than 15% between Melbourne, Brisbane or Perth airports and a new airport at Badgerys Creek. The amendment will help maximise the success of any market offering in the event Sydney Airport Group choose not to exercise an option to develop and operate the airport.

This amendment is about giving the Government the commercial flexibility it requires to get the best outcome for the people of Western Sydney and the Australian economy more broadly.

Separately, the Bill contains some mechanical provisions to facilitate declaration of the airport site and other preparatory work.

The Airports Amendment Bill 2015 will help ensure the economic and social benefits of an airport for Western Sydney can be realised as soon as possible.

Customs Amendment (Australian Trusted Trader Programme) Bill 2015

SECOND READING SPEECH

The Customs Amendment (Australian Trusted Trader Programme) Bill 2015 will amend the Customs Act 1901 to establish the Australian Trusted Trader Programme, set up the framework for the programme and enable Trusted Traders to benefit from streamlined customs procedures.
The programme has been co-designed with industry stakeholders, partner agencies and international counterparts both at multilateral and bilateral levels.

The programme provides an opportunity to reduce the regulation of our international traders and enhance supply chain security. Consistent with the World Customs Organization SAFE Framework of Standards to Secure and Facilitate Global Trade, the Australian Trusted Trader Programme will introduce a differentiated trust-based regulatory framework at the border for those entities that meet or exceed international supply chain security and trade compliance standards.

Entities meeting these standards will be assessed as low-risk and benefit from reduced regulatory burden and streamlined customs procedures. This will alleviate a significant trade burden and enhance the competitiveness of Australian international businesses.

This approach, which is commonly known as the Authorized Economic Operator model, has been adopted by all of Australia's major trading partners over the last ten years. It is also consistent with the Government's deregulation agenda and contributes to the Economic Action Strategy and the Prime Minister's Industry Innovation and Competitiveness Agenda.

The approach is also a key component of the World Trade Organization's Agreement on Trade Facilitation and an integral part of the Government's commitment to foster legitimate trade as outlined in the Government's G20 Australia 2014 - Comprehensive Growth Strategy.

The programme is a trade facilitation initiative based on internationally recognised supply chain security and trade compliance principles that contribute to a holistic compliance framework.

It is an important element of the compliance continuum that will provide a better understanding of the entities moving goods across our borders. This strategy will work to ‘shrink the haystack’ by removing accredited entities from traditional transaction based border risk assessment. This reform is important for managing the increasing volume of trade growth and ensuring that resources can be diverted away from highly compliant traders to focus on risk and non-compliance.

The pilot phase of the programme is intended to commence on 1 July 2015 for a period of 12 months. The pilot phase will include a limited number of participants to test and refine processes and the design. The amendments to the customs act included in this bill will support the operation of the pilot phase.

Firstly, the bill will amend the customs act to enable the Comptroller-General of Customs to establish the programme in accordance with the framework set out in the bill. Participation in the programme is voluntary and will allow entities such as importers, exporters, customs brokers, freight forwarders and transport companies to nominate themselves to participate in the programme.

Secondly, the bill will amend the customs act to set up the framework for the programme. There are three key powers under the framework.

- The first is the power of the Comptroller-General of Customs to enter into a trusted trader agreement. Entering into a trusted trader agreement will confer an interim trusted trader status on the entity. An entity with interim trusted trader status may receive certain administrative benefits which will be prescribed in the rules. These kinds of benefits will provide a more streamlined experience to the Trusted Trader when interacting with the Department.

- The second is the power of the Comptroller-General of Customs to vary a trusted trader agreement following physical inspection and audit to confer an ongoing trusted trader status. An entity with an ongoing trusted trader status may receive additional benefits, including benefits that streamline procedures in relation to the reporting, movement and clearance of goods.

- The third power is the power of the Comptroller-General of Customs to vary, suspend or terminate a trusted trader agreement unilaterally if there are reasonable grounds to believe that the entity has not complied with, or is not complying with conditions prescribed by the rules or terms or conditions specified in the agreement. The first operational response to non-compliance with conditions
prescribed by the rules or terms or conditions specified in the agreement will, in general, be engagement, education and training. This approach is consistent with the partnership ethos of the programme. However, the nature of non-compliance may be such that it is necessary to vary, suspend or terminate a trusted trader agreement.

The bill amends the customs act to provide for the external merits review of decisions made by the Comptroller-General of Customs in relation to these three powers. This will be in addition to an administrative internal review mechanism.

The bill will also amend the customs act to allow the Comptroller-General of Customs to maintain a register, known as the Register of Trusted Trader Agreements. The Register will demonstrate to the public that an entity has an agreement with the Comptroller-General of Customs, and has demonstrated a satisfactory level of supply chain security and trade compliance standards in their international supply chain activities. This information may be necessary for other entities in the international supply chain to make an informed decision when they are choosing business partners and want to link with other trusted traders to ensure an end to end secure international supply chain.

Finally, the bill will amend the customs act to enable the Comptroller-General of Customs, by legislative instrument, to make rules in relation to the operation of the programme. Consistent with the co-design approach, consultation on the rules will be undertaken before the rules are made.

In summary, the reform delivered through this bill will support the government's priority of ensuring Australia's ongoing success as an open economy. This bill will enable the Australian Border Force and the Department of Immigration and Border Protection to create stronger borders by 'shrinking the haystack'.

The commencement of the programme will enhance Australia's capacity at the border to manage the exponential growth in trade volume by diverting resources away from highly compliant traders to focus on risk and non-compliance.

Debate adjourned.

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

FIRST SPEECH

The PRESIDENT (16:59): I now call Senator Gallagher to make her first speech, and I ask that honourable senators extend the usual courtesies to Senator Gallagher.

Senator GALLAGHER (Australian Capital Territory) (17:00): I would like to acknowledge and pay my respects to the traditional owners, the Ngunawal people, upon whose ancestral lands this chamber is built. I pay my respects to elders both past and present and acknowledge their enduring connection to these ancient lands.

I thank the people of the ACT for the support they have shown me and to the membership of ACT Labor for giving me the honour of becoming the eighth senator for the ACT. I take over from a long-serving senator, the Hon. Kate Lundy. Kate served her community and her party with distinction during her 19 years of service. She was a senator who broke down barriers and set an exemplary standard that others wanted to follow. I am lucky to be able to call Kate a friend and follow in her footsteps. Thank you, Kate, for the support you have shown me and the gentle persuasion used to encourage me to come into this place.

One hundred and four years ago, on 1 January 1911, 910 square miles of land was excised from New South Wales to become the Federal Capital Territory and the site of the national capital. It was, according to media reports at the time, an occasion when a young Australian nation and the community of the limestone plains crossed paths. The Bush Capital, with more
than half of our jurisdiction dedicated to national park and nature reserves, delivered on the
desire to have a modern city that coexisted with the natural beauty of the area that had
originally drawn the Federation fathers to this place.

This is my place; it is my home. It is a city of four seasons, where the dry, intense heat of
summer drives you indoors until the sun goes down; where the glorious colours of autumn
create picture-scapes that seem too pretty to be true; to the sub-zero temperatures of winter,
when the air feels almost too cold to breathe; until the blooms and early warmth of spring
signal the welcome end to the winter hibernation. It is a place where you can explore the
stories that created our nation and its identity, through our wars, our art, our laws, our
democracy, our history. We are the custodians of our nation's story—our national spirit—and
we are proud of this role.

From its earliest days, Canberra has been seen as a government town, a place where
politics happens, and at times we wear this reputation like heavy saddlebags—but we are so
much more than that. In just over 102 years, Canberra has grown into a mature city, forging
its own identity, separate but complementary to the role of the nation's capital. It is not just
the locals who think Canberra is pretty great. In 2014, the OECD recognised Canberra as the
world's most liveable city. It is hard to get better than that. We are Australia's largest inland
city, a diverse community nearing 400,000 people living within a region of close to 600,000.
One-fifth of our community was born overseas and our people have been drawn here from
nearly 200 different countries. We are big enough to enjoy the benefits that city living brings
but small enough to maintain a strong sense of community—never clearer than when, in 2003,
bushfires ripped through our urban fringe, killing four, seriously injuring many more,
destroying more than 500 homes and damaging almost 70 per cent of ACT pasture, forest and
nature parks.

As the seat of government, it is no surprise that Canberra's economy has been dependent on
government and government services, but Canberra has a private sector that punches above its
weight, with a flourishing small-business community, a growing export industry and an
innovation and entrepreneurial sector that is developing quickly and is globally reaching.
Canberra has developed a reputation as a world-class knowledge centre, with institutions like
the ANU and the University of Canberra, which, along with UNSW, the Australian Catholic
University, Charles Sturt University and CIT, educate 44,000 tertiary students each year.
Collectively, these institutions contribute $2.7 billion to our economy and create 16,000 full-
time equivalent jobs. CSIRO and NICTA contribute to the knowledge economy and, despite
the funding cuts they have suffered, remain renowned internationally for their research and
their commercialisation outcomes. Our tourism industry contributes $1.6 billion to the ACT
economy and is one of the territory's largest private sector employers, supporting over 14,700
jobs. There is huge opportunity for growth in this sector, particularly with the newly
completed Canberra International Airport—and I look forward to the day when international
flights come to this city.

With the exception of Robert Menzies, conservative administrations have not been great
friends of Canberra. In 1996, when John Howard took the razor to Canberra, our community
hurt and the economy went into recession. In 2013, Joe Hockey, in perhaps his first housing
affordability gaffe, sent a warning of what was to come when he joked about the impact a
Liberal government would have on our local housing market, saying, 'There is a golden rule
for real estate in Canberra—you buy Liberal and you sell Labor.’ In 2014, the Liberal cuts came back, with approximately 6,000 jobs lost here in one year alone, but, unlike in 1996, our economy has proven its resilience and, while we feel bruised, the ACT economy has continued to grow throughout.

It has often struck me as odd that, for a city that was hand-picked as the home of Australian democracy, Canberra's own citizens have had to fight, over many years, to gain democratic rights equal to other Australians. It was not until 1949 that the people of the ACT were given a limited voice in the Australian parliament, and it was not until 1966 that full voting rights were granted. Under Gough Whitlam, territory representation took a giant step forward with the creation of the electorates of Canberra and Fraser, with the Senate following in 1975—but only after both the Western Australian and Queensland governments failed in their respective High Court challenges to oppose it. It is not widely known that ACT residents were not allowed to vote in constitutional referenda or plebiscites until 1977, when it was put to the states in a referendum and got up—it is amazing that I am here, really, considering how hard it is to win a 'yes' vote this way. Looking at the results, Queenslanders remained unconvinced at the time, with 40 per cent voting 'no'. It did not take ACT residents long to show their independence and exercise their new rights when they became the only jurisdiction to buck the national trend and vote for *Waltzing Matilda* over *Advance Australia Fair* as the preferred national song in a plebiscite held later that year.

The march to full democracy continues at a slow pace. The 26-year-old territory legislature remains constrained by provisions of the self-government act, whereby the ACT parliament can still have its laws overturned and is prevented entirely from passing certain laws that are available to the states. There should be a review of these constraints conducted cooperatively between the Commonwealth and ACT governments, with a view to removing these constraints and allowing the assembly to govern without interference.

My parents arrived in Canberra in 1969 from the United Kingdom via New Zealand following my father's recruitment to the Australian Public Service. The Canberra of that time had a population of just 70,000 people, although it was growing rapidly. For a young couple from the UK with no family or friends, I can only imagine the culture shock of arriving and settling with young children in one the new suburbs on the urban fringe of our city. Betsy and Charles Gallagher took very seriously their responsibility to rear their children as independent, educated and community-minded citizens. My brothers and sister have joined me here this evening. We were taught that we had to contribute to our community if we were to be full participants in it. My parents were open-minded to the world around them and they encouraged the same for their children. They understood that every family was different and that lived experience for some was hard. We were taught from our earliest days never to judge anyone; never to think we were better or worse than anyone else. In our non-religious home the values of love, kindness, care, compassion, understanding and forgiveness were fundamental parts of our upbringing. Living without my parents in my life is a source of great sadness, but the values they instilled in me continue to influence and shape my perspective on life and the decisions I take. I remain eternally grateful for the guidance and love they gave me.

I graduated from ANU 1991 and spent the next decade working in the community sector, primarily with people with a disability, arguing for improved rights and voices for vulnerable
people. This was the time when a great Labor reform, the Disability Discrimination Act, had come into operation, and I saw firsthand how good laws change lives for the better. I helped to close down sheltered workshops and large residential institutions, and I learnt to be a fierce advocate for those who could not speak for themselves. I saw up close how important an adequately resources disability sector is to ensure human dignity. That is why, when I was Chief Minister of the ACT, we were one of the first governments to sign onto the NDIS vision under Julia Gillard's government. I later put the advocacy skills I had learnt to good use when I joined the trade union movement as an industrial organiser for the CPSU. Organising under a Howard government seemed hard enough, but I suspect, in hindsight, it was a relative workers' paradise compared to the anti-union attitude of the current government. To all of those working people who are fighting just to maintain conditions and get a fair pay outcome—all strength to you.

I cannot really pinpoint the exact reason why I chose politics, in 2000, although the lack of women members in the assembly ranked highly. It is disappointing to me that in 2015 women remain so under-represented across Australian parliaments. Women constitute just under 30 per cent of all elected representatives across Australia and hold just 25 per cent of all ministries across all parliaments. We must re-commit across party lines to encourage more women into political organisations, to support them when they are there and mentor them into roles and positions within parties and across parliaments.

If increasing the number of women in politics was one motivator for me to give politics a shot so was motherhood. In 2000, I was a single mum with a young child, and I was struggling to find my place in the world following the death of my daughter's father just three years before. Issues like paid parental leave, equal pay, sole parent pensions, childcare and family payments, flexible work arrangements and affordable health care all took on a new relevance in my life. Motherhood and political campaigning drew me back in from a self-imposed wilderness and helped me to find my voice again. In the 2001 territory elections, I became the candidate who was not expected to win, who did.

I spent the next thirteen years as a member of the ACT Legislative Assembly, contesting four elections successfully. Twelve of those years I spent as a minister across various portfolios, including three as Treasurer, eight as health minister and three and a half as Chief Minister. It was an incredible privilege to serve in these roles. I am proud of the work we achieved as a Labor government that was prepared to invest in and build our city—not only in terms of infrastructure but also with services and by way of promoting social inclusion.

In what turned out to be my last months as Chief Minister, I committed myself to providing a lasting solution to the Mr Fluffy asbestos tragedy that has plagued our city for the past 50 years. Whilst it is early days in this program, I have no doubt that the decision to buy back affected homes and provide owners with a financial solution and finally remove the asbestos threat was the right one—both for affected owners and for the city. It remains a blight on this federal government's record that they refused to step up and take any responsibility—financially or morally—for something that happened on the Commonwealth's watch prior to self-government.

As a member of executive government for more than a decade, I gained invaluable insight into the important role that governments play in building and creating resilient communities. In that time I always tried to do the right thing for my community—as opposed to the easiest
or the most popular. I learnt the importance of showing leadership when it is needed, in displaying judgement, having the ability to listen, to learn from others, and to accept that government is not always right, and that acknowledging mistakes is often as important as celebrating victories.

I learnt the importance of a fearless and non-partisan public service and the need for strong accountability mechanisms, including complaint, dispute and audit bodies that provide independent oversight and act as a check and balance on executive authority. Laws and policies to provide access to government information and to provide avenues to pursue public interest disclosures are equally important. I learnt that good governments can accept criticism, disagree with it but never feel the need to silence it. I learnt the importance of using evidence to underpin decisions, of involving experts and stakeholders in policy development and of ensuring that different opinions are heard and valued—even if they are ultimately disagreed with. I learnt that when speaking with my community, honesty was definitely the best policy and that not having the answer and saying so was better than trying to fudge it.

I am a supporter of an Australian republic and for reaching agreement on the best way to formally recognize the first peoples of this land. I am a supporter of equality across the board—no ifs no buts, no caveats. I support a fair Australia, a diverse Australia and an Australia that looks to the future openly and optimistically. I support a country that provides for all its citizens and ensures that any economic agenda includes, at the centre, the capacity to create jobs, and provide essential services which support each one of us live a dignified and meaningful life.

I believe that governments should manage their budget in an economically responsible manner and at the same time invest in and provide for their citizens, particularly the most vulnerable. I believe that universal access to health and education, affordable housing, fair wages and conditions and pensions are fundamental components of any social contract in a fair minded and prosperous country.

I believe that we can have debates on national security to keep our community safe and still show compassion and care for people fleeing persecution and seeking refuge in foreign countries. I believe that politicians should not shy away from the harder, more complex and more divided debates. It is exactly these types of debates—on issues like climate change, housing affordability, domestic violence and the rising burden of chronic disease—that need strong leadership, and advocates who champion solutions for them. I believe in the unions and the role they play in ensuring that workers, particularly those on low incomes, are able to bargain for reasonable pay and safe workplaces.

Because of all of this, I have been a proud member of the Australian Labor Party for the last 20 years. As the enduring party of progressive politics, and the party of reform, the Australian Labor Party has led the national debates which have helped to shape modern Australia. This is a record of achievement for which we are rightly proud. Whether it be in Indigenous rights and recognition, health care, superannuation, pensions, the economy, education and skills, equality, multiculturalism, infrastructure, industrial relations or the environment, it has been the Australian Labor that has fought for the changes that have come and for the rights that we all enjoy today. And this work never ends. For Labor senators and MPs, this record, and building upon it, is what motivates us in our work every day.
And as the party of reform we cannot exempt ourselves from reform. We must get serious about adopting reforms that give party members a greater say. All Labor pre-selections should be open to a full membership ballot—one vote, one value. This requires candidates to earn the votes they get. It promotes transparency and accountability and will deliver a better outcome for the party. The labour movement should have influence in the Labor Party, but that influence can be used without seeking dominance. A respectful and close relationship can be maintained whilst at the same time allowing party members a greater say. This is the way it has operated in the ACT for more than a decade, and we are without doubt the most successful ALP branch in the country.

We live in arguably one of the world's most successful federated systems. Over the past 114 years, the Federation has endured as a strong partnership between all governments in Australia. This partnership has been critical to our success as a nation. But the system is not perfect. There are areas of duplication and areas where improvements could be made. But any reform agenda must not simply be an exercise in pursuing one government's political agenda over another, or an exercise in blame-shifting, cost-shifting or placing unreasonable expectations on smaller governments.

The $80 billion cuts to health and education funding should remain the No. 1 item on the agenda because, whilst the colour of the various governments might change over time, there are some things we know for sure—on the streets and suburbs of Australia, where it actually matters, there are not going to be any fewer patients needing care in hospital and there are not going to be any fewer children in need of an education. I was lucky to be the ACT health minister for more than eight years. The creativity, passion and dedication that I witnessed every day in that role has left me with a lifelong interest in this area. The Australian healthcare system delivers high quality outcomes but it is under enormous pressure; and, under the policies of the current government, this is only going to get worse. I am not a mathematician but if the cost of providing hospital services is growing at 5.5 per cent per annum, yet a major funding partner, the Commonwealth, is only prepared to provide increases of 1.7 per cent, at some stage this is going to create a major problem for healthcare systems and patients which will take years to undo.

The state of preventive health care planning at the national level is a disgrace. The unprecedented efforts of the previous government have been disbanded or defunded. Resources are needed to plan for, prevent and stop the rapid growth in chronic disease across the community, particularly amongst vulnerable populations. Never has this work been more important than it is today. Failing to address this now will create demand down the track which will be impossible to meet and unaffordable to provide.

And, finally, to this great chamber I speak from tonight: the architects of our constitution were a clever group. They created this chamber to embed within the heart of our most important democratic institution a measure of protection for the states and a check on hubris, which, history shows us, is sometimes the unwelcome baggage that travels with executive power. As I have watched the national political scene since the last election, it has been clear to me that it has been this place, the Australian Senate, that has stepped up to perform its constitutional role and push back against the overreach of executive government.

It is a chamber well accustomed to knocking the barnacles off the ship of state by amending, and even refusing, legislation that is not in the national interest. In this respect it is
a kind of 'dry dock' for legislation. Anyone who complains that the Senate should simply wave through the policy and legislative excess of the current government either does not understand or does not like the checks and balances of our democratic system. It has not been a 'feral' Senate, as Tony Abbott has suggested, but, rather, a fearless Senate, a fair Senate, a Senate that has listened to the Australian people when the current government has not.

I have been very fortunate in my life to have wonderful friends, many of whom have come to share this moment with me today. I thank them for the friendship and laughter we have shared and for always being there for me when I needed them.

Tonight I would also like to specifically acknowledge those who have played a significant role in my career in politics. Firstly, to Wendy Caird and Margaret Gillespie: these women met me when I was at my lowest point in life. I was unemployable and they gave me the dignity of a job. I am forever thankful for the potential they saw in me and for the time they invested to get me back on track. To Jon Stanhope, my mentor and friend: we forged a great partnership and I am incredibly lucky to have had Jon's support throughout my political career. To John Watkins: I met the Hon. John Watkins, AM, six years ago. We got off to a bumpy start but, over time, we grew to greatly respect each other. He has been incredibly generous to me with his time, advice and guidance. To Mike Samaras and Stephen Jones, the member for Throsby, who joins me here tonight: we met more than 20 years ago, through a shared friend; even though he is no longer with us, you have honoured his memory and become wonderful friends of mine in the process.

To my sister, Clare, and my brothers, Richard and Matthew, who join me here today: whilst I am the one on my feet tonight, I know how proud our parents would be of all of us and the adults we have become. To David, who taught me to love again—it all began with our shared love of beagles. Thank you for walking alongside me this past 10 years and for always being there. To Abby, Charlie and Evie: thank you for keeping it real. There is nothing more important to me than you three. You are my greatest love and it is an absolute honour to be your mum.

Finally, can I thank all the people who have helped me to settle in to my new role over the past three months. In particular, to Penny Wong: thank you. You and your office have been incredible. Anne McEwen and Joseph Ludwig, I appreciate the time and the guidance you have provided to me. To my new colleagues, both here and in the House: thank you for your warm welcome. I look forward to working with you and contributing to the federal Labor team. I know that I come to this place with a lot to learn, and I will listen, learn, take advice and work hard to be an effective senator for the people of the ACT and the Australian Labor Party. Thank you.

**BILLS**

**Excise Tariff Amendment (Ethanol and Biodiesel) Bill 2015**

**Energy Grants and Other Legislation Amendment (Ethanol and Biodiesel) Bill 2015**

**First Reading**

Bills received from the House of Representatives.
Senator RYAN (Victoria—Parliamentary Secretary to the Minister for Education and Training) (17:27): 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 RYAN (Victoria—Parliamentary Secretary to the Minister for Education and Training) (17:28): I table a revised explanatory memorandum relating to the bills and move:

That these bills 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—

**EXCISE TARIFF AMENDMENT (ETHANOL AND BIODIESEL) BILL 2015**

The Excise Tariff Amendment (Ethanol and Biodiesel) Bill 2015 implements the Government’s 2014-15 Budget measures to reform the taxation treatment of biodiesel and fuel ethanol. As part of that implementation the Energy Grants and Other Legislation Amendment (Ethanol and Biodiesel) Bill 2015 abolishes the Cleaner Fuels Grant Scheme.

In last year’s Budget, the Government announced changes to the taxation of biodiesel and fuel ethanol to better balance the need to support these important Australian industries while keeping the budget position on track.

Currently domestically produced biodiesel and fuel ethanol and imported biodiesel are subject to the same rate of excise as petrol and diesel. However, these fuel producers and importers are able to access a grant for the full amount of duty paid.

The Cleaner Fuel Grants Scheme refunds excise and excise equivalent customs duty paid on both imported and domestically produced biodiesel.

A similar scheme, the Ethanol Production Grants Scheme, which refunds excise paid on fuel ethanol to domestic producers, will cease on 30 June 2015.

Instead of these grant schemes, the excise payable on domestic production of biodiesel and fuel ethanol will be reduced to zero and will then gradually increase to a reduced rate. The new excise rate for biodiesel will reach 50 per cent of the full rate of excise that applies to petrol and diesel; and the new rate for fuel ethanol will reach approximately 33 per cent of that rate.

Imported biodiesel and fuel ethanol will be subject to the full fuel duty rate.

The Government is mindful of the important role that domestic fuel ethanol and biodiesel producers play in the economy and the importance of encouraging diversity in Australia’s fuel mix.

Biodiesel and fuel ethanol producers contribute to the Australian economy through their fuel production processes; and having a range of alternative fuels has a positive effect on Australia’s energy security.

The Government’s role in facilitating the success of Australian industries has to be balanced against the Government’s debt and the cost to the future prosperity of Australians of fiscal policies that do not maintain a sustainable trajectory back to surplus.

For this reason the Government has decided to move domestically produced fuel ethanol and biodiesel into the excise system and apply excise with reference to energy content. This approach is
consistent with the Government's approach to other alternative fuels and will ensure that fuels are taxed fairly and transparently.

The approach in these bills recognises both that biodiesel is a close substitute for conventional diesel and that fuel ethanol has lower energy content than petrol or diesel.

This treatment in respect of domestically produced biodiesel and fuel ethanol is consistent with Australia's long standing Government policy to tax alternative fuels at half the energy equivalent rate. This policy recognises not only the potential benefits of these alternative fuels, but also the desirability of tax neutrality across alternative fuels. This puts in the hands of Australians the choice of fuel, rather than it being dictated by its tax treatment.

The Government is committed to working constructively with the Opposition and other Members and Senators to pass these reforms through the Parliament.

The Government is setting Australia on a realistic return to surplus. We will make the decisions that are needed to repair the budget and maintain the integrity of the tax system.

These decisions form the basis of an economy that will be well placed to ensure the future prosperity of Australia and Australians.

The Government's progress back to surplus has made significant progress. As part of the commitment to repair the budget, the Government is prepared to make the right decisions to ensure that the return to surplus occurs as soon as possible. The 2015-16 Budget maintains a steady and credible trajectory towards surplus, despite a $52 billion write down in tax receipts and the iron ore price almost halving since the 2014-15 Budget.

The savings provided by these measures are part of the Government's broader plan to return Australia to surplus.

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

ENERGY GRANTS AND OTHER LEGISLATION AMENDMENT (ETHANOL AND BIODIESEL) BILL 2015

The Energy Grants and Other Legislation Amendment (Ethanol and Diesel) Bill 2015 is one of a number of bills in this package that implements measures to change the taxation treatment of fuel ethanol and biodiesel.

The measures remove existing grant schemes and instead provide that the domestic production of biodiesel and fuel ethanol will be subject to a reduced but gradually increasing rate of excise.

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

Debate adjourned.

Export Charges (Imposition—General) Bill 2015
Export Charges (Imposition—Customs) Bill 2015
Export Charges (Imposition—Excise) Bill 2015
Export Charges (Collection) Bill 2015

First Reading

Bills received from the House of Representatives.

Senator RYAN (Victoria—Parliamentary Secretary to the Minister for Education and Training) (17:29): 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 RYAN** (Victoria—Parliamentary Secretary to the Minister for Education and Training) (17:29): I move:

That these bills 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—*

**EXPORT CHARGES (IMPOSITION—GENERAL) BILL 2015**

Agriculture is a vital part of the Australian economy. As a nation, we are a net exporter of agricultural produce, forecast to be worth $40 billion this financial year.

Australia's produce is of the highest standard in the world. Our enviable pest and disease status gives our farmers a unique advantage over many of their competitors.

The Department of Agriculture plays a significant role in supporting our exporting farmers and agricultural industries.

The department's important work can be seen in opening and expanding access to export markets. In the past year we have secured access for kangaroo meat to Peru and lychee and mango exports to the United States. This has opened the door for Australian growers to export some of our finest quality produce.

This behind the scenes work is critical for Australia's agricultural sector. It contributes to progressing new and expanded trade agreements, opening more markets for farmers, and bringing greater returns to the farm gate.

Access for Australian agricultural exports relies on the department's certification, inspection and auditing activities that provides assurance to other countries that their conditions of import are met. Last year alone, the department issued around 300,000 export certificates covering meat, grain, horticulture and fibre products. It also provided inspection and certification for the export of over 3.1 million live animals.

Maintaining a robust export system comes at a cost. The Australian Government has had a long standing policy of recovering these costs from those individuals and businesses that receive export certification activities.

In 2014, the Australian Government reaffirmed this policy. Agencies should set charges to recover the efficient costs of activities that they provide.

Cost recovery encourages the efficient use of government services. It also allows public scrutiny of the costs of government's activities. Cost recovery also provides the Department of Agriculture with a sustainable source of funding. It enables the department to meet increased demand for export services as Australia grows its agricultural exports.

The cost of export services must not affect our competitiveness in international markets. The Australian Bureau of Agricultural and Resource Economics and Sciences has recently reviewed the impact of cost recovery on agricultural exports.

This work has shown that most of Australia's key competitors also have cost recovery arrangements in place for these types of services. The impact of full cost recovery on the value of Australian exports is less than 0.8 per cent.
Government export certification costs are a small price to pay, when you consider the returns to farmers and exporters from their ability to sell products overseas.

New charging legislation is needed to recover costs under both the Export Control Act 1982 and the Australian Meat and Livestock Industry Act 1997. Existing export charging legislation is complex and allows for the recovery of costs under the export control act only.

This legislation will ensure that the costs of administering the export system can be recovered appropriately and equitably across the supply chain of all exporters of live animals and reproductive material.

Changes to improve equity are supported by exporters but are not possible under the current charging legislation.

The Export Charges (Imposition—General) Bill 2015 is the first of four bills that provide the appropriate cost recovery mechanism for export related services and activities.

Specifically, the bill will enable cost recovery of activities that provide general benefits to agricultural exporters. Particularly, the recovery of costs associated with programme management and administration, verification, risk and incident management activities.

This bill will sit alongside legislation that allows the Department of Agriculture to apply fees that recover the department's costs of those activities provided directly to people such as inspection and audit services.

The bill does not itself set the amount of the charges and will not impose any financial impacts. The charges and who is liable and exempt from paying the charges will be set in regulations.

This bill ensures the Minister for Agriculture is satisfied that the amount charged will not be more than the likely cost of delivering the activity. This will provide clients with confidence that the government will not charge more than is necessary to recover the costs of its export services.

Three companion bills are being introduced alongside this bill, the Export Charges (Imposition—Customs) Bill 2015, the Export Charges (Imposition—Excise) Bill 2015, and the Export Charges (Collection) Bill 2015.

This package of bills will ensure that appropriate cost recovery mechanisms are in place for all export certification related activities. It provides a flexible and common sense structure for applying cost recovery charges. This supports the important work undertaken by the Department of Agriculture in progressing the interests of farmers and exporters across the country

EXPORT CHARGES (IMPOSITION—CUSTOMS) BILL 2015

The Export Charges (Imposition—Customs) Bill 2015 is the second of four bills being introduced to form the export charging legislative package.

The Export Charges (Imposition—Customs) Bill 2015 will impose charges only when they are considered a duty of customs. The key provisions of the bill mirror those in the Export Charges (Imposition—General) Bill 2015 and have the same operative function and effect.

The bill does not itself set the amount of the charges and will not impose any financial impacts. The amounts recovered by the charges, and the persons liable or exempt from paying them, will be set in delegated legislation under this act.

EXPORT CHARGES (IMPOSITION—EXCISE) BILL 2015

The Export Charges (Imposition—Excise) Bill 2015 is the third of four bills being introduced to form the export charging legislative package.
The Export Charges (Imposition—Excise) Bill 2015 will impose charges only when they are considered a duty of excise. The key provisions of the bill mirror those in the Export Charges (Imposition—General) Bill 2015 and have the same operative function and effect.

The bill does not itself set the amount of the charges and will not impose any financial impacts. The amounts recovered by charges, and the persons liable or exempt from paying them, will be set in delegated legislation under this act.

**EXPORT CHARGES (COLLECTION) BILL 2015**

The Export Charges (Collection) Bill 2015 is the final bill being introduced to form the export charging legislative package.

The Export Charges (Collection) Bill 2015 will provide authority to collect charges imposed under the Export Charges (Imposition—General) Bill 2015, the Export Charges (Imposition—Customs) Bill 2015 and the Export Charges (Imposition—Excise) Bill 2015.

The bill provides that the regulations will determine the time allowed to pay charges.

The regulations under this bill will also outline the liability of a person's agent to pay charges on that person's behalf and establish appropriate late payment fees where charges are not paid in the time allowed.

Specifying such matters in regulations, as opposed to the act itself, provides the department with sufficient flexibility to ensure that these matters are appropriate in all circumstances.

The bill also provides the Commonwealth with mechanisms to appropriately deal with non-payment. This includes powers to refuse service or to suspend or revoke export approvals.

Unpaid charges and late payment fees will be considered as debts to the Commonwealth and may be recovered by action in a relevant court.

The bill sets out provisions for the remitting or refunding of charges or late payment fees where the Secretary believes there is sufficient reason to do so.

Together these four bills being introduced today will ensure cost recovery arrangements for activities provided in relation to exports are appropriately supported.

As mentioned earlier, sustainably funding the export services is essential for maintaining farmers' access to overseas markets, strengthening our position as an exporter of the highest quality agricultural goods and ensuring Australia has a vibrant agricultural sector now and in the future.

Debate adjourned.

**Australian Small Business and Family Enterprise Ombudsman Bill 2015**

**Australian Small Business and Family Enterprise Ombudsman (Consequential and Transitional Provisions) Bill 2015**

**First Reading**

Bills received from the House of Representatives.

**Senator Ryan** (Victoria—Parliamentary Secretary to the Minister for Education and Training) (17:30): 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 RYAN (Victoria—Parliamentary Secretary to the Minister for Education and Training) (17:30): I move:

That these bills 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—

AUSTRALIAN SMALL BUSINESS AND FAMILY ENTERPRISE OMBUDSMAN BILL 2015

The Australian Small Business and Family Enterprise Ombudsman Bill 2015, and its accompanying Australian Small Business and Family Enterprise Ombudsman (Consequential and Transitional Provisions) Bill 2015, fulfil a key Coalition election commitment to establish an Australian Small Business and Family Enterprise Ombudsman. They are yet another demonstration of the commitment of the Abbott Government to the small businesses and family enterprises of Australia. I would like to take a moment to outline the contribution of small business to our economy, and the challenges this crucial sector faces.

There are more than two million actively trading small businesses in Australia. 96 per cent of all Australian businesses are small businesses. Combined, small businesses produce more than $330 billion of total economic national output, and employ over 4.5 million people. Many small businesses are also family enterprises, which represent 70 per cent of all Australian businesses. These businesses and their enterprising women and men are the foundation on which Australia's economy is built.

Small business people face many challenges. Family enterprises share these challenges, and face other challenges as well—such as succession planning. Small businesspeople and those who run family enterprises put a lot of time and effort into their businesses. They deserve our respect and support.

Small businesses are often treated as if they were big businesses with all the resources of big businesses. Important compliance demands faced by small businesses include:

- workplace relations issues;
- competition policy;
- contract law;
- business and tax law; and
- processes and communications.

Big businesses, with their accountants and their legal departments are better equipped to deal with such matters. For small businesspeople, time spent on compliance demands is time away from investing in the success of their businesses.

Australian Governments have not always understood these challenges and the needs of small businesses and family enterprises. Under the former Labor government, small businesses were not a priority. There was a revolving door of small business ministers, including five in the final 15 months of their term. More importantly, over the six years of the former Labor government, 519,000 jobs were lost in small business. At the end of Labor's term, fewer small businesses were actually employing people than when Labor started, with the small business share of the private sector workforce falling from 52 per cent to 43 per cent of all employees.

This Coalition is committed to turning this situation around. We know the hard working women and men of Australian small businesses are the engine room of our economy, and a key impediment to their growth is unnecessary red tape and excessive regulation. We are implementing a general deregulation agenda, which will ensure that Commonwealth legislation and regulations are business-friendly, and
especially small business and family enterprise friendly. A good regulatory regime can make all the
difference to the productivity of small businesses and family enterprises, and decisions about when, or
whether, a business should proceed with an investment. Because small businesses feel the burden of
regulation more keenly than large businesses, the Government's deregulation efforts will especially
benefit small businesses.

I often speak with admiration of the courage that small business people display when taking risks to
start their businesses. These people now have a Cabinet-level champion, with the Abbott Government
the first to give Small Business its own dedicated Cabinet-level position. But small business also
deserve an advocate embedded within the Federal bureaucracy who understands their concerns and can
assist them. As of March, the Government had announced reforms to generate more than $2.45 billion
in annual red tape compliance cost savings. These are reductions that make a real difference for
businesses on the ground. However, in addition to an evangelical Minister, an advocate within the
Commonwealth machinery can help the Government do more.

The Australian Small Business and Family Enterprise Ombudsman Bill will establish the position of
the Ombudsman who will assist the small business and family enterprise sectors. The Ombudsman will
have two key functions, an advocacy function and an assistance function. Through these functions, the
Ombudsman will meet our commitment to establish a role that is:

- a Commonwealth-wide advocate for small businesses and family enterprises;
- a concierge for dispute resolution, who will also offer an outsourced alternative dispute resolution
  service; and
- a contributor to making Commonwealth laws and regulations more small business friendly.

The advocacy function of the Ombudsman will build on the role and work of the Australian Small
Business Commissioner, which was created without 'commission' or legislative backing by the former
Government after the widespread support for the Coalition's policy initiative and 2010 election
commitment. The former government asked Mr Mark Brennan to be an advocate for the small business
sector, but the role was not underpinned by any specific legislation. The Ombudsman will be much
more, and will have strong, legislated powers. Despite the limitations of the current Commissioner's
role, Mr Brennan has and continues to function well in his role and is contributing positively to the
preparations and groundwork for the Ombudsman.

Mr Brennan has my ongoing thanks, and doubtless also the thanks of the small business sector.

The advocacy function will allow the Ombudsman to advocate for small businesses and family
enterprises in relation to relevant legislation, policies and practices. The Ombudsman, with an expanded
advocacy role, will listen to small businesses and family enterprises and work with the Treasury
portfolio to ensure small business perspectives and views are front of mind and embedded in
bureaucratic, consultative and policy and programme development, analysis and review processes
across the Commonwealth. To assist this expanded advocacy role, the Ombudsman will have the
information-gathering powers to be able to investigate, and make recommendations to Government on,
the wide range of issues affecting small businesses and family enterprises. The Ombudsman will also
promote best practice, to address the key concerns of small businesses and family enterprises, as they
interact with the public sector and corporations.

The Ombudsman will not duplicate the functions of other officials. The Ombudsman will therefore
work collaboratively with Commonwealth officials, such as the Commonwealth Ombudsman, and the
state small business commissioners, as well as other relevant officials across all jurisdictions. As part of
this collaboration, the Ombudsman will identify systemic issues that warrant a national approach, and
advise the Government about such matters.

To assist with the deregulation agenda, the Ombudsman will provide advice on proposed, and
existing, legislation, regulations and practices. The Ombudsman will thus help ensure that the interests
The bill also allows for the Minister to refer matters to the Ombudsman for inquiry. This part of the advocacy function is similar to that available under the Productivity Commission Act 1998, and it is intended to provide a formal framework and supporting powers under which the Ombudsman can be asked to undertake a public inquiry into matters of significant interest to small businesses or family enterprises. In these circumstances, the Minister will be required to table the report of the Ombudsman’s inquiry in each House of Parliament.

Under the assistance function, the Ombudsman will fulfil an important alternative dispute resolution role, providing improved access to justice for small businesses at the Commonwealth level. The Ombudsman’s assistance function requires the Ombudsman to give assistance in relation to relevant actions if requested to do so, and will comprise two parts—a concierge role and an outsourced alternative dispute resolution service.

A key requirement of the Ombudsman is to not duplicate the functions of Commonwealth, State or Territory officials. Instead under the Ombudsman’s concierge role, small businesses and family enterprises will be referred, where appropriate, to existing agencies that can deal with their issues. The concierge role acknowledges that a number of services already exist for small business issues, complaints and disputes, but that small businesses often don’t know where to turn for support. Under the assistance function, small businesses may approach the Ombudsman for assistance for any dispute or complaint. However, the Ombudsman must transfer a request for assistance to another Commonwealth, State or Territory agency, if that agency could deal with the request and it would be more effective and convenient for that agency to do so.

The Ombudsman will also provide an outsourced alternative dispute resolution service, dealing with matters involving, for example, interstate and international commerce. As part of this facilitated dispute resolution function, the Ombudsman may recommend that an alternative dispute resolution process be undertaken. The Ombudsman may further advise parties to a dispute of relevant providers that may be able to independently perform the alternative dispute resolution process. To support the facilitation of early and cost-effective dispute resolution, the Ombudsman may publicise the failure of a party to participate in a recommended alternative dispute resolution process. This approach is intended to incentivise parties to genuinely participate in an alternative dispute resolution process.

The Ombudsman’s alternative dispute resolution service will complement the concierge role and has been designed to work with, and not replace, existing systems across the Commonwealth, States and Territories. The Government does not want to complicate matters, nor create “forum shopping” opportunities for the multiple handling of single concerns or grievances. This facilitated dispute resolution service will be underpinned by the Commonwealth’s reach under the Constitution, and will be bound by the requirement that the Ombudsman not duplicate the functions of existing agencies.

When used effectively, alternative dispute resolution services help improve business productivity, preserve business relationships, and avoid expensive litigation. It is important that the Ombudsman facilitate, and not hinder, the timely resolution of disputes. The outsourced alternative dispute resolution service has been designed so that the Ombudsman can help parties understand their options, but that any alternative dispute resolution process is conducted by an independent practitioner chosen by the parties. This separation will give everyone confidence in the independence and integrity of the Ombudsman’s alternative dispute resolution service, and allow the Ombudsman to advocate on broader matters relevant to small businesses and family enterprises.

Further to these functions, the Ombudsman will also seamlessly link with the Government’s single access point for business information, services and assistance, which will form part of the Government’s
Digital Transformation Agenda. It can be frustrating for businesses to make sense of the often complex information and broad array of services on offer. Consequently, the Ombudsman will direct people to information about accessing Commonwealth small business programmes and assistance.

One area where the Ombudsman will not undertake a formal role at this time, is in relation to dispute resolution under the mandatory industry codes for Franchising, Horticulture and Oil. Unfortunately the specific requirements under each code do not align with the operation of an Ombudsman who is an advocate. However, the Ombudsman will be able to receive such enquires regarding industry codes matters, and through its concierge role, refer businesses to the mediation or dispute resolution adviser under each code. The success of this arrangement, as well as potential solutions to formally align the mandatory codes and any voluntary codes with the Ombudsman, will be considered in the future. I anticipate that it will be considered before or as part of a review of the Ombudsman’s assistance function. Under the bill, the first review must be completed not later than 30 June 2017.

This Government listens to small businesses and family enterprises, and the bill is the result of extensive consultations. I take this opportunity to thank the wide range of stakeholders who participated in the various stages of the consultation process.

In particular, I would like to thank my ministerial counterparts in the states and territories, the state-based commissioners, Commonwealth agencies such as the Commonwealth Ombudsman and ACCC, as well as industry ombudsmen and others that currently provide dispute resolution or policy advocacy support to small business. The success of the Ombudsman will depend on its relationships with these and other organisations. Their feedback has helped ensure that the bill will help these relationships grow and prosper.

An Australian Small Business and Family Enterprise Ombudsman was first proposed before the 2010 election. This bill is the latest step in a long standing Coalition commitment to the small business community. Small businesses have waited a long time for this new role.

AUSTRALIAN SMALL BUSINESS AND FAMILY ENTERPRISE OMBUDSMAN
(CONSEQUENTIAL AND TRANSITIONAL PROVISIONS) BILL 2015

The Australian Small Business and Family Enterprise Ombudsman (Consequential and Transitional Provisions) Bill 2015 (the Bill) is part of the legislative package that will establish the Australian Small Business and Family Enterprise Ombudsman.

The Ombudsman will not duplicate the functions of other officials, and will work collaboratively with other officials, including the Commonwealth Ombudsman. This Bill’s consequential provisions therefore will amend the Commonwealth Ombudsman Act 1976, to allow the Commonwealth Ombudsman to transfer matters to the Australian Small Business and Family Enterprise Ombudsman.

I thank the Commonwealth Ombudsman for his contribution to the drafting of this Bill. The collaborative approach evident in the drafting process will, I am sure, continue, and result in small businesses and family enterprises having their matters dealt with, conveniently and effectively, by the most appropriate agency.

The current Australian Small Business Commissioner provides advocacy and representation for small business interests and concerns to the Australian Government. Persons sometimes also seek the Commissioner’s assistance in looking for information. The Bill’s transitional provisions allow any work of the Commissioner, which is ongoing at the time the Ombudsman is created, to be transferred to the Ombudsman.

Debate adjourned.
Business Services Wage Assessment Tool Payment Scheme Bill 2014
Governance of Australian Government Superannuation Schemes Legislation Amendment Bill 2015

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

COMMITTEES
Legal and Constitutional Affairs Legislation Committee
Economics Legislation Committee

Report
Senator RUSTON (South Australia—Deputy Government Whip in the Senate) (17:31): Pursuant to order and at the request of the chairs of the respective committees, I present reports on legislation as listed at item 19 on today's Order of Business together with the documents presented to the committees.
Ordered that the reports be printed.

BILLS
Renewable Energy (Electricity) Amendment Bill 2015
Second Reading

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

Senator MUIR (Victoria) (17:32): I will backtrack just a little from where I was in my speech where I pointed out that the inclusion of woody biomass into the renewable energy target is not a new suggestion. I pointed out that as a matter of fact for 10 years it was included in the RET and, despite outright lies from the Greens and now Labor—or certain factions of it—and extreme environmentalists, it did not lead to one extra tree being harvested; it only led to one RET being handed out.

I have received many emails and phone calls from constituents who are gravely concerned about the so-called destructions of our native forests and, rightfully so: it is not their fault that they have been misled. However, their concerns are about issues that are not related to the inclusion of woody biomass at all.

The inclusion of woody biomass is to include by-products of current harvesting operations as an eligible source of energy in the RET. We are not on about harvesting or logging any extra forest; we are on about utilising biomass that is left over.

We are speaking about a by-product that will rot and break down releasing carbon or methane into the atmosphere as it currently does or get pushed into the windrows and burnt. We are speaking of utilising a by-product of current harvesting projects; we are not speaking of cutting down a single extra tree, not one—just like it was when woody biomass was included in the RET for 10 years before the Labor party made an agreement with the Greens. This was a decision that the Labor party made, to the best of my knowledge, without even consulting the forestry division of the CFMEU.
Perhaps now is a good time for me to remind the Labor party that, before I got involved in politics, I was a paid-up union member and what one would call a traditional Labor voter. Now would be a very good time to remind you of who your traditional voters are. By trying to appease the Green votes, all you are doing is getting a nod of approval from people who are going to vote green anyway.

I would like to point out correspondence that I have received from the CFMEU where around 30 delegates from within the timber industry have pleaded for the support of their jobs, saying:

The ALP's proposed continued discrimination of electricity derived from waste, product or bi-product derived from biomass from native forests as an eligible source under the RET is extremely disappointing and unfair. The proposal is also without any justification as it is clear from the regulations that only wood waste from sustainably managed forests is permitted and that electricity generation must not be the driver for the harvesting operations—that means that we cannot harvest forest just to generate electricity.

In support of our jobs, we would appreciate it if you could use your influence to ensure the defeat of the ALP amendment to the bill.

I would also like to make a point that a misleading meme on social media is not a fact and, as a matter of fact, can create a lot of unnecessary unrest for those who actually believe what the meme might say but also for those who are employed in an industry who think that their jobs are going to be axed.

I have a photo here that I am happy to table—if the chamber is happy for me to do so—which shows the extent of what is utilised in the timber industry and, in this instance ASH—Australian Sustainable Hardwoods—Australia's largest hardwood timber mill, a mill with which I am extremely familiar as I worked there for a number of years. The picture helps highlights the protection that the high-value test contributes to ensuring that wood waste would not be a driver in harvesting operations.

It clearly shows an offcut which is 50 millimetres by 38 millimetres by about 30 centimetres in length. This is then joined by a finger joiner—again, I have worked in this industry and this mill; I have seen it with my own eyes; I know—with other similar lengths and turned into high-value products such as floor joists, window components, door components, stair stringers and more. These products are then sold to manufacturers at set lengths minimising their waste. So the manufacturers are able to buy product which is essentially made to size out of waste which has not been burnt for electricity.

What waste is left over is then turned into chips and sold to Australian Paper, Maryvale.

By ensuring the procurement of Australian paper we will then ensure that the high-value test would still apply on waste. By not procuring Australian paper we run the risk of seeing Australian manufactured paper and the industry that is supported by it cease, leaving us to rely on products that are imported from countries that do not have our chains of custody from forests that may not be sustainably managed. If we do not utilise the by-product of our timber industry and let our timber industry go down the drain, we are still going to be buying products from somewhere else, where forests are not managed as well as we manage our forests here.
Some of the sawdust from Australian sustainable hardwood is used to create heat to operate their kilns to dry the timber. If they were not using that sawdust—which is dry, so it burns very clean—it saves them about $4 million every year in gas bills. So, not only will we be having waste products from milling going to waste and breaking down but also the mill would have a $4 million gas bill. We would have a product breaking down and releasing emissions and also using emissions to dry the product in the first place instead of utilising what was already there. In the timber industry in Victoria—and I mention Victoria because it is my state—it will be 21,000 jobs. That is a lot of people whose jobs will be affected if we do not respect what industry we have.

Another point I would like to make before finishing is that it is suggested that woody biomass comes from AFCS-certified native forests. That is all good and fine except that there is not one single native forest that is actually under AFCS certification. So, for us to move an amendment like that would essentially mean nothing.

In conclusion, I think it is important that we do get the renewable energy target through, as I said at the very start. We need bipartisan support. We did see that in the lower house, and I would like to see the target go through this house, unamended, as is—or at least, if there are any amendments, with support from both sides.

I seek leave to table a document.

Leave granted.

Senator LAZARUS (Queensland) (17:39): I believe in climate change and I believe that if the world does not act to change our ways we will continue to expedite our progress of evolution to extinction. To quote David Suzuki:

If we want to address global warming, along with the other environmental problems associated with our continued rush to burn our precious fossil fuels as quickly as possible, we must learn to use our resources more wisely, kick our addiction, and quickly start turning to sources of energy that have fewer negative impacts.

David is just one of many internationally revered and renowned environmental champions committed to raising awareness of climate change and the need for the world to act before it is too late. And these global champions are not alone. Countries across the world are actively putting programs in place to increase adoption of renewable energy. The role of the federal government is to manage our country in the most responsible, ethical and diligent way possible. In doing this, the people of Australia expect the federal government to demonstrate leadership that is incorruptible, fair, forward thinking and, importantly, in the best interests of all for today and our future tomorrow. Sadly, we have witnessed poor leadership from the Abbott government in relation to many issues, including our country's commitment to and management of renewable energy. Evidence, scientific research and general understanding tells us that climate change is real and that the burning of fossil fuel is a major contributor to this. We know that the only way forward is to transition from burning fossil fuel to using cleaner, greener energy. In fact, the G7 has just announced its commitment to completely eliminate the use of fossil fuel by the year 2100.

Australia currently has a renewable energy target of 41,000 gigawatts. The RET is a critical tool in providing the infrastructure and target necessary to facilitate and enable the uptake of renewable energy across this country. Australia's RET is in step with the rest of the world. As I have already said, countries across world are adopting clear, progressive and well-defined
renewable energy targets. They are doing this to encourage, facilitate and support investment in and the adoption of renewable energy. Since the Abbott government has come to power they have done nothing but criticise and demonise the renewable energy target and the renewable energy sector. In fact, the Abbott government's reluctance to commit to the RET of 41,000 has eroded confidence in the sector, which has in turn caused a significant and sharp downturn in investment in the renewable energy sector. I can only assume that political donations being made by rich multinational mining companies to the pockets of the coalition are affecting the federal government's decision making and policy decisions around renewable energy. Is this the type of leadership we need in this country? I say no.

Thankfully, some states and territories across Australia are doing the right thing in relation to renewable energy. The government of Queensland has committed to a renewable energy target of 50 per cent by 2030. The ACT government has put in place a renewable energy target of 90 per cent by 2020. The South Australian government has put in place a renewable energy target of 33 per cent by 2020. Despite this, the federal government has not only demonstrated poor leadership on renewable energy but has now jumped into bed with the Labor Party and agreed to reduce Australia's renewable energy target from 41,000 gigawatts to 33,000 gigawatts.

I cannot and will not be part of this dirty deal that reduces Australia's renewable energy target and our country's commitment to the renewable energy sector. If the Abbott government and the opposition are successful in reducing Australia's renewable energy target, Australia will become the first country in the world to reduce a RET. I cannot and will not be part of this despicable act. For the sake of my children and all Australians and our country's future and role as an international citizen in progressing the best interests of the world I want to do whatever I can to stop this dirty deal from taking place.

That is why I have developed several amendments to this bill to maintain the RET at 41,000 gigawatts and to commit 8,000 gigawatts of the 41,000 to large-scale solar. Australia is one of the biggest adopters of solar power across the world. We need to do more in this country to support the solar power industry, to support solar power users and to reduce the costs associated with renewable energy. Maintaining our commitment to the RET and the renewable energy sector will achieve this by encouraging investment and innovation.

We also need to develop a national feed-in tariff rate for all users of rooftop solar. This will provide the people of Australia with certainty and consistency in relation to the benefits arising from solar power technology. I believe I have the support of all Australians in my desire to stop a reduction in the RET and to encourage investment in the renewable energy sector. Our future is too important. I should add that the Abbott government is also seeking to include the burning of native forest wood in the RET. I have serious concerns regarding this and, as a result, I will also be putting forward amendments to address these concerns in this bill.

In summary, I do not want Australia to become the first country in the world to reduce a RET and I do not want unfettered cutting down of native forest timber to be included in the RET. I am standing up for all Australians and I hope the Senate will support me by voting for my amendments. If the Abbott government had taken a responsible approach to the management of the RET from day one, shown strong leadership and pulled up its sleeves to assist and support our country to reach the 41,000 target by 2020, we would not be in the
mess we are in today. Sadly, the Abbott government's deplorable approach to renewable energy has sent our country backwards, hurting investment, our international reputation, local jobs and local businesses. We now have much to do to restore confidence in the renewable energy sector and to put our country back on the right path to cleaner, greener, more responsible renewable energy. Supporting my amendments will assist in this process.

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (17:47): I thank all senators who have contributed to this debate on the Renewable Energy (Electricity) Amendment Bill 2015. There has been a range of contributions, and I acknowledge that nearly every contributor has expressed their principled support in some way, shape or form for the ongoing development of the renewable energy industries in Australia and the importance of renewable energy as part of our energy make-up and mix. Different senators have brought different perspectives as to how that is best achieved, but I am pleased that it has been broadly a range of constructive contributions, notwithstanding some of the finer points of difference that different senators may have.

In relation to this legislation, it is important to understand that we are standing by the attainment and policy of a 20 per cent target for renewable energy by 2020. But what is happening under the current legislative framework is that we are tracking towards 26 per cent or more, which would result in Australians being required to pay for excessive generating capacity that is not needed in terms of our energy sector. This bill seeks to achieve balanced reform. It will provide certainty to industry, encourage further investment in renewable energy and better reflect market conditions. It will also help Australia to reach its emissions targets and protect jobs and consumer interests. On best available expectations, it will lead to around 23 per cent of Australia's electricity being sourced from renewable energy by 2020, still significantly more than the originally intended 20 per cent from when the current legislative settings were put in place.

This will be done in significant part by reducing the annual large-scale renewable energy target, such that it will reach 33,000 gigawatt hours in 2020, as against the current setting of 41,000 gigawatt hours. It will be maintained at 33,000 gigawatt hours from 2021 to 2030. This will help to encourage further investment in renewable energy by providing market stability and confidence, achieving a better balance between supply and demand. It means that the many renewable energy projects that are ready to roll will be able to proceed with certainty around the target, which I expect and am pleased to note appears to enjoy bipartisan support. It will better reflect market conditions.

The reality is that Australia has an oversupply of generation. Electricity demand is falling. The modelling and expectations on which the target had been set have proven to be fundamentally flawed. So the lower target means that additional capacity will be added in a far more responsible way that better reflects demand, as was the original intent of the legislation to achieve around 20 per cent, to meet the target of 20 per cent, and we believe it will still comfortably exceed that target.

It will reduce emissions in the electricity sector in a more cost effective way. The sector contributes about one-third of Australia's emissions. The lower target will still contribute to emissions abatement in the sector, but without supporting or requiring investment in renewable capacity and in electricity infrastructure that Australia simply does not need or
have demand for at this time. That means we keep electricity prices down for consumers. The lower target means that Australians will not be paying for additional, unnecessary capacity.

Thereby, of course, it complements this government's actions in abolishing the carbon tax and reducing the electricity pressures felt by Australian consumers and Australian businesses, which have impacted cost-of-living pressures and the nation's overall competitiveness. But it will still support jobs in the renewable energy sector. With an achievable target that will attract more certain investment for renewable energy projects, there can be confidence around sustainable growth in the industry and therefore more jobs associated with the industry. It will continue the transition for Australia towards greater reliance upon renewable energy, with around 23½ per cent estimated to be attained by 2020—a far, far higher share for renewables than the originally intended 20 per cent target.

The bill will also help to ensure that Australian industry and business is protected where they are exposed to competition from offshore and particularly exposed to high energy prices. It will increase assistance for all emissions-intensive trade exposed activities to a 100 per cent exemption. This means that the electricity used by businesses carrying out these activities will be fully exempt from any RET liability. This will reduce the pressure faced by businesses carrying out emissions-intensive trade exposed activities, helping to ensure that they remain competitive with their global competitors and therefore protecting their businesses and jobs in those employers' industries and sectors. The impact of this change on other electricity users will be more than offset, though, by the reduction in the direct costs of the RET resulting from the lower Large-scale Renewable Energy Target.

Consistent with our election commitment, the legislation will also reinstate native forest wood waste as an eligible source of renewable energy under the RET. We will do this by basing eligibility on the same conditions that were successfully utilised and previously in place from 2001 through 2011. The use of native forest wood for the primary purpose of generating renewable electricity has never been and never will be eligible to create certificates under the scheme. Let me be very clear again: the use of native forest wood for the purpose of generating renewable electricity has never been and will never be eligible to create certificates under the scheme. Eligibility was and will continue to be the subject of several conditions, including that it must be harvested primarily for a purpose other than energy production. There is absolutely no evidence that this will lead to unsustainable logging or will have a negative impact on Australia's biodiversity. Indeed, of course, there is ample evidence to the contrary based on the operation of the scheme under these same conditions for a decade from 2001 to 2011. The use of native forest wood waste for electricity generation is more beneficial to the environment than just burning the waste alone or simply allowing it to decompose. Its inclusion as an eligible energy source will be another contribution towards meeting the target and will ensure that it is put to good use.

The bill will also remove the requirement for two-yearly reviews of the RET, providing the policy certainty that is crucial to attracting investment, protecting jobs and encouraging economic growth. One of our government's priorities is to protect consumers and households but also businesses from any extra costs related to the RET. It is also important for us to make sure that the new target of 33,000 gigawatt hours is achievable. For these reasons the Clean Energy Regulator will prepare an annual statement on the progress of the RET scheme towards meeting the new targets and the impact that it is having on household electricity bills.
A number of specific issues relating to the legislation were raised through the contributions of senators, particularly around matters of wood waste and the nature of the target. I am sure these will be canvassed at some length in the committee stage, so I do not intend to go through them in any further detail than I have already done at this stage. It is the government's conviction that this legislation provides the best possible way to support renewable energy in Australia without unnecessarily increasing electricity bills for households or businesses and without increasing cost-of-living pressures for Australians and without making Australian industry and business less competitive than the rest of the world. It ensures that we will not be subsidising, and, more importantly, that consumers and businesses will not be subsidising, unnecessary electricity capacity and simply forcing that extra capacity into an already oversupplied electricity market.

It implements necessary reform, it makes sure that the RET scheme is once more effective, market-friendly, economically responsible and beneficial not only for the environment but for consumers as well. Perhaps most importantly, it ensures that we retain the commitment to a 20 per cent renewable energy target, that that commitment will be delivered and exceeded and that the original intent of the legislation is met. These amendments simply ensure that it is met in a more responsible way that takes account of and better reflects the changing circumstances that we have seen over recent years and the flaws in the modelling that occurred at the time of the initial legislation passing.

I commend the legislation to the Senate and look forward to the continued constructive contribution of senators during the committee stage.

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

The Senate divided. [18:02]

(Acting Deputy President—Senator Smith)

Ayes .................40
Noes ..................11
Majority.............29

AYES
Bernardi, C
Birmingham, SJ
Bushby, DC
Canavan, M.J.
Day, R.J.
Fawcett, DJ
Gallacher, AM
Lambie, J
Lindgren, JM
Ludwig, JW
Marshall, GM
McEwen, A
McKenzie, B
Moore, CM
O’Neill, DM
Peris, N
Reynolds, L
Seselja, Z
Bilyk, CL
Bullock, J.W.
Cameron, DN
Colbeck, R
Edwards, S
Fifield, MP
Ketter, CR
Leyonhjelm, DE
Lines, S
Madigan, JJ
McAllister, J
McGrath, J
McLucas, J
Muir, R
O’Sullivan, B
Polley, H
Ruston, A (teller)
Singh, LM
AYES
Smith, D
Urquhart, AE
Sterle, G
Xenophon, N

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

Question agreed to.
Bill read a second time.

In Committee

Bill—by leave—taken as a whole.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (18:05):
Pursuant to standing order 115(2), I move:
That the Renewable Energy (Electricity) Amendment Bill 2015, together with the circulated amendments to the bill, be referred to the Environment and Communications Legislation Committee for inquiry and report by 22 June 2015.

The CHAIRMAN: The question is that the committee report progress.

A division having been called and the bells being rung—

The CHAIRMAN: Senator Waters, for your information, I cannot deal with that motion in committee. I need to go out of committee to deal with it. I do understand that you were trying to seek the call prior to us going in committee, so I am not critical in any way of this; it is just that I do now need to report progress and move out of committee.

Senator Birmingham: I understand that there was a misunderstanding in relation to the time at which Senator Waters was seeking the call and that she may have been seeking the call prior to entering into the committee stage. With that in mind, we request to withdraw the division and will allow a return out of the committee stage.

Leave granted.

The CHAIRMAN: The question is now that progress be reported.

Question agreed to.
Progress reported.

Reference to Committee

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (18:08): I thank the chamber for its indulgence; I believe now is the correct time to move under standing order 115(2) for a brief but necessary inquiry into this bill, the Renewable Energy (Electricity) Amendment Bill 2015.
It is highly unusual for us to not have inquiries into bills, particularly controversial bills like this one, which changes the face of our clean energy future. I am urging the chamber: whatever your position is on this bill—and we know that—unfortunately—both of the big parties are agreeing to cut the clean energy target—it is just abominable that you would do so without actually sending this bill to an inquiry. There is a litany of unanswered questions about the implications of this bill, not least about the native forest burning that has been included in the face of all evidence. The community deserves the right to have a say. That is the normal process. I am incredulous that we have already moved twice for an inquiry and have received no support. We are giving folk one last chance tonight. We are not trying to delay the passage of this bill. We understand that you guys want to slash the renewable energy target and we do not; we know we have lost that fight. But we do want to make sure that we actually scrutinise this bill, and so I move:

That the Renewable Energy (Electricity) Amendment Bill 2015, together with the circulated amendments to the bill, be referred to the Environment and Communications Legislation Committee for inquiry and report by 22 June 2015.

The PRESIDENT: The question is that the bill be referred to a committee on the motion moved by Senator Waters.

[The Senate divided.]

(The President)

Ayes .................16
Noes .................38
Majority ............22

AYES

Day, R.J.
Hanson-Young, SC
Lazarus, GP
Ludlam, S
Milne, C
Rice, J
Waters, LJ
Wright, PL

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

NOES

Back, CJ
Birmingham, SJ
Bullock, J.W.
Cameron, DN
Colbeck, R
Fawcett, DJ
Gallacher, AM
Lindgren, JM
Ludwig, JW
Marshall, GM
McEwen, A (teller)
McKenzie, B
Moore, CM
O’Neill, DM

Bernardi, C
Brown, CL
Bushby, DC
Canavan, M.J.
Edwards, S
Fifield, MP
Ketter, CR
Lines, S
Macdonald, ID
McAllister, J
McGrath, J
McLucas, J
Muir, R
O’Sullivan, B
Question negatived.

In Committee

Debate resumed.

Senator SINGH (Tasmania) (18:17): by leave—I move items (1) to (4) on sheet 7712, together:
(1) Title, page 1 (lines 2 and 3), omit "and the Renewable Energy (Electricity) Regulations 2001".
(2) Clause 3, page 2 (line 11), omit "(1)".
(3) Clause 3, page 2 (lines 15 to 17), omit subclause (2).
(4) Schedule 1, Part 4, page 13 (line 1) to page 15 (line 2), omit the Part, substitute:

Part 4—Wood waste

Renewable Energy (Electricity) Act 2000

47 At the end of section 17

Add:

Wood waste

(6) Despite anything in regulations made under subsection (3), wood waste does not include waste, or a product or by-product, that is, or is derived from, biomass from a native forest.

Labor's amendments remove the provisions in this bill that seek to reinsert native wood waste into the Renewable Energy Scheme and amend the act to prevent any future regulation being made by the government to reinsert native wood waste into the scheme. This attempt to reinsert native wood waste into the Renewable Energy Scheme is nothing more and nothing less than a cynical red herring. It is not an issue that was raised with our shadow minister during negotiations. We all know that those negotiations went for some 12 months or more and yet it was never raised during all of those negotiations. It was a critical issue for industry, but it was certainly never, ever raised.

Native wood waste is neither clean nor renewable in the modern-day sense of the term with respect to the Renewable Energy Scheme. Boosters of this provision like to pretend that they are talking here about small amounts of waste, small amounts of refuse that are left, say, on the forest floor after some harvesting. But what we clearly know is that the definition of 'native wood waste' would involve the whole of any tree that is harvested but not ultimately saw lopped. So the industry definition of 'waste' is not waste in the sense of the residue—that is, the leaves, branches and stumps—left after logging on the forest floor. The definition of 'waste' or 'residues' that is built into the regulation allows for whole logs to be burnt for power production. Wood waste, for instance, from plantation logging is already an eligible source in the current renewable energy act. But including wood waste from native forests would allow native Tasmanian trees, for instance, to be logged and burnt for power production because
waste can be defined as any log that is harvested but not ultimately saw lopped or that has no higher commercial purpose. So in this way a pulp log, for paper production, is of lower value than a sawlog for sawn timber, so the pulp log is considered waste, even when pulp logs comprise 90 per cent of the timber extracted from a forest.

So Labor is not willing to see the Renewable Energy Scheme used to provide an alternative to the hard work of debating serious questions around the comprehensive inclusive and long-term solutions for our traditional logging industries. So it is for those reasons and for the reason that the reinsertion of native wood waste into the scheme was never raised during the some 12 months of negotiations with the opposition that I move the amendments that are before the Senate.

Senator IAN MACDONALD (Queensland) (18:21): Chairman, I am not sure that there was a question to the minister in that, but I do have a question—

Senator Singh: I have moved amendments.

Senator IAN MACDONALD: Okay. I will then ask you the question.

Senator Singh: Just by way of clarification for Senator Macdonald, I have just moved amendments.

Senator IAN MACDONALD: That being the case, perhaps I should not have jumped in before the minister. As I have the call, I just want to draw the senator's attention to a wonderful speech made this morning by Senator Lambie on this very subject. Senator Lambie, as a Tasmanian senator, understands what this is all about. I was delighted that Senator Lambie has shown herself to be the only non-government senator from Tasmania who understands just what a destructive force the Greens political party has been in the whole debate and in the Tasmanian economy as well.

Senator Singh, as I recall, was actually a minister in the Tasmanian government and was supported by the Greens political party. Knowing the way the Greens political party operates, there would have been some deal on preferences to ensure that the Labor government stayed in power—the Labor government of which I understand Senator Singh was a member and, indeed, a minister.

It is terribly important that the issue is fully understood, and whilst I appreciate that the Labor Party is supporting the bill as proposed, I am disappointed that they have tried to turn back the clock on this issue of the sustainable use of wood waste: the ability to use wood waste, which would otherwise rot, as a means of creating renewable energy. I guess I should leave it to the minister to indicate the government's view on the amendment, but it would seem to me, from my experience in these areas, that this is not an amendment that is in the best interests a) of Tasmania, b) of the timber industry or c) of the whole renewable energy debate across Australia.

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (18:25): The government opposes these amendments by the opposition. The proposed amendments would mean that native forest wood waste is not reinstated as an eligible source of renewable energy under the RET.

Our concern is that this provision from the opposition, which would mean that the reinstatement of biomass from native forest wood waste as an eligible source of renewable energy was removed, is counter to many things that many in the opposition have said
previously, and, more importantly for us, is counter to the policy we took to the last election
and to the commitments we have given in this regard. The opposition also seeks to add a
provision to the legislation that prevents the eligibility of biomass from native forest waste as
a source of renewable energy.

As I said in my closing remarks, the use of native forest for the primary purpose of
generating renewable electricity has never been and never will be eligible to create certificates
under the scheme. Let us again make it crystal clear for anybody following this debate and for
anybody concerned about the future of native forest—as I expect many people with an interest
in this debate will be—that the use of native forest for the primary purpose of generating
renewable electricity has never been and never will be eligible to create certificates under the
renewable energy target scheme. Under the proposal we have before us tonight, eligibility
was and will continue to be subject to several conditions, including that it must be harvested
primarily for a purpose other than energy production. We are clearly talking here about waste,
as Senator Macdonald made clear before, as Senator Lambie made clear during the debate,
and as many other senators have made clear. We are talking about wood waste products, not
about it being harvested for the purpose of renewable energy.

One of the objectives of the RET is to support additional renewable energy generation that
is ecologically sustainable. Our government is seeking, consistent with the policy we took to
the last election, to reinstate native forest wood waste as an eligible source of renewable
energy, because there is no evidence that its eligibility leads to unsustainable logging or has a
negative impact on Australia's biodiversity. But there is evidence that by allowing this you
would ensure that such waste does not rot, is not otherwise burnt, and does not otherwise end
up causing emissions when it could instead have been used in a productive way to generate
electricity. The safeguards that were previously in place for a decade, from 2001 through to
2011, were, and still are, sufficient assurance that native biomass will be harvested in a
sustainable way and that the regulations are underpinned by ecologically sustainable forest
management principles that provide a means for balancing the economic, social and
environmental outcomes from publicly-owned forests.

We want to put back in place the pre-November 2011 regulations that established
eligibility for native forest wood waste as a renewable energy source. As was the case under
those regulations, which operated for that decade from 2001 to 201, the regulations will
require that the eligibility is subject to a number of conditions. Let me detail those for the
Senate. The biomass must arise from a harvesting activity where the primary purpose is not
energy production. Further, the biomass must either be a by-product or waste product of a
harvesting operation approved under relevant planning and approval processes and that meets
the high-value test or be a by-product of a harvesting operation carried out in accordance with
ecologically sustainable forest management principles. The biomass must meet ecologically
sustainable forest management principles in a regional forest agreement or, if no such
agreement is in place, meet equivalent principles to the satisfaction of the minister of the day.

The Clean Energy Regulator, who, I think, as an entity is broadly well regarded across the
chamber in a number of ways, will be tasked with undertaking a rigorous assessment of the
applications by power stations for accreditation to use native forest wood waste. In
determining the eligibility of native forest wood waste as a renewable energy source, the
regulator would verify that, if the forest management framework under which the harvesting
operation is conducted is a regional forest agreement, the harvesting has been carried out in accordance with the ecologically sustainable management principles in that regional forest agreement; or, if the harvesting operation is not conducted under an RFA, that the harvesting is carried out in accordance with ecologically sustainable forest management principles equivalent to those of a regional forest agreement, to the satisfaction of the minister. The power stations must provide a statement of the ecologically sustainable forest management principles related to the wood waste.

The regulator would also test that the use of wood waste for energy production is not the primary purpose of the harvesting operation. The regulator would be verifying that the existence of the sawmill and its operating licence is appropriate; that, where applicable, the high-value test is satisfied; and that there is an auditable trail of documentation in place, from the source of the wood waste to the power station.

The regulator would also undertake sample checks of the registration numbers of wood waste trucks and the weighbridge documents for the supply of wood waste to ensure that all is above board and satisfies the requirements in the supply of that wood waste. The regulator also has the power to conduct spot audits of power stations that use wood waste for energy production.

Once the power station is accredited, having jumped through all of those hoops, having met the tests that have been applied, it can then create large-scale generation certificates. If the LGCs are being created using wood waste, several data validation checks are completed as part of a generation data assessment process. These include a requirement for the power station to retain an auditable trail of documents that demonstrate compliance with the eligibility requirements—such as identifying very clearly the type of wood waste, whether it is biomass, sawmill residue or a by-product of a manufacturing process; the origin of the wood waste; and the amount of wood waste delivered to the power station—including the details I spoke of before pertaining to truck registration numbers, weighbridge documents and the like.

I want to make it clear to all that these are robust safeguards. These are safeguards that, it was demonstrated over a decade, do not have any negative impact on the operation and use of native forests. They are safeguards that allow for the use of product that would otherwise go to waste—product that would potentially otherwise be burnt, to no end, or left to rot, to no end. Instead, we are providing the opportunity for that product not to be burnt for no purpose, not to be left to rot for no purpose, but to be utilised in a sustainable way for the generation of electricity within the operation of the renewable energy target.

This matter has been debated in the chamber many times over the years. The Australian Greens have always sought to make an issue out of it because of course there are no circumstances in which the Australian Greens support any form of native forest logging. Frankly, there do not seem to be any circumstances in which the Greens are inclined to support any form of logging activity or any forestry activity at all. There are probably few circumstances in which they are interested in supporting any economic activity at all. So we have seen this debate run before as a proxy for debates about how native forests are managed, and that is all it is. It is a smokescreen. It is a proxy. It is the Greens, as they have done historically, suggesting as part of some type of dubious activity that the use of this waste is somehow encouraging greater use or logging of native forests. That is not the case. We have
very strict management regimes in place around how native forests are used. The regional forest agreements provide a sound framework for that. And, as I have emphasised, all of the regulations to date—all of the previous regulations and those proposed for the future—make it crystal clear that the waste can only be utilised as waste for energy purposes and that the primary purpose of any harvesting must not be energy production.

The Labor Party used to agree with us on this topic. For many years, they defended the inclusion of native forest wood waste as one of the eligible activities. For many years, they stood by and defended that. It was only during those unfortunate three years—unfortunate for the nation and unfortunate, frankly, for the Labor Party—that they were in a coalition government with the Australian Greens that they relented. This is one of the issues during that three-year period that the Labor Party stepped back from and let the Greens have their way on. Sadly, the Labor Party have not worked out that that did not work for them; that that was a disastrous period not only for the country but also for the Australian Labor Party; and that they would be well advised to go back to their old policy, the one they had before they got into bed with the Australian Greens, that supported sound and sensible management of native forest wood waste.

Let me highlight some of the arguments the Labor Party used to make in this regard, before their agreement with the Greens. Back in 2009, Senator Penny Wong—who, at that stage, I think was Minister for Climate Change and Water—said: I would make the point that this native forest biomass has been an eligible source under the current MRET since 2001.

Senator Wong was quite correct. It had been and continued to be for another couple of years. She was defending it at the time. Senator Wong went on to say:

There are additional eligibility criteria in relation to the use of native forest biomass, including restrictions on the areas where the native forest wood waste can come from in order for it to be used in generation that is eligible to create RECs.

At that stage, back in 2009, Senator Wong was very clear there was an eligible source and the additional eligibility criteria, and the additional tests that were applied, were appropriate. Of course, what we are trying to reinstate are the criteria and the tests that applied when Senator Wong was endorsing it in 2009.

In 2010 Senator Wong was continuing at that stage to defend this very legitimate activity and this very legitimate definition. At that stage, she did call out the Australian Greens for what this debate actually was. She said: 'I always find it interesting that you feel the need to do that, Senator Brown.' Of course, it was Senator Bob Brown at the time. Bob Brown had said: 'Penny Wong is a prodigious supporter of the destruction of native forests.' Senator Wong rightly said: 'That was an extraordinary inflammation of the debate without any factual basis.' And that is quite right. It is, of course, an example of the fact that, at that time, the Australian Greens, as they had consistently, and continue to do so, used this as a proxy war over native forest management altogether.

The tragedy is that the Labor Party did not stand by the position that Penny Wong took consistently and, indeed, that is still the position of the Tasmanian Labor Party. Senator Singh, who has moved these amendments, should really be listening to Mr Bryan Green, the Tasmanian Labor leader. He wrote to the shadow environment minister Mark Butler to strongly put forward the case for a compromise on the inclusion of biomass in the RET. Mr
Green is right, Penny Wong was right, our government and party today are right, the Labor Party are, sadly, wrong on this. Sadly, they are standing by a position they adopted when they were in bed with the Greens. They would be wise to withdraw these amendments. They would be wise to support the government in having native forest wood waste included as an eligible source with all of the protections that we are putting forward.

**Senator WATERS** (Queensland—Co-Deputy Leader of the Australian Greens) (18:40): We support this amendment. Indeed, we have amendments that are drafted slightly differently but achieve the same outcome. Native forest burning is not a renewable energy source. It is terrible for biodiversity and it will throw a lifeline to the native forest logging industry just as the woodchips industry dries up. Interestingly, our amendment is drafted in a slightly different way, of course, such that it requires one less vote to pass. I think the Labor Party fully well know that the way they have drafted their amendment means it is destined to fail.

**Senator SESELJA** (Australian Capital Territory) (18:41): I just want to seek some further clarification from the minister, particularly looking at a number of the aspects of how this would work in practice to ensure we do not see some of the things that the Greens are claiming—some of the ideas that there would be, somehow, wholesale extra logging or destruction of forests as a result of this inclusion. Also, when it comes to the regulation to ensure that this is not abused, I am interested in how that would be regulated. What would be the arrangements when it comes to an auditable trail of documentation from the source of the wood waste to the power station? If you could give some clarity on that, Minister.

**Senator BIRMINGHAM** (South Australia—Assistant Minister for Education and Training) (18:42): Thank you, Senator Seselja, for your question. I should note, as I was remiss in not doing so during my contribution in closing the second reading speech, that there were some very sound contributions in relation to the overall debate around this legislation but particularly the issue around biomass and native forest wood waste from not just some on our side who spoke, like Senator Macdonald, but notably some of the members of the crossbench as well. At the risk of missing those whose contributions I did not hear, I particularly want to single out Senator Lambie and Senator Muir, who both outlined very compelling arguments as to why this type of native forest wood waste should be included. Of course, they both bring particular backgrounds, experience and knowledge to this—Senator Lambie has a particular interest as a Tasmanian senator and Senator Muir has a background in working in associated industries and has a good understanding of the sector. I think it is important to highlight that and to highlight that they, along with the government and along, I think, with most of the crossbenchers, accept the validity of the arguments that I have been putting forward.

Senator Seselja, in answer to your question, particularly about the strength of the regulations that we are putting forward, as I had emphasised those regulations are consistent with what operated between 2001-2011. They are clearly adopting the same type of approach and the same types of tests that were proven to work through that time and for which no arguments have been made—that I have heard—demonstrating any abuse of those regulations or demonstrating that they were not satisfactory in relation to the protections they provided to native forests and the assurance they gave in that, where native forest waste was burned or used for electricity generation purposes, it was because it was genuinely waste. It was
genuinely a secondary by-product, a waste product, of otherwise used native forest products that were harvested for purposes other than electricity generation.

I was highlighting some of the previous positions of the Labor Party, Senator Seselja. Having put in my own words what the protections are, given that we are utilising the same type of protections, it is important that we acknowledge the explanation that previous Labor minister, Senator Wong, gave when she was Minister for Climate Change and Water, defending the same thing, outlining exactly how the protections worked in her eyes at that time. In a debate on 19 August 2009 in this place, Senator Wong pointed out:

We did go to the election with a commitment to retain existing eligibility. I would make the point that this native forest biomass has been an eligible source under the current MRET since 2001.

I say to Senator Seselja and other senators and those listening that we went to the last election committing to reinstate it, because we never believed it should have been removed. We believe it was only removed as part of the awful deals that were undertaken between the Labor Party and the Australian Greens during those fateful three years of the largely Gillard government.

Importantly, Senator Wong went on to explain what the regulations meant. I think it is very valuable for the Senate and for senators to understand what the regulations meant then, in Senator Wong's words, because they mean exactly the same thing today in terms of their operation and what they will mean when reinstated as a result of the government's legislation. To quote Senator Wong:

The existing regulations underpinning this prescribe that, to be eligible under the Mandatory Renewable Energy Target, native forest wood waste must either come from an area where an RFA, a regional forest agreement, is in place or, if it is from outside an RFA area, it must be produced from harvesting carried out in accordance with ecologically sustainable forest management principles that the minister is satisfied are consistent with those required by an RFA, which I understand is referred to as an RFA-equivalent area.

Senator Seselja, that is of course exactly what we are proposing. As I told the Senate before, as a test for this, we are proposing that, if the forest management framework under which the harvesting operation is conducted is a regional forest agreement, the harvesting must have been carried out in accordance with the ecologically sustainable management principles in that agreement. Further, if the harvesting operation is not conducted under an RFA, the harvesting must have been carried out in accordance with ecologically sustainable forest management principles equivalent to those of an RFA, to the satisfaction of the minister. We are reinstating exactly the same conditions that Senator Wong explained in the 2009 debate as we reinstate the eligibility for native forest wood waste. Let me go on with what Senator Wong said on 19 August 2009, in responding to questions that had been put to her by Senator Milne. Senator Wong said:

The regulations also prescribe a primary purpose test—that is, the wood waste must be primarily harvested for a purpose other than biomass for energy production. The wood waste must also be either a by-product or a waste product of a harvesting operation for which a high-value process is the primary purpose of the harvesting—known as a ‘high-value test’—or a by-product of a harvesting operation that is carried out in accordance with ecologically sustainable forest management principles. The wood waste is taken to be from a high-value process only if the total financial value of the products of the high-value process is higher than the financial value of other products in the harvesting operation. The regulations define a high-value process as ‘the production of sawlogs, veneer, poles, piles, girders,
Chair, Senator Seselja and other senators, it is important to understand that, at the time, Senator Wong was explaining the tests that had applied at that stage for eight years and that continued in operation for another two years. We are simply seeking to reinstate those types of arrangements. We are applying the same sorts of tests.

Senator Colbeck: Exactly the same tests.

Senator BIRMINGHAM: Exactly the same tests, indeed, as Senator Colbeck rightly acknowledges. I have already highlighted the direct correlation between the test Senator Wong was talking about in relation to the consistency with a regional forest agreement and the ecologically sustainable principles that applied there; or, if there is no RFA, an equivalent test. But equally the same direct correlation applies in relation to the primary purpose test that is put in place. Senator Wong spoke of the primary purpose test, saying that the wood waste must be primarily harvested for a purpose other than biomass for energy production. Indeed, what I told the Senate just before in relation to this is that the biomass must arise from a harvesting activity where the primary purpose is not energy production. It is very clear. Further, Senator Wong highlighted the high-value test and went into some of the detail of the definitions that apply to that high-value test. As I have highlighted in this debate, the biomass must be either a by-product or a waste product of a harvesting operation, approved under relevant planning and approval processes, and must meet a high-value test. As Senator Colbeck rightly interjected before, we are seeking to put in place the same regulations, the same tests, the same standards that worked so effectively for so long before the unholy Labor-Greens alliance, the previous government, stripped them out.

As I highlighted before, it is not just the former Labor Party—the Labor Party of 2009 or 2010, or really any time prior to them doing this deal with the Greens in 2011—that they are inconsistent with today and that the amendments which we are debating are inconsistent with. They are also inconsistent with the Tasmanian Labor Party of today. Mr Bryan Green, the Tasmanian Labor leader, on 8 May this year—just one month ago—said:

I have written to Shadow Environment Minister Mark Butler to strongly put forward the case for a compromise on the inclusion of biomass in the RET.

We are not talking about large-scale power stations in the middle of the forest burning trees to create electricity.

He of course is dead right: we are talking about a product that will be harvested anyway and it is harvested for other purposes, but the waste, the offcuts, the by-product does not end up going to waste.

We are putting in place an incentive, an opportunity, for those waste products to be used in an ecologically responsible way, to make the most out of those waste products—so that they are not left rotting on the floor, so they are not thrown into a fire for no purpose, but so that they are actually used to generate electricity and so they are put to some good use. The timber will primarily have already been utilised for a range of the purposes such as: the creation of high-value products like sawlogs, like veneer, like poles, like piles, like girders, like timber for carpentry or craft use—high value purposes that this wood would have been harvested for.
and must have been harvested for, if any of those offcuts or that waste is to be used as part of the renewable energy target criteria.

I think it should be clear to all in the chamber not only that we have strong safeguards in place—because we do, incredibly strong safeguards—and that we have the evidence to support the safeguards—because we do and those safeguards operated effectively in a decade spanning from 2001 to 2011—but also that the Labor Party is once again being completely inconsistent in the way in which it is applying their policies. Tasmanian Labor is arguing for the coalition government's position; Tasmanian Labor is in lockstep, it seems, with the Tasmanian Liberals, like Senator Colbeck, rather than Tasmanian Labor senators, like Senator Singh. Of course, Labor seems to want to continue its unfortunate relationship with the Greens, and that is what Labor is doing with its amendments. It also continues to ignore the cries of some from the Labor Party were arguing that it should be maintained—even in 2011 and even when the Labor Party was getting into bed with the Greens and removing the eligibility provisions that had operated with safeguards in place for a decade.

I look to Dick Adams, who at that stage at least was recognising the value of bioenergy sourced from the native forest biomass. He was part of the House of Representatives inquiry that recommended that under any version of the RET or similar scheme, bioenergy sourced from native forest biomass should continue to qualify as renewable energy where it is true waste product and does not become a driver for the harvesting of native forest. Sadly for the Labor Party, it did not listen to that sort of advice; sadly for the Labor Party, it did the deals with the Australian Greens; and, sadly for the Labor Party, that meant that it went into the last federal election and only managed to win one of the five seats in Tasmania. Labor paid a price for turning its back on sensible forestry policy and on sensible policy relating to renewable energy—policies that were demonstrated to work and to have the effective safeguards in place. If it had any sense today, the Labor Party would be withdrawing this amendment and would be supporting the government's proposal to re-include the eligibility criteria for forest wood waste and to make sure that we have an effective regime in place, as our government intends to have.

Senator MILNE (Tasmania) (18:57): I have heard a lot of drivel in a decade in the Senate, and often it is just drivel to fill in time, and that is precisely what is going on here tonight. Anyone listening to this debate needs to understand that what the government has now set up is a filibuster. We had Senator Seselja a little while ago vote against an inquiry into this bill to spell out the provisions of the bill and now he seeks to have the minister explain something that has already been explained. I will tell you why: out in the back rooms, the crossbenchers are trying to stitch up an even worse deal with the government to see what other disasters they can incorporate into the RET. That is exactly what is going on now.

I call it 'drivel' for this reason: nobody who has actually stood up and spoken on this can have been out into a coupe in Tasmania's native forest. If they had, they would know that 90 per cent of what comes off that coupe has gone to the woodchippers in the past. Talk about
logs for high value purpose! Not on your life! The only reason they go ahead with the logging is the money they got from the woodchippers. That is what made it economically viable for Gunns to make a fortune over all those years and then ultimately go broke when the bottom dropped out of the native forest market. There is no market for the logging of native forests and say this is an attempt to create a market—to make logging native forests viable. Why is that? When the loggers themselves recognised there was no future in native forest logging, they approached the conservation movement to try to work out how they could get out of native forests. They did then get out of native forests with a deal where the Commonwealth spent hundreds of millions of dollars, paying them to get out of native forests.

Exit packagers for the loggers were paid to get them out of native forests.

Then in came Prime Minister Abbott. He said he would overturn that previous agreement on the forest in Tasmania. He said he would get the loggers back to work. Only he did not know enough about it to know that they were never going to get back to work because there is no market for native forest woodchips—and so now the government are trying to create one. They stand here and say, 'This will be logged in accordance with regional forest agreements.' Exactly. That is what has gone on for the last 10 years.

RFAs are exempt from the EPBC Act. There are no provisions to protect habitats and threatened species. We are seeing logging on Bruny Island, as I stand here today, killing the habitat of the swift parrot, a threatened species. I wrote to the minister and asked, 'What are you doing about that?' I got a letter back from the Threatened Species Commissioner who has just been set up saying, 'Nothing. We are not doing anything about it and we will not be doing anything about it. It is not our jurisdiction.'

Right across Australia, regional forest agreements have overseen disastrous native forest operations removing habitats for our threatened and critically endangered species. Forestry Tasmania are such a basket case. Even today in the legislative council Sue Smith down there was saying it should be sold off and disbanded. That is absolutely where it has got to because they are in debt up to their necks. They have had to transfer $30 million from the electricity network in Tasmania to prop them up. They even had to get a letter of comfort from the Tasmanian government or they would have been trading insolvent.

Now we have a government running around trying to put some value into native forest logging by giving out credit certificates for renewable energy. But it is not renewable energy. It can never be renewable to log native forest and put them into a forest furnace to burn for electricity. That is never going to work. What is more, it is going to lead to a massive consumer campaign against any retailer that tries to sell this electricity, as it did a decade ago when we last campaigned against this—and we will again. They were then known as burnt koala certificates. They will now be not only burnt koala but burnt swift parrot and burnt everything else certificates because that is exactly what is going on here.

I hate to think what is being stitched up out in the back room as we stand here and speak. No doubt it will be an attempt to undermine wind technology. This deal of 33,000 gigawatt hours was designed to try to save wind. These people hate wind, so they will be out there trying to stitch up some deal that restricts wind. The Clean Energy Council has facilitated it. Labor have gone down, down and down to 33,000 when Bill Shorten, the Leader of the Opposition, stood with me in Barton at a public meeting saying, 'Labor is not for turning.' The government is wearing everyone down, except the Greens. I can say that standing proudly.
And Senator Lazarus stood with us on the second reading vote. We are the only ones in this place who stood up and said, 'We like 41,000 gigawatt hours.' There was no rationale whatsoever for wheedling this down to where they have got it to except that the government did not like the fact that there is too much electricity in the system. They needed to take out 9,000 megawatt hours. They could have done that by shutting down coal fired power stations, but they did not want to because their objective was to prop up coal fired power and destroy renewable energy. If they can get destroyed forests into it, that is exactly what they will do.

We heard the minister over there telling us about how marvellous these logging operations are and how sustainable they are. There was an open letter to the Senate today from 40 scientists across Australia. What they obviously do not understand is that this is an anti-science government. This is an anti-science crossbench. They do not want to have the science put in their faces because they are not interested in science. That is exactly the case. These 40 scientists have written today saying the acceptance of a perverse definition of wood waste in renewables is being questioned by them. They are alarmed that once the door opens on burning Australia's native forests in tower furnaces it could see our forest heritage drawn into supplying an export demand to satisfy the expanding number of biomass burners overseas. Peter Gell, professor of environmental science at Federation University, said, 'The wood fuel market has potential to impact even more destructively on our forests, ecosystems, wildlife and water catchments than has the export woodchip industry. If it can be burnt, it will not be safe. The ironbark forests and woodlands, the forest types that the chippers rejected, would all be targets for the resource mix if the RET bill passes parliament as it stands.' That is from Australia's leading scientists writing to this Senate. Yet we have a situation where people are sitting here thinking that this would be a good idea.

It is hard to believe that in this country we have got to the point where we are rejecting the latest science, where we still have a situation where the logging industry is exempted from the Environment Protection and Biodiversity Conservation Act and where we have this perverse idea that we will give a financial incentive to give viability to native forest logging when it clearly has no viability. Native forests would not be harvested anyway, as Senator Birmingham tried to suggest, because Forestry Tasmania are in debt up to their necks. They are putting back into it a financial incentive to destroy native forests. It is absolutely despicable. As the scientists said, it is a falsehood to claim this type of electricity production as renewable. 'You cannot renew or replace the burnt carbon stored in a 100- to 600-year-old forest in the turnaround time needed to address climate change,' said Professor Gell. If all Australian native forest logged production in 2009 had instead been burned for electricity it would have substituted as little as 2.8 per cent of our coal based power generation. We risk unleashing an industry with a potential appetite to decimate our native forests and all the services they provide to gain very limited emission benefits. This is very poor environmental policy and poorer energy policy. That is the fact of the matter. When I go back to what they have said about the export demand to satisfy the expanding number of biomass burners overseas, I know that this is a horror show.

There are also the free trade agreements the government have stitched up. Let's talk about South Korea. We have also signed up to one with China today. In those free trade agreements—you wait—there will be agreements to send shiploads of whole logs and pellets to South Korea to burn in forest furnaces. It will not be long before we are doing the same...
with Japan. This is where the world is going. Tragically, there are countries like Australia prepared to raze the last of their forests and sell them to other countries to burn—not to use even in the production of paper, as they suggested previously. The poor quality woodchips that went from here did not even make it into the paper mix; they went straight into the furnaces to run the place to generate the electricity. This is what they did in the Stone Age! That is where you want to take us back to—and it is completely wrong.

The renewable energy target should be increased. The rest of the world recognises, as we go into Paris at the end of the year, that we need to get out of fossil fuel energy production as fast as possible. The energy race of this century has already been won by the renewables. The jobs, the technology, the brains base—everything—depends on moving fast into the low-carbon economy, not frustrating it and locking us in to more dig it up, cut it down, ship it away, and now burn it as well. This is utterly appalling policy!

It is really sickening, Minister, to hear you regurgitate all of the lines that the loggers have used for years about sustainability and regional forest agreements and ecologically-sound logging. Go out onto the coupes! Go out and see the mess that they have left! Look at the stats on the number of species now on the threatened and critically endangered lists! Do not stand here and tell the Senate that native forest logging in Australia has been anything other than extremely destructive at the industrial scale that it has operated on. Go and have a look out at those forests where the Bentley blockade was, for example. Here you have more threatened species being able to be cleared for expanded coalmines. How obscene is that! Offsets that enabled those primary forests to be cleared for coalmines. This is a disgrace!

We are so much of a pariah at a global level. Step out of this country for five minutes and hear the conversation that is being had around the world. This is such an opportunity cost to this nation. Every other country is getting ahead of us in terms of technology, in terms of jobs. Our brains base is going to leave this country. Young people are going to take their skills overseas because they want to be part of the solution; they do not want to stay here and be locked into the problem. I would ask every senator to read this open letter from 40 leading scientists. Think about biodiversity. Think about the climate. Think about the value of forests—and do not support this absolutely backward step.

You just have to look at the Prime Minister's words. He said that the reason the RET is 33,000 gigawatt hours is not that he wants to give certainty to the renewable energy industry. No! It is 33,000 gigawatt hours because he could not get it any lower. That is as low as he could go in this Senate. But he will go lower if he can. In terms of whether it means more wind turbines, what did the Prime Minister say? He can't stand them. There are too many of them. He does not want to see any more of them. But he spoke to the loggers at their dinner and said he thinks they are marvellous; they do a great job. That is exactly where this is going! This is not about certainty. This is about the far Right in Australian politics getting what they can out of the Labor Party, getting what they can out of the crossbench and dragging it lower and lower. They will put it in their back pockets and they will go lower still. They do not compromise. They have no intention of providing certainty.

It has been the biggest con job with the Clean Energy Council thinking this gives anyone certainty. It does not. The only certainty it gives is that the Liberals will pocket what they can get now and will go after the rest later. None of this is safe under this government, because it does not believe in renewable energy. You, the government, do not believe in renewable
energy. You do not believe in reining in fossil fuels. You do believe in expanding coalmines, opening up the Galilee Basin, more coal seam gas and logging as many native forests as you can put the trucks and the bulldozers through. That is exactly what is going on. It is a disgrace in Australia at this time in our history. When people look back, they will see you as Neanderthals—and they are right to do so.

Senator Singh interjecting—

The TEMPORARY CHAIRMAN (Senator Edwards): Senator Singh, I did not see you. I have given the call to Senator Colbeck.

Senator COLBECK (Tasmania—Parliamentary Secretary to the Minister for Agriculture) (19:12): It is very good to be able to follow Senator Milne, who has again demonstrated, as the Greens are so good at doing, that the Greens will say absolutely anything at any point in time to suit their case. The lies that have been told by the Greens political party over so many years about the forest industry were continued here tonight. What Senator Milne does not tell you is that she wants to see the end of the entire native forest industry in this country. She wants to undermine financially the entire forest industry in this country. The complete hypocrisy of the Greens political party in this space is absolutely breathtaking.

Senator Milne talked about the destruction of the native forest industry. She talked about the denuded landscapes from the native forest industry. What she does not tell you is that thousands of hectares of harvested native forests, some of it harvested as little as four years ago, have been nominated by green groups to be listed as wilderness in Australia's World Heritage area. Senator Milne completely excludes that. If these areas are so badly destroyed, as Senator Milne would like those who are listening to believe—another act of complete deceit, I might say—how do those thousands of hectares then qualify as wilderness to be listed by the World Heritage Committee as part of Australia's World Heritage estate?

What Senator Milne also does not tell you is that the Greens, as part of the Tasmanian forest agreement process, lined up and took Australian taxpayers' money to conduct regeneration burns in those areas that had been harvested by the forest industry.

An honourable senator: What are you talking about?

Senator COLBECK: The green groups in Australia took this money. They took this money supported by the Australian Greens. They took this taxpayers' money to conduct regeneration burns. Of course, anytime there was a puff of smoke on the horizon in Tasmania from a Forestry Tasmania conducted regeneration burn, the Greens and the green groups would hit the telephones and complain about smoke pollution and the terrible effect on the environment—and yet the green groups, supported by the Australian Greens, are participating in exactly that process right now.

Senator Milne: Mr Temporary Chairman, I rise on a point of order. The Australian Greens did not support any of the things that Senator Colbeck suggests. He may refer to other groups that are not the Australian Greens—that is his right—

The TEMPORARY CHAIRMAN: What is the point of order?

Senator Milne: but it is not the Australian Greens. We did not support that.

The TEMPORARY CHAIRMAN: There is no point of order.
Senator COLBECK: Who did these green groups contract to conduct those regeneration burns? The green groups contracted Forestry Tasmania, whom Senator Milne just a moment ago was condemning for conducting regeneration burns. Why did they do that? Because only Forestry Tasmania had the expertise to conduct those regeneration burns. Senator Milne comes in here condemning Forestry Tasmania and condemning forest harvesting, and yet those very areas that were harvested under the regional forest agreements have now been included, supported by the Greens, in the Tasmanian Wilderness World Heritage estate. If the forest industry were so destructive, as Senator Milne says—if those 100- to 600-year-old forests were so destroyed by the forest industry—how do those forests qualify as wilderness under the Tasmanian Wilderness World Heritage area?

The deceit of the Greens and the green groups is just breathtaking, and the hypocrisy of the Greens in this process is likewise breathtaking. They will say one thing one minute to suit their case and they will say another thing another minute to suit their case. That was demonstrated, as I said in my contribution to the second reading debate on this bill, by Senator Bob Brown. When he was campaigning against renewable hydro electricity in Tasmania, he was proposing coal fired power stations in Tasmania—but, of course, the wheel has turned and it is no longer convenient for the Greens to acknowledge that that even occurred. They want to deny it and they want to forget about it, but the historical record is there. The Greens will say anything at any point in time to support their case.

Yet the science is quite clear. Compilations of global science are quite clear. In fact, the Intergovernmental Panel on Climate Change support utilisation of biomass, on a sustainable forest management basis, for the generation of energy. They say that in their IPCC report of 2007. The Food and Agriculture Organization supports it. The World Wildlife Fund actually supports it. It has been supporting it right through Europe and has a target for generation of energy by the utilisation of biomass in Europe. There is a target.

It is a pity that Senator Lazarus has left the chamber, because I understand that he is prepared to support this measure only on the basis of Forest Stewardship Council certification of the forests that the biomass comes from. Senator Lazarus has fallen into a green-Wilderness Society trap. Had he accepted certification of forests rather than just going for one of the options on the market, he might have had an option, but, of course, he went for FSC. The green groups try to use a veto power by virtue of their place on the FSC board. They have been trying that for years, but they are in real trouble because I suspect that in not too long a time you will start to see Australian native forests certified under the FSC standard—and what you will probably see then is the Greens and the green groups turning on the FSC. Senator Lazarus has, unfortunately, fallen for a green trap.

But what really annoys me is that the Greens have come in here with their forest tripe. Who would have thought that the Greens would turn out to be the climate science deniers? Even the IPCC supports the utilisation of biomass in native forest residues, but, of course, that is inconvenient for the Greens, so they are prepared to deny that part of the IPCC report. They are happy to belt up the government with the rest of the IPCC report, but they actually turned out to be the climate science deniers because they are not prepared to accept that bit that they do not like. They want to make up their mind. They want to be able to say, 'We reject that bit of science because it's inconvenient,' and yet the global science in this space clearly supports the utilisation of biomass for generating energy.
Progress reported.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Edwards) (19:20): Order! I propose the question:

That the Senate do now adjourn.

Food Labelling

Senator RUSTON (South Australia—Deputy Government Whip in the Senate) (19:20): Tonight I would like to talk about something that I think is extremely important and that a lot of Australians think is extremely important, and that is the labels on our food products. For decades, Australian's have been told how important food labelling is for the economy, for workers and especially for the farmers to help people buy Australian. The reason that it is so important that we buy Australian is that it plainly makes sense. It is a simple message that everybody understands, and it also appeals to us because we want to do the right thing by our great country and the food producers here. It also appeals to us because we know how good our products are, especially our food. Our farmers are undoubtedly the best in the world and the food that they produce is the best in the world, and Australia is famous for it. Our country has one of the greatest global reputations for quality, for high standards and for integrity in our food products. One of the most important things in this country—and we should never underestimate it—is the fact that our food is safe.

Australians want to buy Australian food for all of these reasons, but for many, many years Australians have been, oh, so terribly frustrated by our food labelling system. I do not think that, so far, we have come up with a system that really tells us what we want to know about our food. As we buy, I think there is definitely a greater level of interest in the quality and the products that go into our food. But, also, I think there is a greater interest in knowing where our food has come from.

I think we have every right to know and many reasons to know what we are eating and drinking and where it comes from. That means we have every right, and many reasons, to implement a system that provides clear, simple, unambiguous information about Australian and non-Australian content in our food products. This is why the Australian government has had a positive response from Australian consumers to proposed new labelling changes that were released for public consultation last week. Since the consultation process was released, I have had an extraordinary number of constituents contact me, not only to let us know how pleased they are that we have eventually started to move forward with country-of-origin food labelling, but also because they really want to have their say about what this labelling is going to look like. They want to have their say about what they want to see on food products and how they want to be informed about what they are about to put in their mouths and the mouths of their families and their children.

I understand that there has been more that 8,500 completed surveys already since it has gone up, and the consultation only began last week. It is a great start, but 8,500 is not very many, when you consider how many people there are in Australia. I am certainly one who is going to be advocating very strongly for all Australians who are interested to have their say, so that we can once and for all get food labelling right in this country. I urge anybody who thinks that this issue is important to participate in the process and to contact their federal
member, to contact the department or to go online and take part in the survey, which will inform the decision this government makes into the future about what the labelling will look like that will inform the Australian public about the food and drink they are about to consume.

The reality is that, whilst we have had a lot of talk in this space, it has been a long time coming to get to the stage where we are able to have our say about food labelling, and it will be a very long time before we have another opportunity. So I think this is very important, and it is incumbent on Australians who are keen to participate in this process to ensure they have their say.

There is another issue that is really worth mentioning—and this is a much discussed subject, and I cannot imagine how many inquiries have been held into the various food labelling activities of the various products, whether they be broad food labelling or whether they be specific to a commodity group. The cold hard reality is that if this were an issue that was simple to solve, I am sure it would have been solved by now. It is a very complicated issue, but over the last 12 months as this particular inquiry has been going along and we have now come up with some final recommendations that have gone to consultation, we are at the stage where we can go to consumers and ask them to approve it or to give us an idea of exactly what they want in this space.

The other issue is that, while there is a strong expectation that consumers want clear and simple labelling so that they can understand what products are in their food and where those particular food products come from, we have to balance this against the cost to food manufacturers of providing this information on their labels. The last thing we need to do in this country is to burden our businesses with unnecessary regulation, but we also need to make sure that we meet our international trade obligations. We have to be mindful that in providing the additional information for which consumers have been begging for such a long time, we have a three-way balance going on here.

I think Australians, by and by, are prepared to spend a little more on Australian food, but we must make sure that the extra money that they are prepared to spend on Australian food ends up in the pockets of the farmers and the food producers and is not just a cost impost that is passed on to us because the manufacturers have to spend more to comply with the food labelling requirements. In regard to the benefit of any additional cost that may be generated from being able to identify that the product comes from Australia, as I said, I think Australian consumers would be quite happy to aspire to eat Australian food and drink Australian beverages, simply because they know it will be safe, it will be high quality, and it will go towards supporting their fellow constituents: the farmers and food producers of this country.

The complexity of this issue is reflected in the composition of the working group established by the government to develop this new system. It has included representatives across a wide range of industries: industry, agriculture, trade, small business and the health portfolios. I would like to put on the record my congratulations to Ministers MacFarlane, Joyce, Robb, Billson and Nash for their extraordinary collaborative efforts to get this particular proposal to the stage that it is at today.

I believe that informed consumer choice is fundamentally important in a free market system, and the free market is the most efficient mechanism we have ever had to determine the value of goods, services and labour in this country and in fact in any country. Accurate, unambiguous country-of-origin labelling is going to help Australians demonstrate the value
that they place on our safe, clean, green, high-quality food; how much they value helping the economy; how much they value helping our farmers; and how much they value helping the hundreds of thousands of Australian workers employed in the food and beverage industry and in the associated manufacturing industries.

We are proposing to implement the new system at a time when Australia has, I was quite surprised to learn, a $1.8 billion trade deficit in the food and beverage, grocery and fresh produce sector. Believe it or not, that is a 20 per cent improvement on the previous year, thanks to some solid export growth that seems to have been generated since we came into government, probably on the back of the fabulous free-trade arrangements that have been negotiated by this government since coming into government, in September 2013.

According to the Australian Food and Grocery Council’s 2014 State of the Industry report, in 2013-14 Australian grocery sector imports were valued at $14.9 billion, while our exports were valued at only $4.1 billion, which is an extremely disturbing statistic when you consider how fabulous the Australian food producers are. We are still a net exporter of food, but that is on the back of the fact that we have such huge grain exports, livestock exports and chilled meat exports. If you take those big ticket, unprocessed items out of our food exports, you end up with a situation where we have a trade deficit in this space, which I think is a very sad indictment.

These figures also demonstrate how exposed we are to the food manufacturing standards and ethics of other countries—standards and ethics which do not always meet the expectations of Australian consumers. Recent food safety incidents have provided a catalyst for this important reform, but let us not let these distract us from the fundamental reasons for undertaking it—Australians want to know where their food comes from. Again, for everyone who would like to participate in this public consultation process and complete the country-of-origin food labelling survey, I urge you to do so.

Ravenshoe: Cafe Explosion

Senator McLUCAS (Queensland) (19:30): On Friday, 9 June at midday, a shocking and terrible accident happened in my home town of Ravenshoe. Ravenshoe is a small community—less than a thousand people—just west of Cairns. It is the town that I grew up in. It is a close community; everyone naturally knows each other. That is why the accident has affected the residents of Ravenshoe and the region so significantly. I am sure that all senators are aware of the circumstances of what occurred at the Serves You Right Cafe, so I do not need to go over that here.

But I do want to confirm that this was a tragic accident with devastating impacts. At least 21 people were physically injured, with burns being the most critical injury received. Following the explosion, patients were transported to Atherton, Cairns, Innisfail, Townsville and Brisbane hospitals. Due to the severity of their injuries, more of the patients have been subsequently transferred to the Royal Brisbane and Women’s Hospital.

Last Friday, Ravenshoe lost a much loved wife, mother and daughter, Nicole Dempsey. Nicole was managing the cafe while her parents were having a much deserved holiday. Nicole was a talented netballer and had served as the president of the Cairns Netball Association. She was much loved in our community, and our thoughts are with her family during this dreadful time. Then on Saturday we woke to more bad news, hearing of the passing of Margaret Clark.
Margaret is remembered as a true and loyal community member in the tiny neighbouring town of Innot Hot Springs. She was a valued member of the Innot Hot Springs Progress Association and the rural fire brigade. Again, our thoughts are with her, her friends and her family.

The people of Ravenshoe and district are steeling themselves for more bad news and more sadness; we are also hanging onto hope that there is not. There are a number of patients who are currently on life support in induced comas. Many are still listed as critical. The wait is difficult and without answers. Truthfully, there may never be full answers to what we want to know, and that will be hard to manage. It is impossible to imagine such a chaotic accident, but I do want to take some time to reflect on what we do know of the amazing response in the minutes, the hours, the days after the accident—and in what will be the weeks, months and years ahead.

Ravenshoe people are resourceful. I know that people from local businesses all pitched in, took directions, and responded to cool the victims and cover their burns, in some cases with Gladwrap. I congratulate and thank all those local people who stepped up to the plate. Our ambulance officers and firefighters did everything that they could. In a cruel twist, we know that there are a number of serving firefighters who are also victims of this tragedy, having agreed to go to the cafe for lunch after giving the seniors group training on fire safety.

I thank the ambos and the firies for your skill and your professionalism in the immediate response to the tragedy. I also thank all of the medical staff in all of those hospitals who have been helping us, who are doing all you can to care for the patients. We are in awe of your commitment and your skill. I thank Councillor Shaaron Linwood, the councillor of the local government area that covers Ravenshoe. I thank the mayor, Rosa Lee Long. I thank all of the Tablelands Regional Council staff for everything that you are doing. I thank Priscilla Clare, who is the chair of the Ravenshoe Community Centre, who is working really hard with her committee and supporters, who we thank too. I know that the Ravenshoe Community Centre has become the point where people go to receive support, advice and counselling.

To my old friend and schoolmate Henry Condon, who is the principal of Ravenshoe State School, and his staff: I know that you will be caring for the children who will be hurting. I particularly thank the state government public servants of the Department of Communities, Child Safety and Disability Services and also the Department of Education and Training for coordinating the ongoing response to provide counselling, practical support and advice. We value your thoughtfulness and caring advice and support. This tragedy will be with us for a long time, and I encourage anyone who is not feeling okay to reach out for support. Yes, we are country people, and, yes, we are strong, but there is no shame in asking for help.

The Far North Queensland community has opened their hearts to the people affected by the accident. I commend the Cairns Post and The Tablelander for your sensitive coverage of the events and for launching the Reach Out For Ravenshoe campaign. Many people have asked how they can help. They are offering time to talk. They are offering a bed in Cairns if someone needs to stop before having to travel either to or back home from a hospital. Donations have been significant; more than $50,000 has already been pledged. I encourage my Senate colleagues, anyone who is listening, to think about how you can assist my town. The website www.givit.org.au is recommended as the appeal site, and I encourage all of us to contribute.
The weeks and months ahead will bring challenges and, hopefully, some positive news as well. I encourage the people of Ravenshoe and the district to use the counselling and support that is available. I am sure that we can get through this if we pull together.

**The ACTING DEPUTY PRESIDENT (Senator Williams):** Well said, Senator McLucas.

**Housing Affordability**

**New South Wales Government**

**Senator RHIANNON** (New South Wales) (19:37): It is a week since Treasurer Joe Hockey said: 'If housing was unaffordable in Sydney nobody would be buying it.' This disastrous bit of ad libbing from the Treasurer gives us a useful insight into exactly how out of touch with reality he is. The latest Fairfax Ipsos poll, released a few days ago, shows that 80 per cent of Sydneysiders believe that housing in Sydney is unaffordable—80 per cent!—and just three per cent believe that local housing in Sydney is 'very affordable'. In 1985, the median price for a house in Sydney was $73,000; in 2015, the median price of a Sydney house has risen to a staggering $914,000—that is 11 times average household earnings. Over that time, the housing-price-to-income ratio in Sydney has grown from 3.4 to 11.4. Over the past two years, Sydney house prices have shot up at rates five times those of wage growth. Wage growth is declining, making it more and more difficult for first-home buyers to save for a mortgage deposit. Last year the Demographia International Housing Affordability Survey ranked Sydney as the third-least affordable city in the world. That is why this housing issue is so critical.

This week in parliament, my colleague, Senator Scott Ludlam, asked the coalition why negative gearing and capital gains tax reform was sorely missing from the government's tax review and, on Lateline on Monday night, Senator Cormann was challenged again on this very point—here was another example of a coalition spokesperson peddling myths on negative gearing and capital gains tax reform. Over and over, government representatives have repeated the lie that ending negative gearing will push up rents. The data and analysis on this is readily available to the government. They know that that is not the case. There is a long list of economists, unions and independent social support groups in favour of reform—the OECD, the IMF, the Australia Institute, the Grattan Institute, the Australian Housing and Urban Research Institute, ACOS, the Australian Workers Union, the Tenants' Union of NSW, Homelessness Australia, and the Salvation Army. Saul Eslake, a chief economist at Bank of America Merrill Lynch, has described the case for ending negative gearing for new investors as 'very compelling'. Mr Eslake has also discredited some of the main lies being told about negative gearing; among them, that it would raise rents. The facts on the problems with negative gearing are not hard to find. But there was the Treasurer, suggesting to the Australian people that if they want to break into the property market—a market which has swollen enormously—they simply need to 'get a good job that pays good money'. It is an astonishing display of ignorance from a man with a hefty personal investment property portfolio and with a taxable income in the 99th percentile of taxpayers, who lives in the third-least affordable city in the world. To borrow a phrase from The Sydney Morning Herald, I would ask Mr Hockey to take a look at the 'dark side of the boon'.

Sydney house prices are racing ahead of wage growth. People working full-time on the minimum wage are priced out of the rental market in 99.9 percent of Sydney suburbs.
to roughly 4.85 million people of varied incomes, skills and backgrounds, Sydney is a
dynamic, diverse city. We need to cater to—and care for—the full spectrum of people
required to run a city; not just its upper echelons. If lower and medium income earners are
forced out of the housing market, they obviously will move, the rental market will continue to
expand, and Sydney will be worse off, in every sense of the word.

The Australian Greens have put forward our plan to tackle this problem. We do not believe
that those living on low and middle incomes should be made to subsidise the propert
investments of others. The Greens have costed our negative gearing reform proposals, and we
have identified $4 billion in savings which could be put towards affordable housing supply.
This revenue could fund the construction of 7,000 new homes for the homeless by 2020 and
7,500 new social housing dwellings over the forward estimates. And for those of you who are
not from Sydney, when you are in Sydney next: walk through Belmore Park; walk around
some of our public spaces. You will see large numbers of tents. Tent cities are growing up in
our city because of this serious crisis. Negative gearing is costly, inefficient, and inequitable.
Honest coalition MPs must know this. If the Treasurer does not agree on the damaging
impacts of negative gearing, we invite him—and other sceptics—to join an evidence-based
debate. It is time the Abbott government reviewed the tax arrangements for property
investment in order to improve housing affordability for first-home buyers, and to provide
housing for those on social and public housing waiting lists and for those sleeping on our
streets.

On another matter, the Liberal Premier, Michael Baird, is seen as the fresh face of the can-
do leader of Australia's biggest state. But when you look behind the smiles and the spin, this
regime is looking more and more like another Liberal government that is rarely talked about
in Liberal circles. Usually parties are proud of their history, but there is one part of Liberal
party history that has been airbrushed away. The Askin government was in power in New
South Wales from 1965 till 1975. It is now associated with a deeply corrupt era in our state.
Developers at that time ruled Sydney and many other developing areas. Residents had no
effective say in the destruction of housing, heritage, and urban bushland. I am not saying that
the current Premier is corrupt, but he is the head of a government that has again put New
South Wales in the hands of developers, with communities sidelined from being a part of
planning for the future—and that certainly has a corrupting influence on our society.

Parramatta is the latest region to suffer under the harsh Liberal-National government's
approach to planning. Parramatta is a beautiful area. It has the wonderful Parramatta River
and it has a rich heritage. The exceptional heritage site has been a gathering place for the
Darug people for thousands of years. This has long gone, but there is certainly an area there
that we need to respect in terms of that rich history.

Then there is the heritage site from the colonial beginnings in 1788. There would be few
other sites in Australia that have 200 years of continuous institutional use. I am referring here
to the female factory that was built in 1888. A number of the associated buildings have quite a
troubling history but, as part of our history, they are beautiful heritage buildings.

However, Urban Growth New South has its hands on Parramatta. Initially there was a
Parramatta North Urban Renewal project that promised to deliver a great new mix,
incorporating a revitalised heritage. There would be housing, employment and wonderful
opportunities for the arts culture that is very rich in this area. But Urban Growth News South
Wales has other ideas and it is certainly proving to be bad news for the area. The plan for the site, as set out under Urban Growth New South Wales, promises to deliver a devastating outcome for the people, history, culture and environment of Parramatta. The problems will impact on traffic congestion, city planning, the arts, cultural development and public amenity. I have seen the plans for it. They are putting high-rise buildings—huge buildings—right in the centre of this rich heritage precinct. Cultural relics will clearly be destroyed. I do congratulate the North Parramatta Residents Action Group and many other organisations that are working hard to ensure that this damage does not occur. A number of residents have spoken about their concerns. I will share one with you. Russo, aged 80, has lived in Parramatta for more than half a century. He is a former councillor. He said:

It's a very developer friendly council … It just seems the grander the building the louder the cheers from council. I'm not a greenie, I'm not anti-development, I just think there should be a balance.

That is what people are saying to me and to many of the other people who are trying to save the beautiful heritage, the links with the Aboriginal past in this area and the local environment. They say that they need to get the balance right and, right now, the destruction is rampant.

Higher Education

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (19:47): I rise today to speak about higher education and some of the ways it can be made more sustainable for the future. Australian universities have a great reputation and have, for a long time, been amongst the best in the world. We have great facilities, great staff and our researchers are leading the way in so many different areas. However, in recent years our universities have been struggling against a funding system that works against them continuing to deliver such high-quality education and research.

One of the major causes of this has been our system of fee regulation. Fee regulation is a roadblock in the way of our universities and ties up funds which could be better used in other areas. As a result, the overall quality of education available at our universities is increasingly harder to maintain, which impacts on their ranking when compared to other universities around the world. This, in turn, makes Australian universities less attractive to potential overseas students.

The current system of fee regulation has also meant that many universities find themselves facing significant challenges when devising their curriculum. Due to this, universities must make tough decisions and can end up cutting niche courses due to small numbers or limiting the number of places available in more popular courses. The final outcome is that some Australians might not be able to study a discipline of choice because it is not offered or they are unable to get a place in their chosen course.

This is something which I believe we need to change nation wide and particularly in my home state of Tasmania. Only the coalition has the will to make this happen. By unshackling universities and allowing them to set their own prices for courses, unis can become less reliant on government and more sustainable. Universities will be able to offer as many places in their courses as there is demand and fewer people will miss out on studying.

There will also be more opportunities for universities to conduct bridging courses or alternative pathways for people to enter into bachelor degrees. This will offer more people the
opportunity of a higher education and all the benefits that come with it. In Tasmania, we vitally need these reforms.

I am a proud graduate of the University of Tasmania and am grateful to have had the opportunity to study degrees of my choice at such a fine institution, without having to leave for the mainland to study. But not all are so fortunate. Right now, there are just 6.7 per cent of Tasmanians attending university. This is an unacceptably low number and increasing participation has to be the goal of the higher education sector.

The first step is ensuring that there are enough places available in popular courses. I was very pleased to hear that UTAS have recently signed a memorandum of understanding with the local council in Launceston in order to expand into the CBD. Their expansion plan will mean housing for 8,000 students and extra course options will be offered when the expansion is completed.

There are, however, significant challenges which have to be overcome before this much-needed expansion can be achieved. Many of these challenges are caused or compounded by our system of regulated fees, which I mentioned earlier. In the absence of reforms, such as those which the government has proposed, there can be no prospects of a significant increase in student numbers at UTAS.

I want nothing more than to see Tasmanians get a chance to go to university and I commend UTAS for their vision, but grand plans cannot come at the expense of other much-needed government services. This is why the reforms are so important. They will allow UTAS to collect funding from a source other than government for the long term.

Labor and the Greens have claimed that degree prices will go up significantly after deregulation is introduced, but this is nothing but their usual scaremongering. Degree prices will not go up significantly at universities because, if they do, students will simply vote with their feet and will study elsewhere. Competition will work in the higher education sector, just as it does elsewhere. Why would a student choose university A, when university B is offering the same course for significantly less? They wouldn't and they won't. Students will vote with their wallets and will start attending university B. University A will then be forced to think about what they are doing and to lower their prices in order to attract students and, in time, the fees will prove to be self-regulating and the market will show that it will work.

One of the main goals of the coalition's reform is to make sure that as many students as possible have access to higher education and that that access is affordable. There will be no changes to our current HECS system, which means that Australian citizens do not have to pay a single cent up-front in order to undertake tertiary study and will not have to repay their loan until they earn more than $50,000 per annum. There will also be no changes made to the interest rate of HECS loans, which will remain at CPI, as it currently is. We are committed to the sector and have recently provided funding to the NCRIS for another 12 months, something the Labor Party has not outlined any plans to do. UTAS was a major beneficiary of the recent NCRIS funding and six research projects will be funded through NCRIS, in 2015-16, to the tune of $46.5 million. The most prominent of these is the Integrated Marine Observing System, IMOS, based in Hobart, which will receive $13.9 million in 2015-16.

I know that the member for Bass, Andrew Nikolic, has also been very supportive of the coalition's changes to higher education, because he desperately wants to see UTAS's
expansion take place in Launceston. Not only will there be more people with a great education, who can begin skilled work, but, for Launceston, if a campus is built in its CBD there will also be many benefits in other areas. Eight thousand new students and staff will be a big boost to the local economy and we will see new life breathed into the Launceston CBD. That is why it is so important that we get behind the reforms that make this exciting expansion possible. I am urging the University of Tasmania to come out in strong support for the changes to higher education, as the higher education sector more broadly has already done.

There are no realistic alternatives to deregulation. Staying under the same model is not an option for the long term, and the Labor party has no sustainable plan for the future of higher education. In fact, Labor's plan for higher education was to slash $6.6 billion out of it, as they announced in 2013. This included a $2.8 billion funding cut, announced in one single day in April of that year. Not only did they plan huge cuts while in government, but in opposition they have been nothing but obstructive in this place, continually frustrating the meaningful reforms we are trying to implement.

The coalition, however, is committed to the future of quality higher education in this country, and our plan will make it sustainable and accessible for all Australians, regardless of their socioeconomic background. I am proud of the efforts of hardworking members like Andrew Nikolic, who are fighting to help their local universities adapt for the future. If we want to ensure the future of our universities for our children and their children, everyone needs to get behind the coalition's higher education reforms.

Senate adjourned at 19:54

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:


Social Security (Administration) Act 1999—

Social Security (Administration) (Penalty Amount) Determination 2015 (No. 1) [F2015L00801].

Social Security (Administration) (Persistent Non-compliance) (Employment) Determination 2015 (No. 1) [F2015L00800].
The following government documents were tabled:

*Migration Act 1958—Section 486O—Assessment of detention arrangements—Personal identifiers*

1001469, 1001637, 1001640, 1001683, 1001685, 1001686, 1001786, 1001809, 1001815, 1001816, 1001818, 1001834, 1001835, 1001842, 1001849, 1001858, 1001859, 1001875, 1001883, 1001891, 1001922, 1001923, 1001938, 1001943, 1001956, 1001958, 1001959, 1001963, 1001970, 1001993, 1002009, 1002013, 1002015, 1002027, 1002029, 1002032, 1002080, 1002131, 1002132, 1002175, 1002205, 1002216, 1002218, 1002225, 1002243, 1002248, 1002256, 1002258, 1002259, 1002264, 1002293, 1002295 and 1002342

*Commonwealth Ombudsman's reports, dated 17 June 2015.*


*National Health and Medical Research Council (NHMRC)—NHMRC Licensing Committee—Report on the operation of the Research Involving Human Embryos Act 2002 for the period 1 September 2014 to 28 February 2015.*
