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**SITTING DAYS—2016**

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FORTY-FOURTH PARLIAMENT
FIRST SESSION—EIGHTH PERIOD

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

Senate Office Holders
President—Senator Hon. Stephen Parry

Deputy President and Chair of Committees—Senator Gavin Mark Marshall
Temporary Chairs of Committees—Senators Christopher John Back, Cory Bernardi, Sam Dastyari, Sean Edwards, Alexander McEachian Gallacher, Susan Lines, Deborah Mary O'Neill, Nova Maree Peris OAM, Dean Anthony Smith, Zdenko Matthew Seselja, Glenn Sterle, Peter Stuart Whish-Wilson and John Reginald Williams

Leader of the Government in the Senate—Senator Hon. George Henry Brandis QC
Deputy Leader of the Government in the Senate—Senator Hon. Mathias Cormann
Leader of the Opposition in the Senate—Senator Hon. Penny Wong
Deputy Leader of the Opposition in the Senate—Senator Hon. Stephen Conroy
Manager of Government Business in the Senate—Senator Hon. Mitchell Peter Fifield
Manager of Opposition Business in the Senate—Senator Claire Moore

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

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

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<th>Party</th>
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(1) Chosen by the Parliament of New South Wales to fill a casual vacancy (vice R. Carr), pursuant to section 15 of the Constitution.
(2) Chosen by the Parliament of New South Wales to fill a casual vacancy (vice J Faulkner), pursuant to section 15 of the Constitution.
(3) Chosen by the Australian Capital Territory Legislative Assembly to fill a casual vacancy (vice K. Lundy), pursuant to section 15 of the Constitution.
(4) Chosen by the Parliament of Queensland to fill a casual vacancy (vice B. Mason), pursuant to section 15 of the Constitution.
(5) Chosen by the Parliament of Tasmania to fill a casual vacancy (vice C. Milne), pursuant to section 15 of the Constitution.
(6) Chosen by the Parliament of South Australia to fill a casual vacancy (vice P Wright), pursuant to section 15 of the Constitution.
PARTY ABBREVIATIONS
AG—Australian Greens; ALP—Australian Labor Party;
AMEP—Australian Motoring Enthusiast Party; CLP—Country Liberal Party;
FFP—Family First Party; IND—Independent, LDP—Liberal Democratic Party;
LNP—Liberal National Party; LP—Liberal Party of Australia;
NATS—The Nationals; PUP—Palmer United Party

Heads of Parliamentary Departments
Clerk of the Senate—R Laing
Clerk of the House of Representatives—D Elder
Secretary, Department of Parliamentary Services—R Stefanic
Parliamentary Budget Officer—P Bowen
## Turnbull Ministry

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<tr>
<td><strong>Prime Minister</strong></td>
<td>The Hon Malcolm Turnbull MP</td>
</tr>
<tr>
<td><strong>Minister for Indigenous Affairs</strong></td>
<td>Senator the Hon Nigel Scullion</td>
</tr>
<tr>
<td><strong>Minister for Women</strong></td>
<td>Senator the Hon Michaelia Cash</td>
</tr>
<tr>
<td><strong>Cabinet Secretary</strong></td>
<td>Senator the Hon Arthur Sinodinos AO</td>
</tr>
<tr>
<td><em>Minister Assisting the Prime Minister for the Public Service</em></td>
<td>The Hon Michaelia Cash</td>
</tr>
<tr>
<td><em>Minister Assisting the Prime Minister for Counter-Terrorism</em></td>
<td>The Hon Michael Keenan MP</td>
</tr>
<tr>
<td><strong>Assistant Minister to the Prime Minister</strong></td>
<td>The Hon James McGrath</td>
</tr>
<tr>
<td><strong>Assistant Minister for Cities and Digital Transformation</strong></td>
<td>The Hon Angus Taylor MP</td>
</tr>
<tr>
<td><strong>Assistant Cabinet Secretary</strong></td>
<td>The Hon Dr Peter Hendy MP</td>
</tr>
<tr>
<td><strong>Deputy Prime Minister and Minister for Agriculture and Water Resources</strong></td>
<td>The Hon Barnaby Joyce MP</td>
</tr>
<tr>
<td>Assistant Minister for Agriculture and Water Resources</td>
<td>Senator the Hon Anne Ruston</td>
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<tr>
<td>Assistant Minister to the Deputy Prime Minister</td>
<td>The Hon Keith Pitt MP</td>
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<tr>
<td><strong>Minister for Foreign Affairs</strong></td>
<td>The Hon Julie Bishop MP</td>
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<tr>
<td><strong>Minister for Trade and Investment</strong></td>
<td>The Hon Steve Ciobo MP</td>
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<tr>
<td><strong>Minister for International Development and the Pacific</strong></td>
<td>Senator the Hon Concetta Fierravanti-Wells</td>
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<tr>
<td><strong>Minister for Tourism and International Education</strong></td>
<td>Senator the Hon Richard Colbeck</td>
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<tr>
<td><em>Minister Assisting the Minister for Trade and Investment</em></td>
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<td><strong>Attorney-General</strong></td>
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<tr>
<td>(Vice-President of the Executive Council)</td>
<td>The Hon Michael Keenan MP</td>
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<tr>
<td>(Leader of the Government in the Senate)</td>
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<td><strong>Treasurer</strong></td>
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<tr>
<td><strong>Minister for Small Business</strong></td>
<td>The Hon Kelly O’Dwyer MP</td>
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<tr>
<td><strong>Assistant Treasurer</strong></td>
<td>The Hon Kelly O’Dwyer MP</td>
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<td><strong>Assistant Minister to the Treasurer</strong></td>
<td>The Hon Alex Hawke MP</td>
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<td><strong>Minister for Finance</strong></td>
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<tr>
<td>(Deputy Leader of Government in the Senate)</td>
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<tr>
<td>Special Minister of State</td>
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<td><strong>Assistant Minister for Finance</strong></td>
<td>The Hon Dr Peter Hendy MP</td>
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<td>Senator the Hon Fiona Nash</td>
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<td>The Hon Paul Fletcher MP</td>
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<td><strong>Minister for Major Projects, Territories and Local Government</strong></td>
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<td><strong>Minister for Industry, Innovation and Science</strong></td>
<td>The Hon Christopher Pyne MP</td>
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<tr>
<td>(Leader of the House)</td>
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<tr>
<td><strong>Minister for Resources, Energy and Northern Australia</strong></td>
<td>The Hon Josh Frydenberg MP</td>
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<td><strong>Minister for Immigration and Border Protection</strong></td>
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<td><strong>Minister for Health</strong></td>
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Shadow Cabinet Ministers are shown in bold type.

* Senator Katy Gallagher’s appointment to the Shadow Ministry is effective from 1 November 2015. Senator the Hon. Jan McLucas will serve as Shadow Minister for Housing and Homelessness and Shadow Minister for Mental Health, and represent the Shadow Minister for Northern Australia, the Shadow Minister for Health, the Shadow Assistant Minister for Health, the Shadow Minister for Sport and the Shadow Minister for Indigenous Affairs in the Senate until 31 October 2015.
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Tuesday, 23 February 2016

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

COMMITTEES

Economics Legislation Committee
Meeting

The Clerk: A proposal to meet has been lodged by the Economics Legislation Committee for a public meeting today from 4:30 pm.

Legal and Constitutional Affairs Legislation Committee
Meeting

The Clerk: A proposal to meet has been lodged by the Legal and Constitutional Affairs Legislation Committee for a private meeting on 24 February from 11 am.

Legal and Constitutional Affairs References Committee
Meeting

The Clerk: A proposal to meet has been lodged by the Legal and Constitutional Affairs References Committee for a private meeting on 24 February from 4 pm.

Rural and Regional Affairs and Transport References Committee
Meeting

The Clerk: A proposal to meet has been lodged by the Rural and Regional Affairs and Transport References Committee for a public meeting today from 5 Prime Minister and on 25 February from 4 pm.

The PRESIDENT (12:32): Does any senator wish to have a motion put on any of those questions? There being none, we will now proceed.

BILLS

Broadcasting Legislation Amendment (Digital Radio) Bill 2015
Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator GALLAGHER (Australian Capital Territory) (12:31): The opposition will be supporting the Broadcasting Legislation Amendment (Digital Radio) Bill 2015. Digital Radio has been a part of the communication landscape in Australia since the Labor government implemented it in 2009. On 1 July 2009, the Labor government delivered commercial digital radio licences to Adelaide, Brisbane, Melbourne, Perth and Sydney. Designated community radio broadcasters started broadcasting from these areas in May 2011. Adding to these services, digital radio trials in Canberra and Darwin mean that around 64 per cent of the Australian population live in areas currently covered by digital radio transmissions.

The legislation that regulates these broadcasts, namely section 215B of the Broadcasting Services Act 1992 and section 313B of the Radio Communications Act 1992, need to be
constantly reviewed to ensure the rules and standards that govern digital radio are working as intended. To this end, the Minister for Communications is required to initiate a statutory review process and, over the last couple of years, has done that. The process has been a consultative one and subsequently a discussion paper has been developed.

In July 2015, the government released the report that emerged from these reviews and the bill we are considering today draws on the recommendations of that report. Whilst the matters in this bill are uncontroversial and will attract the opposition's support, we note that this bill has not enacted a number of the other recommendations that may require a greater level of scrutiny before we agree to support them. We look forward to the early engagement of the government as they prepare any further amendments to the regulatory structure for digital radio. This bill contains the more non-controversial elements arising from the report and has been widely supported by industry.

The bill makes a number of minor amendments to the regulatory structure around digital radio in Australia. Specifically, the bill proposes to: repeal the restricted datacasting licence category; remove the minister's role in setting a 'start-up day' in regional licence areas; remove the requirement for a six-year moratorium on the allocation of additional digital commercial radio broadcasting licences in a licence area; define amendments to 'non-foundation digital radio multiplex transmitter licence'; and make minor consequential amendments to both acts. These amendments reflect redundant provisions in the act or remove the parts of the act that have proven unnecessary since digital radio services commenced in 2009.

I commend the bill to the Senate.

Senator LUDLAM (Western Australia—Co-Deputy Leader of the Australian Greens) (12:34): The Australian Greens support the Broadcasting Legislation Amendment (Digital Radio) Bill 2015 for much the same reasons that Senator Gallagher has just outlined. In fact, the Greens had agreed to let this bill go through in non-contro so it is interesting to see at sneaking into government business. Nonetheless, it is a sensible bill. It is housekeeping but it does underline the importance of digital radio broadcasts in the Australian market. I did want to take the opportunity while we are here to underline—as I have done over quite a number of times going back years under several different governments—the importance of the community radio sector and community radio broadcasters in particular. It is good that Senator Fifield is here for the debate because this is a pretty serious fight really that can actually be avoided or a disaster that can be avoided. There is a certain feeling of Groundhog Day here because I have gone through this process and probably delivered a nearly identical speech when Senator Stephen Conroy was the communications minister. The situation was eventually fixed, as I suggest Senator Fifield is going to be able to do is well.

It relates to the DRP, a three-letter acronym that stands for the Digital Radio Program, which supports community radio broadcasters to actually stay in the mix as the sector transmissions across to digital. Nobody is suggesting the analogue radio broadcast services are about to be ripped out from under them. This is a pretty slow burn. It is very different to the way the TV broadcasters switched over. Nonetheless, digital transmitters are becoming much more prevalent as are, much more importantly, receivers.

As cars get upgraded to play digital radio and people invest in digital radio handsets in their homes and businesses, it is essential that our community radio stations around the
country are there at the outset and are not playing catch up, are not traipsing along after people have already found their favourite stations or worse that they are simply blacked out and are not there when people switch over to digital radio spectrums. We must ensure that the community broadcasters are in their rightful place alongside the commercial radio broadcasters, the ABC and the SBS. I hope that this proposition is non-controversial—that they belong there and that they perform an immensely valuable public service. They are, in fact, a key component of media diversity.

From rumours and reporting, this is a debate that is about to be reignited again—I have not seen any formal announcements yet—that the government is actually going to rip open the debate again about media ownership and media concentration in this country. What more important role could community broadcasters play at this time? When we talk about media diversity, that is whom we are talking about: independent voices, non-English-speaking backgrounds, people with a diversity of political views, people coming from a variety of different cultural perspectives on our airwaves, telling unique Australian stories that will not be heard on the big public broadcasters, ABC and SBS, and will not be heard on the commercial stations.

Here is the problem: the Digital Radio Program, the DRP, was underfunded under the previous government and it took, from recollection, more than a year to get this tiny amount of money put back into the budget. As this was a program that was started by Senator Coonan in 2005 as a broader part of the media reform packages pursued by the former Howard government, it is non-controversial. There is cross-party support in this place for supporting our valuable community broadcasters to do what they do, and so what we see here, I am assuming, is an oversight rather than malice. But what has occurred is that the indexation pause that took place in the 2014 federal budget—that unloved, friendless, hated budget that attacked nearly every corner of society and ultimately, you could argue, cost the former Prime Minister his job—which obviously hits a number of portfolios, created a gap between the costs of digital radio and the amount of public funding support that accumulates over time, and so a gap is opening up; a wedge is opening up. This happened under Senator Conroy—obviously in a different political context but with the same outcome. It forces the community broadcasters around the country into this rather appalling ‘hunger games’ scenario, where they are asked to decide which of them will go off the air. It is that bad. It is which stations will no longer be heard on the public airwaves.

I do not assume that that is the outcome that Senator Fifield is seeking. In fact, we have not heard from him or given him the opportunity to hear directly what the government’s position is, but I am going to assume in good faith that you are not hoping, through the indexation pause from 2014, to knock community broadcasters off the air in our cities and regions. I do not think that is what you are proposing. But, as the Community Broadcasting Association of Australia has made abundantly clear, when you froze the indexation it opened up a gap. What the sector is asking for is for the 2015-16 levels to be maintained but to be indexed, so that they travel upwards at the same pace as costs travel gently upwards over time. And that means $3.686 million-plus indexation. It is not going to allow them to employ any more staff. It is not going to allow them to create new and unique creative and diverse content. It is simply going to allow them to keep the doors open and to stay on air. As the Labor Party fixed this when they were in government, when Senator Conroy was minister, in the context
where the broadcasters were running a campaign on air against the government, seeking base funding to stay alive, I hope that it does not come to that again. I believe that this is an oversight rather than malice. That indexation pause needs to lift in the context of the size of the Commonwealth budget and, more importantly, the services that community broadcasters provide: services to media diversity, services in terms of training up volunteers in the next generation of broadcasters, across all those different skill sets. We need to express our support rather than just pay it lip-service—pay them the $3.8 million that they are going to need and lift that indexation pause so that they do not have to feel like they need to engage in some kind of broadcast campaign to alert their audiences to the threat that is looming and, more importantly, do not have to go campaigning behind the scenes to the Expenditure Review Committee and lobby. That is the last thing they should be doing. They should be producing great content and supporting the health of the community broadcast sector.

I hope Senator Fifield, whom I tipped off—and I tipped off his advisers over the last couple of days that I was going to bring this issue to the chamber—will have something good to say for us so that we can all stand down, get on with the process of passing this bill and let our community broadcast sector do what it does best. I thank the chamber.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (12:42): I thank colleagues for their contribution to the Broadcasting Legislation Amendment (Digital Radio) Bill 2015. I will come to the point that Senator Ludlam raised in his contribution at the outset in relation to community radio. Community radio will continue to receive funding. The particular measure that Senator Ludlam was referring to was actually a terminated program of the previous government, so the reason that funding is reducing is as a result of the decision by the previous government—just for the record. Senator Ludlam has, indeed, raised the concerns of community radio with me. I have met with representatives of community radio and I have undertaken, in the context of the budget, to look at the concerns that they have raised. Obviously, I cannot indicate what may be the result of the budget process but, nevertheless, I have met with them and have undertaken to look at their concerns.

I should also, as we are talking about radio here, indicate that I for one think that radio in the broad, in all its different forms, has a very good future. The most recent data on audience listenership shows that radio is, indeed, very strong. I think one of the reasons for that is that there is a certain intimacy and immediacy to radio, which is not necessarily easily replicated by other mediums.

I think all of us, certainly when it comes to music, are in demographic lock. We are all stuck in particular musical periods, which tend to relate to what was on radio between the ages of about 16 and 21. It is hard for any of us to break out of what I refer to as a 'demographic lock'. In my case, that tends to be eighties music, and I know that there are others in this place who are similarly afflicted. I am very much in that situation. But also, just as we have that collective and common experience of hearing music at the same time on radio across the airwaves, if we hear a particular song it reminds us of a particular summer, what we were doing and where we were. Likewise, it is often radio that brings us news of a significant event in the life of a nation or the world.

That is something that radio does: it allows us to continue to have those sorts of collective and shared experiences. As people are increasingly consuming media through applications at
a time of their own choosing, I have had a bit of a worry that we might not have so many of those shared experiences, but I am confident that we will because radio is in an extremely strong situation. I can only hazard, Mr Deputy President, what demographic lock you might be in in terms of your musical tastes. You might share that with us a little later—no, I am sure you have strong musical preferences, Mr Deputy President. I digress, but I just did want to take this opportunity to talk about the ongoing importance of radio.

As colleagues have canvassed, this bill seeks to amend the Broadcasting Services Act 1992 and the Radiocommunications Act 1992. It contains a package of measures which are designed to reduce regulatory complexity and deliver a simpler, more flexible process for the planning and licensing of digital radio services in regional Australia. In July 2015, the Australian government released a report, called the Digital radio report, on the statutory review of digital radio issues which was conducted by the Department of Communications in accordance with section 215B of the Broadcasting Services Act and section 313B of the Radiocommunications Act. The bill's measures are largely drawn from the recommendations of the Digital radio report and propose to amend the BSA and the Radiocommunications Act to deliver a simpler, more flexible process for the planning and licensing of digital radio in regional Australia.

The bill's measures include, as some colleagues have touched upon, repealing the restricted datacasting licence category; removing the minister's role in the setting of the digital radio start-up day for regional licence areas; removing the requirement for a six-year moratorium on the allocation of additional digital commercial radio broadcasting licences in a licence area following the commencement of digital radio services in that area; amending the definition of 'non-foundation digital radio multiplex transmitter licence' to ensure that the definition operates in a manner consistent with the relevant policy objective; and making minor amendments to the BSA and the Radiocommunications Act to repeal spent digital radio provisions.

The restricted datacasting licence category was introduced in 2007, but no licences under this category have ever been issued. Removing this category will simplify the digital radio regulatory framework.

Removing the minister from the setting of digital radio start-up days will streamline the process and remove unnecessary government intervention in the commencement of digital radio services in regional areas.

The moratorium period was intended to provide encumbered commercial radio broadcasters with a level of stability and certainty during their digital radio investment phase. However, the prospect of a moratorium period has not provided sufficient incentive for commercial radio broadcasters to establish permanent digital radio services in regional licence areas. Removing the moratorium period implements a recommendation of the Digital radio report.

The measures in this bill are supported by digital radio stakeholders in the commercial, community and public broadcasting sectors. Passage of this bill will simplify and streamline Australia's digital radio regulatory regime. With these amendments, the government is further delivering on its commitment to cut red tape, so I commend this bill to my colleagues.
A couple of weeks ago, Commercial Radio Australia had a function in this building. I raced from the ABC Showcase, which I had been speaking at beforehand, to get to the Commercial Radio function. I recounted there that initially I myself had wanted to go into radio, back when I was, I guess, in the middle of my university studies. I had a connection indirectly with the owner of what was then radio station 2UE. I was fortunate to go along to 2UE and spend the day there to see what life in radio or as a journalist might be like. I spent some time with Rod Spargo, who was the general manager of the station, who is a legend in the commercial radio industry.

I was spellbound by the stories of the challenges of managing on-air radio talent, sitting in the newsroom as the clock was ticking down to a bulletin, seeing the journalists playing basketball with a bin, throwing paper in—all sorts of things—as they were 10 seconds then five seconds to the on-air broadcast. I thought: 'This is fabulous! I'd love to be in this environment!' I sat down at the end of the day with the proprietor of the station, hoping to be told, 'This is the industry for you,' and I was really crestfallen when the proprietor said to me: 'Young man, don't go into radio. Do something useful with your life.' It is arguable whether I have or have not, but, anyway, what could have been a brilliant radio career was cut down in its prime!

As I said, I do think radio does have a good future. I also recounted to that particular Commercial Radio conference that I am pleased that my relationship with their industry has been regularised. I am no longer the Minister representing the Minister for Communications; I am now the Minister for Communications in this place. I likened in a parliamentary sense the role of being a minister representing a minister to really being the parliamentary equivalent of being in a not entirely committed relationship. Anyway, I am pleased that now that has been regularised. As I said, I commend this bill to my colleagues.

The DEPUTY PRESIDENT: Thank you, Minister, for that interesting contribution.

Question agreed to.

Bill read a second time.

Third Reading

The DEPUTY PRESIDENT (12:53): As no amendments to the bill have been circulated, I shall call the minister to move the third reading unless any senator indicates that they would like the bill to be considered in Committee of the Whole.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (12:53): I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Crimes Legislation Amendment (Proceeds of Crime and Other Measures) Bill 2015

In Committee

Debate resumed.

The CHAIRMAN (12:54): The question is that the bill stand as printed.
Senator McKIM (Tasmania) (12:54): When we were debating the Crimes Legislation Amendment (Proceeds of Crime and Other Measures) Bill 2015 yesterday we had just had confirmation from the minister who yesterday had carriage of this legislation that in fact a court, even if it formed the view that it was in the interests of justice to stay Proceeds of Crime Act proceedings on one of the grounds that are proposed to be inserted into the legislation in proposed new section 319(2), it was not able to do that solely on those grounds. So let us be very clear about this. The Australian Greens absolutely share concerns raised by the Victorian Bar and Criminal Bar Association, by the Law Council of Australia and by the Australian Human Rights Commission about these provisions. We do not support this parliament seeking to intervene in judicial processes in this country to the extent that, even if a court believes that it is in the interests of justice to stay Proceeds of Crime Act proceedings, it will not be able to do that if the grounds on which it forms that belief are contained in the proposed new section 319(2) of the Proceeds of Crime Act. On that basis the Greens oppose schedule 1 in the following terms:

(1) Schedule 1, item 4, page 4 (lines 1 to 31), subsections 319(2), (3), (4) and (5) to be opposed.

In support of this proposition I will very briefly read into the record the view of various organisations about proposed new section 319. Before I do that I want to be clear that I have a further amendment. If it were taken together, proposed section 319 not forming part of this legislation—

Senator Jacinta Collins: Move them together.

Senator McKIM: I will not move it now—thank you, Senator Collins—because amendment (2) is consequential on the first proposition being accepted by the chamber. I make the point that if this proposition is not supported then I will not move amendment (2). It is our very firm policy position that proposed section 319 be deleted from this bill. In support of that I will very briefly read into the Hansard the view of, firstly, the Victorian Bar and Criminal Bar Association. They said in a submission to a parliamentary committee dated 20 January this year in paragraph 43:

… the Criminal Bar Association opposes the introduction of s 319(2)-(6).

I will also read in the view of the Law Council of Australia. In a submission to a parliamentary committee dated 7 January this year they said:

The Proceeds of Crime Act 2002 (Cth) amendments in Schedule 1 should not be enacted.

Also the Australian Human Rights Commission made a submission to the Senate Legal and Constitutional Affairs Legislation Committee, the same committee to which the previous two submissions were made. Their submission dated 6 January 2016 has as recommendation 1:

The Commission recommends that Schedule 1 of the Bill not be passed.

Even though the three organisations have expressed their opinion in slightly and technically different ways, the effect of all of those submissions is to at the very least delete proposed new section 319(2), which establishes the grounds on which a court must not stay Proceeds of Crime Act proceedings.

In summary, we have concerns about this because we believe, as do various submitters to Senate committees, that passing these provisions is highly likely to prejudice the right to a fair trial in this country in certain circumstances. We think this is a step too far. We believe that, in its haste to get its hands on financial or other resources through Proceeds of Crime Act
proceedings, the government is compromising the potential for a right to a fair trial in this
country in certain circumstances, specifically where there are already criminal proceedings
underway that deal with the same matters that are being dealt with in the Proceeds of Crime
Act proceedings. We believe that, unfortunately, the passage of this legislation is highly likely
to mean that Australians who are facing criminal charges but have not yet been found guilty
and therefore, under our justice system, are innocent will have their right to a fair criminal
trial prejudiced because a court hearing Proceeds of Crime Act matters is not able to stay
Proceeds of Crime Act proceedings even if the court forms the view that it is in the interests
of justice to do so.

We have seen time after time the erosion of fundamental principles in our community—
human rights, civil rights and citizens' rights—that many Australians have fought and died to
protect and enhance during the history of our country. They are being eroded now in the name
of the fight against crime and terrorism, with no evidence being placed before the Australian
people or the Commonwealth parliament that what we are doing will make us as citizens of
this country any safer as a result. We have seen it around Citizenship Act amendments in
recent times, we have seen it around legislation that gives increased powers to security
agencies in this country over a number of years now, and we are now seeing it in relation to
matters associated with the delivery of justice in this country.

It is fundamental in this country that, in the interests of justice, there should be a separation
of powers. Make no mistake: this is the parliament seeking to reach its hands into judicial
matters that ought to be left to the courts in the context of deciding what the interests of
justice are in particular circumstances and, in fact, how the courts should act to deliver justice.
So this offends the separation of powers principle, it potentially falls foul of our
constitutionally guaranteed right to a fair trial in this country, and it potentially interferes with
the constitutional right of courts to determine how best to deliver justice in our country.

So we have strong concerns. These concerns are mirrored by the stakeholders that I have
just referred to, and on that basis we commend our amendment to the Senate.

Senator JACINTA COLLINS (Victoria) (13:03): I will deal at this stage—given the
discussion that we had last night on these matters—specifically with Labor's position on these
amendments. By that I mean amendments (1) and (2) on sheet 7839. But firstly I would like
to welcome Senator Canavan to his new position. He was not here last night when we were
having this discussion, but it might assist the committee stage consideration if the
government's position is outlined now that the amendment has actually been moved.

Let me say that from the Labor Party's position, sadly, if we wait for a commission to be
secured in a court, the experience of our law enforcement agencies is that the proceeds of
crime have been long transferred into new structures and asset classes and the task of
confiscating them has become more difficult, if not impossible altogether. This is the mischief
that these provisions seek to remedy. The point of seizing the proceeds of crime at the
juncture supported by this bill is precisely so as to seize them before a criminal, or an alleged
criminal, has the time and opportunity to hide them. As the Attorney-General's Department
stated during the committee inquiry into this bill:
Non-conviction based forfeiture is a vital tool in the fight against serious and organised crime,
countering the techniques that senior members of organised crime syndicates use to insulate themselves
from criminal prosecution, and disrupting and dismantling serious and organised crime groups.
While we take the concerns raised regarding the fundamental rights and constitutional principles that may be impacted by the proposed amendments in the bill seriously, we are cognisant of the importance of an effective proceeds of crime regime in combating serious crime and those who profit from that crime. We note that the government and the Attorney-General's Department developed the proposed amendments in consultation with key stakeholders and with a view to striking an appropriate balance between effectively combating crime and respecting the fundamental rights and principles underlying Australia's criminal justice system.

Let me go briefly to the committee report. Senator McKim was quite right last night when he indicated that the fact that the Greens did not contribute any additional remarks or a dissenting report to this committee does not bind them in their position in the committee stage. However, during this discussion I would like to go to the areas that deal with this issue and some of the concerns that Senator McKim has raised. In particular, I take the committee to paragraph 1.16, which is on page 3 of the report, where the committee indicates that the explanatory memorandum:

… states that the grounds set out in subsection 319(2) are 'designed to prevent a respondent from claiming merely a generalised "risk" of prejudice to support a stay of proceedings', which would 'have flow-on effects on the availability of evidence, would impede the operation of the non-conviction based scheme and would frustrate the objects of the PoC Act'.

But let me go further, given some of Senator McKim's comments and some of the assurances that came out of the committee's consideration. For instance, at paragraph 1.19, the report indicates that the explanatory memorandum:

… states that the list of matters in subsection 319(6) 'is not a closed list … as we discussed last night. It goes on to say:

… and does not prevent the court from considering other issues in its determination of the interests of justice'.

It might assist Senator McKim if a minister were prepared to highlight this issue in the second reading contribution, because that would have an interpretive effect in relation to how this is subsequently read in court.

Let me go on further to paragraph 1.20, which says:

A note is inserted after new subsection 319(6) to give examples of orders the court could make to address any potential prejudice resulting from not staying PoC Act proceedings ...

Again, this is highlighting alternative remedies to the issues that Senator McKim is raising. It goes on to say:

These include appropriate orders for the non-disclosure of evidence, or hearing the proceedings in closed court under new section 319A proposed in the bill, which provides that a court may order PoC Act proceedings to be heard in whole or part in closed court, if the court considers that necessary to prevent interference with the administration of criminal justice.

My response to Senator McKim is that some of the issues he has quite rightly raised were, as he mentioned, also raised by the Law Council and the Human Rights Commission. Labor have weighed them up, and we have determined that, from our point of view, the balance is appropriate to deal with the need of our law enforcement agencies to challenge this mischief.
On that basis, Labor will be supporting the bill as drafted and do not support the amendments proposed in sheet 7839 as circulated by the Greens.

**Senator XENOPHON** (South Australia) (13:09): I have reservations about Senator McKim's amendment. I think that the position by Senator Collins fairly sets out the position in terms of the appropriate safeguards. I understand why Senator McKim has put this amendment up, but this is a very difficult policy area to deal with. When you are dealing with organised criminal groups, how do you best deal with it? I respect Senator McKim's motivations and the reasons he has put this up. Obviously, the bill needs to be monitored as to whether it has unintended consequences.

I want to spend one or two minutes talking about the confiscation of assets, which is an important tool to fight organised crime. In my home state of South Australia, my state colleague the Hon. John Darley MLC has been grappling with the state Labor government's legislation on confiscating all of the assets of an organised criminal group or, in particular, a drug dealer, where a conviction has been recorded. The stumbling block, sadly, in the case of the South Australian Labor government, is that my colleague Mr Darley put up a very reasonable amendment to hypothecate a percentage of that additional revenue for drug rehabilitation purposes.

I know the federal government has done some very good work with the National Ice Taskforce and put additional funds into these issues, but—and I say this not to make a political point; not at all—I simply ask respectfully of the minister to take on notice whether the government will consider hypothecating or at least allocating a percentage of this additional revenue to drug rehabilitation services.

I speak to too many constituents who have family members with a serious drug problem, especially with crystal meth. It causes such damage and devastation to those individuals and their families. Family members tell me that they have to cash in their super, take out loans and borrow money from friends in order to have their loved one go to a rehabilitation clinic, whether here or overseas, that could cost many thousands of dollars. The comment that has been made in relation to drug rehabilitation services is that it is piecemeal. Funding is on an annual basis, not on a three-, four-or five-year basis, which is what you need in order to get appropriate staff. That is something that the Australasian Therapeutic Communities Association has said. Garth Popple, the executive director of We Help Ourselves, which runs residential treatment services in New South Wales and Queensland, has said that these one-year extensions are not adequate.

I urge the government that money be set aside from the proceeds of crime, which is what this bill is about, to go to additional revenue—not just swallowed up in general revenue—to actually help those in need, to help those individuals who are victims of a terrible addiction and their families. It causes such destruction. I think that, whatever side of the fence you are on with the drugs debate, we all agree that, if somebody has a serious substance-abuse problem, particularly with, for instance, crystal methamphetamine and heroin, they need help.

I raise this, and I would be grateful if the minister could acknowledge the comments I have made. Also, could the government take on board: what additional revenues are expected from this legislation, broadly; will there be a commitment to at least consider funding additional rehabilitation programs; and, also, in the context of this proceeds of crime bill, will you give those agencies that do terrific work out in the community more than this hand-to-mouth...
funding on a year-by-year basis? They cannot recruit staff, they cannot plan ahead and they cannot provide those long-term services that are needed to help people in the grip of these terrible addictions.

Senator CANAVAN (Queensland—Nationals Whip in the Senate) (13:13): Before I respond to Senator Xenophon's comments, Senator Collins has asked for the government to clarify its position on Senator McKim's amendments. Because she so generously welcomed me to this chair, I am happy to do so. My understanding is that the government made it clear last night that it would not be supporting these amendments. I was not here at the time, but, without going through all the detail, we made the point that section 319 of the Proceeds of Crime Act already provides that a court may not stay confiscation proceedings on the sole ground that criminal proceedings have been instituted or have commenced. We made the point that the additional sections we are proposing to add to section 319 would limit, but not remove, the overarching discretion of the court under that provision, and, therefore, we will not support Senator McKim's amendments.

Certainly, Senator Xenophon, I and the government share your concerns about the need to properly fund and adequately resource those requiring treatment for substance abuse—in particular, those who are facing the scourge that has emerged to do with crystal methamphetamine and ice. You mentioned that the government has already committed significant resources here through the nationalised task force. We have announced a funding package of around $285 million. As part of that, $241.5 million is included for additional funding for treatment services. They will commence from 1 July this year. The funds will be allocated to Primary Health Networks to commission new services based on what is necessary for and appropriate to the needs of their local communities. I am hopeful that that will overcome some of the concerns you have raised, Senator Xenophon, about the hand-to-mouth existence of some of these organisations.

A key priority will be ensuring that Indigenous-specific treatment services and culturally appropriate mainstream treatment services are available to Indigenous Australians. The PHNs will work with states and territories to support improved planning and capacity building across the alcohol and other drug treatment sector. This funding is in addition to the $310 million that the government already provides for specialist alcohol and other drug treatment services.

The senator raised a number of other points about hypothecation of funds and what have you. I am advised that because these changes only modify or partly modify the existing arrangements we have not been able to quantify or estimate how much will potentially be raised. It obviously will depend on how much crime occurs. But I will make the point that under subsection 298(2) of the Proceeds of Crime Act there is already a provision that sets out areas in relation to which the Minister for Justice may approve a program of expenditure, including measures relating to the treatment of drug addiction and diversionary measures relating to illegal use of drugs.

The government announced this week a new $1 million partnership with Crime Stoppers Australia through the 'Dob in a dealer' campaign which will encourage concerned members of the community to contact Crime Stoppers to help tackle the issue of the manufacture and distribution of ice in their local area. This shows the government's commitment to working on both the supply and the demand side of the ice trade.
Senator McKIM (Tasmania) (13:17): I want to respond briefly to a few points made by previous speakers. Firstly, the right to a fair trial in this country is an absolutely fundamental cornerstone of our judicial system. The Greens have concerns here that we have articulated at length already that this goes too far. If you want to talk about balance, as a few previous speakers have both yesterday and today in this context, we do not think the balance is right. We believe that, in the rush to seize assets from people who may or may not, by the way, have committed a crime, we are unfortunately making it more likely that in some circumstances Australians will be denied the right to a fair trial, which is a fundamental cornerstone of our judicial system.

It is worth adding that Proceeds of Crime Act proceedings are civil proceedings, not criminal proceedings. So of course the burden of proof is lower in Proceeds of Crime Act proceedings than in criminal proceedings. Proceeds of Crime Act determinations are made on the balance of probabilities, which is a far lower burden of proof than for criminal proceedings, which of course need to be established beyond reasonable doubt for guilt to be found.

In relation to the points made by Senator Collins, I thank her for her contribution and acknowledge that there are other remedies available to courts hearing Proceeds of Crime Act proceedings and that one of those is to hear part or all of those proceedings in closed court. But I would make the point that another fundamental principle of our judicial system is that not only does justice need to be done but justice needs to be seen to be done. In fact, the New South Wales Council for Civil Liberties submission in relation to these matters states that:

… the rationale of the open court principle is that court proceedings should be subjected to public and professional scrutiny …

That is the rationale for an open court proceeding. So it is really important that, where possible, court proceedings in this country are open so that they can be subjected to public and professional scrutiny and we can meet the axiom that justice not only needs to be done in this country but needs to be seen to be done.

With those comments, we strongly reiterate our view that the proposed new section 319 which this bill seeks to insert into the Proceeds of Crime Act 2002 is grossly inappropriate and we maintain our opposition to it.

The TEMPORARY CHAIRMAN (Senator Edwards): The question is that subsections 319(2), (3), (4) and (5) stand as printed.

The committee divided. [13:26]

(The Temporary Chairman—Senator Edwards)

Ayes.................30
Noes....................11
Majority..............19

AYES

Back, CJ
Bushby, DC
Canavan, MJ
Edwards, S
Gallacher, AM
Ketter, CR

Bullock, JW
Cameron, DN
Collins, JMA
Fawcett, DJ
Gallagher, KR
Lindgren, JM

CHAMBER
Question agreed to.

The TEMPORARY CHAIRMAN (Senator Edwards) (13:28): Senator McKim, do you intend to proceed with amendment (2)?

Senator McKIM (Tasmania) (13:28): That amendment would be consequential to the first amendment succeeding, which, obviously, did not happen. On that basis, it will not be proceeded with.

Senator WHISH-WILSON (Tasmania) (13:29): by leave—I move Greens amendments (1) and (2) on sheet 7845 together:

(1) Page 2, clause 2 (table item 2), omit the table item, substitute:

2. Schedules 1 to 2 The day after this Act receives the Royal Assent.

2A. Schedule 2A The day after the end of the period of 12 months beginning on the day this Act receives the Royal Assent.

2B. Schedules 3 to 4 The day after this Act receives the Royal Assent.

(2) Page 12 (after line 22), after Schedule 2, insert:

Schedule 2A—Amendments relating to the Corporations Act 2001

Corporations Act 2001

1 Section 9 (after paragraph (a) of the definition of financial records)

Insert:

(ab) books, records or accounts needed to explain details of transactions that deal with assets; and

2 After section 190B

Insert:

190C Internal accounting controls
A director of a corporation must ensure that the corporation has a system of internal accounting controls.

To comply with subsection (1), the system must ensure that:
(a) transactions are executed in accordance with appropriate authorisation; and
(b) transactions are recorded; and
(c) assets of the corporation are regularly accounted for and reconciled; and
(d) appropriate authorisations are in place in relation to dealing with assets of the corporation.

Paragraph 286(1)(a)
Repeal the paragraph, substitute:
(a) correctly record and explain its financial position and performance; and
(ab) correctly record and explain its transactions in sufficient detail so that the record accurately reflects the transactions; and

4 Application provisions
The amendments made by items 1 and 3 of this Schedule apply to transactions that occur on or after the commencement of this Schedule.

I will not take very long, but I want to spend a few minutes going through why we have put up some amendments to schedule 2, which deals with false-accounting offences. The Greens are supportive of the intention of schedule 2 as it exists. Schedule 2 purports to strengthen the law in relation to the falsification of accounts so as to better enable regulators to prosecute those involved in bribery and corruption. It responds to the evaluation of Australia's compliance with the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, which recommended that sanctions for false accounting be strengthened.

Bribery and corruption are obviously threats to the foundation of our society wherever they occur. They erode confidence in the operation of our economy, they undermine trust in the institutions that support our economy and they pick away at the foundations of society. Corporations involved in bribery and corruption are a threat to the rule of law, pure and simple. I do not think anybody in here would disagree with that. Governments have an obligation to stamp out bribery and corruption wherever they take place. Failing to do so sends the wrong message about what is acceptable conduct. With supply chains being increasingly globalised, it is important that Australia do all that it can to encourage higher standards of conduct.

Unfortunately, as it stands, the Greens do not believe that schedule 2 spells out clearly enough the duties of a corporation that would enable this law to be effective. The concern that arose during the inquiry of the Legal and Constitutional Affairs Legislation Committee is that the Corporations Act does not actually require enough detail to be recorded that would enable regulators to detect and prosecute fraudulent accounts. The Greens amendments would simply require a corporation to record the buying and selling of assets. This is a statement of the obvious. Any legitimate business will already have such a system in place; otherwise, how else would it stay afloat? It is essential to the profitability of an enterprise to know what you are buying and what you are selling and that you have a system for employers to do this on behalf of the enterprise. The only businesses that do not keep a record of these transactions—at least not an official record—are those engaged in corrupt activities. But, for regulators to be
able to detect bribery and to detect corruption, they need to be able to look at these records to see if the books add up.

The shortcoming of the bill as it stands, in our opinion, is that it assumes that the existing provisions of the Corporations Act require these records to be kept. Section 286 requires a corporation to keep financial records. However, the definition of financial records does not expressly state that the transaction of assets should be recorded. The Greens amendments would clear this up by prescribing that the transaction of assets be recorded. The Greens amendments would also make it explicit that directors of a corporation must institute and maintain a system to record these transactions. The Greens amendments sit entirely within the existing framework of the Corporations Act. They do not seek to extend the coverage of the act or the time period for the keeping of records, and we have received legal advice that this is the case.

The Greens amendments actually seek to mimic the approach taken in the United States, which, on this occasion, is leading Australia in taking steps to stamp out bribery and corruption. No law-abiding business has anything to fear from these amendments. As I mentioned earlier, most businesses do record these transactions, but you would have to ask yourself, if a business is not recording these simple transactions, what actual business is it conducting?

I urge senators to support these amendments so that we can be sure that the intention of schedule 2 of the bill can be fulfilled. I commend these amendments to the chamber.

Senator CANAVAN (Queensland—Nationals Whip in the Senate) (13:33): I note the Australian Greens have proposed a number of amendments to the Corporations Act 2001 relating to the proposed offences for false dealing with accounting documents. The government does not support Senator Whish-Wilson's amendments. The government considers its offences are broad enough to cover false accounting in a range of different contexts. The bill proposes an appropriately broad definition of accounting documents, namely: any account, any record or document made or required for any accounting purpose, or any financial report or financial records within the meaning of the act.

The suggested amendments from Senator Whish-Wilson would seek to amend an existing comprehensive piece of legislation—the Corporations Act—and that act relies on a referral of powers from the states and territories. To adopt amendments to this legislation in haste and without due consideration and consultation with the states and territories, relevant entities and the financial reporting profession could have far-reaching and unintended effects. The suggested Greens amendments also have the potential to add a significant compliance burden on large numbers of small companies without corresponding benefits to their shareholders or other stakeholders.

The government's new offences have been developed following a lengthy period of consultation with Commonwealth agencies as well as certain non-government stakeholders. If Senator Whish-Wilson's amendments were pursued, we would need to consider a similar process for them. We note the proposal to have the Greens amendments commence five months after royal assent of the bill. The government nonetheless believes it is necessary to give more consideration to any such amendments before they are made to ensure they are
appropriate, they fit within the current framework of corporate regulation and they do not have costly, unintended consequences.

**Senator JACINTA COLLINS** (Victoria) (13:35): Labor will not be supporting the amendments moved by Senator Whish-Wilson—I will address all the amendments at this point—as we too believe the bill as drafted is fit for purpose and satisfies the intent to create two new offences of false dealing with accounting documents to implement Australia's obligation as part of the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. Article 8 of the convention requires parties to create offences of false accounting for the purposes of concealing or enabling bribes to a foreign public official.

We believe the amendments from Senator Whish-Wilson are not necessary to achieve the aim of schedule 2 and, while the concerns he raises are laudable, I take on board the comments of Senator Canavan for the government in terms of the referrals involved and the need to deal with appropriate processes to further these issues. Senator Whish-Wilson, we do not put aside the concerns you raise here, but unfortunately them being raised at this stage, and here and now being the first opportunity that we have had any detailed canvassing of the nature of these amendments, leaves us in the position where we think it is appropriate that more time be taken to look at those issues. As has been pointed out, any changes to the Corporations Act would require consultation.

We note that the Senate inquiry into the bill found that the provisions would not only support Australia's compliance with its international obligations but actually go further in helping to combat a range of financial crimes. Labor agrees that the breadth of the proposed offences and the potentially serious penalties for those who commit them are appropriate in the current circumstances. That said, in the longer term and after due consultation, the issues that you raise may merit further consideration.

**Senator WHISH-WILSON** (Tasmania) (13:37): I will just add that there have been numerous occasions when I have been in the Senate and heard the excuse that we need to go away to consult with the states and go through this process of hand-passing the football somewhere else. The role of the Senate as a house of review is to suggest amendments—amendments that are sensible and that improve the legislation. What we are asking for here is eminently sensible, and I cannot see any unintended consequences of asking corporations to keep a record of their transactions. Most companies do so; if they do not, then you would have to wonder what their transactions are. Senator Collins, further down today's Senate schedule we will be looking at the Tax Laws Amendment (Implementation of the Common Reporting Standard) Bill 2015, and I hope that you will not be moving any amendments this afternoon to that bill on the same grounds that you have just given—that it is late in the process and this kind of thing should not be done as a matter of process. I will be very surprised if you do that, following what you have just told us.

**The TEMPORARY CHAIRMAN (Senator Edwards):** The question is that amendments (1) and (2) moved by Senator Whish-Wilson on sheet 7845 be agreed to.

The committee divided [13:43]

Temporary Chairman (Senator Edwards)

Ayes .....................12
Noes .....................27
Majority...............15

AYES

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

Hanson-Young, SC
Madigan, JJ
Rhiannon, L
Siewert, R (teller)
Waters, LJ
Xenophon, N

NOES

Back, CJ
Bilyk, CL (teller)
Bushby, DC
Canavan, MJ
Edwards, S
Gallacher, AM
Ketter, CR
Ludwig, JW
McAllister, J
McLucas, J
O'Neill, DM
Reynolds, L
Singh, LM
Williams, JR

Bernardi, C
Bullock, JW
Cameron, DN
Collins, JMA
Fawcett, DJ
Gallagher, KR
Lindgren, JM
Macdonald, ID
McKenzie, B
Moore, CM
O'Sullivan, B
Ronaldson, M
Smith, D

Question negatived
Bill agreed to.
Bill reported without amendments; report adopted.

Third Reading

Senator CANAVAN (Queensland—Nationals Whip in the Senate) (13:47): I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

Tax Laws Amendment (Implementation of the Common Reporting Standard) Bill 2015

Second Reading

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

Senator GALLAGHER (Australian Capital Territory) (13:48): The Common Reporting Standard is a multilateral policy initiative led by the G20 and OECD. The Tax Laws Amendment (Implementation of the Common Reporting Standard) Bill embeds the provisions of the common reporting standard into Australian tax law. It will help with the exchange of financial account information between tax authorities such as the ATO in countries which are party to the Multilateral Convention on Mutual Administrative Assistance in Tax Matters.
The Common Reporting Standard allows global tax authorities to automatically exchange information about the contents of company and individual bank accounts held overseas. Until now, multinational companies and wealthy individuals have often been able to avoid paying tax in one country simply by sending their money offshore to another jurisdiction so that tax authorities cannot see it. Under this standard, sometimes referred to as the CRS, certain financial institutions in Australia will report information to the ATO about financial accounts held by foreign tax residents. To be clear, we are talking about Australian banks reporting information about the financial accounts of wealthy foreign nationals resident in Australia for tax purposes. Once this information is reported to the ATO, it is shared with foreign tax authorities.

Importantly, as other countries such as Singapore sign up to the Common Reporting Standard, their banks will be required to report the financial account information of wealthy Australians to their respective tax collectors, such as the Inland Revenue Authority of Singapore. Such information exchanges are an important mechanism for combating tax avoidance and have the potential to be a very effective new weapon in the arsenal to combat global tax avoidance. Under the Common Reporting Standard there will be far fewer places to hide. More than 90 countries will now exchange information about what is held in bank accounts in their jurisdictions, allowing authorities to more accurately assess tax bills and better identify profit sharing and aggressive tax planning.

Before I address the bill, please allow me to respectfully remind senators that some countries who are a part of this joint G20 and OECD process have a financial year matching the calendar year, from 1 January to 31 December. The financial year in Australia, of course, starts midway through the calendar year, running from 1 August to 31 July. Unusually and notably, but not controversially, the first reporting period for this bill is for the six months from the middle to the end of the 2017 calendar year. However, we are concerned that with this bill the government is proposing a multistage implementation process, setting different reporting deadlines—one for individuals and a different one for corporate entities. Financial institutions would be required to report on high-value accounts held by individuals to the ATO by the middle of 2018 and report on high-value accounts held by corporate entities by 2019. However, no rationale has been given for delaying the reporting on corporate entity accounts by 12 months. We therefore propose amendments to the bill to align these two deadlines. This is consistent with Labor's ongoing efforts to strengthen Australia's tax system against tax avoidance. This is also consistent with Labor's ongoing efforts, acting in the best interests of the broader Australian community and in stark contrast to the coalition's willingness to tailor its tax policies to the preferences of big firms.

Labor wants the Common Reporting Standard to be implemented as soon as possible. It is disappointing that the Abbott-Turnbull government has committed us to a timetable which sees Australia lag behind most of the OECD and other advanced economies. More than 40 countries will be exchanging information on individuals in 2017. This group of so-called early adopter nations includes major economies such as the UK, Argentina, France, Germany, India, Italy and Mexico, as well as many European Union member states.

Over the past two years, Labor has repeatedly called for the Liberal government to sign Australia up to a timetable that matches these countries. Instead, the government has dragged its feet in bringing forward this legislation and Australia will not be exchanging information
with other countries until late in 2018. That lines us up with countries like the Bahamas, Russia and the United Arab Emirates rather than with the leading G20 nations—hardly the actions of a government that is committed to fighting tax avoidance. There should be one reporting deadline, 2018, to ensure this information is available sooner. Labor will be moving an amendment to the bill to bring the deadline for reporting on corporate entities into line with that of individuals. We know that many of the Senate crossbenchers share our deep concern about big companies avoiding paying their fair share of tax and we urge senators to support Labor's amendment and ensure that the Common Reporting Standard starts capturing the information about companies' bank accounts sooner rather than later.

**Senator WHISH-WILSON** (Tasmania) (13:53): I am absolutely gobsmacked. We just dealt with some legislation in the committee stage, where the Greens moved a perfectly sensible amendment which we showed you a long time ago and you said, 'It's bad process to be moving amendments at this stage of legislation.' The hypocrisy! Seriously! You have done it yourself. We worked with stakeholders to get improvements to the bill that we just debated and you stood in here—

**The ACTING DEPUTY PRESIDENT (Senator Edwards):** Senator Whish-Wilson, would you please address your comments to the chair. As a temporary chair yourself, you know that you need to do that.

**Senator WHISH-WILSON:** I was facing in your direction, but I apologise if I was facing a bit too far to the right. Let me highlight this for those who are tuning in. We have just dealt with the Crimes Legislation Amendment (Proceeds of Crime and Other Measures) Bill 2015, which was passed a few minutes ago and to which Senator McKim and I moved some amendments. For my amendment of schedule 2, we worked with stakeholders in tax transparency to come up with a perfectly reasonable set of amendments, and Labor, while they thought the idea was good, agreed with the government that you should not move amendments at this late stage because it is bad process. And yet we just heard from Senator Gallagher that Labor are going to do exactly the same thing with this bill. Seriously, we are here together to work as adults to improve legislation and you just voted down our amendment—for what reason except that you said it was bad process to do exactly the thing that you are about to do? It is no wonder you are in trouble.

Let us talk a little bit about this and we can go further into it when we move to the committee stage. The Tax Laws Amendment (Implementation of the Common Reporting Standard) Bill 2015 amends schedule 1 to the Taxation Administration Act 1953 and requires certain financial institutions in Australia to report information to the Commissioner of Taxation about financial accounts held by foreign tax residents. In turn, the commissioner will provide this information to foreign residents' tax authorities and, in parallel, will receive information on Australian tax residents with financial accounts held overseas. In order to verify relevant accounts, financial institutions will need to carry out the due diligence procedures outlined in the Standard for Automatic Exchange of Financial Account Information in Tax Matters, commonly known as the Common Reporting Standard, or CRS. The CRS is a standardised automatic exchange model that has been developed by the Organisation for Economic Cooperation and Development, or OECD, and non-OECD G20 countries at the request of the G20. As it is a standardised model, the policy options are limited to Australia not implementing the CRS and the timing of the implementation.
We saw the Australian tax office commissioner, Mr Chris Jordan, come out swinging during the last estimates. He said that the Tax Laws Amendment (Combating Multinational Tax Avoidance) Bill 2015, which the Greens passed constructively with the government and which was opposed by Labor in the last week of parliament last year, is helping the tax office deliver on multinational tax avoidance. They have had a number of multinationals come forward, cap in hand, to discuss with them the settling of their tax bills. Certainly, I do not think anyone has seen Mr Jordan quite so animated as he was in those estimates. He was happy that he had been given new sets of laws and new powers to deal with this most controversial issue.

This is what we discussed here again today, and it is good to see Labor being constructive on multinational tax avoidance. It is good to see them putting up some positive recommendations to raise revenue for the Australian people rather than being obstructionist, like they were late last year when the Greens tried to get some good laws in place on multinational tax avoidance. What did they do? Listen to Chris Jordan if you want to know how well that bill is travelling with the tax office and how it is enabling them to get on with the job. What did Labor do? They went and paid for a billboard in Sydney. Senator Dastyari paid for a billboard in Sydney saying the Greens had voted against multinational tax avoidance. What a load of BS! The Greens have achieved a constructive outcome by working with the government and stakeholders on multinational tax avoidance. It is good to see Labor following the Greens' example by actually proposing some constructive legislation to help our tax office get some dollars for the Australian people rather than looking to their own short-term political gain—which, may I say, totally backfired on the Labor Party. The Greens will be happy to work constructively with the Labor Party, the government and other stakeholders to continue to help the ATO deliver on multinational tax avoidance and get tax transparency in place. I will keep talking for the next 45 seconds until question time starts, but I will get back to the substantive part of my speech when we recommence consideration of the bill.

Let me say, as the rest of you join us in the chamber, that Labor stood up in the debate on the last piece of legislation 20 minutes ago and voted down a perfectly good Greens amendment on the basis that it is 'bad process'—bad process in this chamber, a house of review—to introduce an amendment at the last minute. And then Senator Gallagher got up and said she was going to do exactly the same thing herself when we get to the committee stage of this bill. It is absolute bloody hypocrisy.

Debate interrupted.

QUESTIONS WITHOUT NOTICE

Taxation

Senator URQUHART (Tasmania—Deputy Opposition Whip in the Senate) (14:00): My question is to Senator Brandis, the Minister representing the Prime Minister. I refer to the Prime Minister's statement yesterday that 'increasing capital gains tax is no part of our thinking whatsoever'. Is increasing capital gains tax no part of the government's thinking whatsoever?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:00): I can absolutely confirm the accuracy of what the Prime Minister said yesterday. I can confirm to the chamber that the
government will not implement anything as rushed, distorting and potentially destructive as the Labor Party's anti-investment capital gains tax plans. There will be no change to the 50 per cent CGT discount for individuals. The government is still carefully considering some other changes. That is how tax policy—

Senator Wong interjecting—

Senator BRANDIS: Aha! Come in spinner, Senator Wong! Of course, that is the way that tax policy is developed—not the way in which it was developed during that unlamented period when you were the minister for finance, Senator Wong. Remember the Henry tax review, in which every proposal but one was abandoned and the one that was chosen was a tax that raised no revenue? The government is developing tax policy the way it ought to be developed: carefully, methodically, paying due attention to the complexities of the system. The Labor Party in government commissioned a major review, the Henry tax review. It abandoned every single recommendation of the Henry tax review except one. It selected one recommendation from some 150, and that was the worst recommendation—the recommendation for a mining tax. So that is not the way that we are going to go about reform of the tax system. We are considering some changes, but those changes will not include a change to the 50 per cent discount for individuals.

Senator URQUHART (Tasmania—Deputy Opposition Whip in the Senate) (14:02): Mr President, I ask a supplementary question. I refer to the comments from Mr Turnbull's spokesman who said the Prime Minister 'was still open' to reducing the capital gains tax discount for investors. If increasing capital gains tax is still on the table, why did the Prime Minister say it is not?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:02): I am sorry, Senator Urquhart; you must not have been listening to the answer to the primary question. Senator Cormann interjecting—

Senator BRANDIS: Well, Senator Cormann, that is true, but I was not going to be so unchivalrous as to point that out! Now, Senator Urquhart, as I said in answer to the primary question, there will be no change to the 50 per cent CGT discount for individuals. The government is still carefully considering some other changes. That is the way that tax policy is developed by a government that goes about the development of policy in a careful, methodical way that considers all the matters that ought to be considered.

Senator URQUHART (Tasmania—Deputy Opposition Whip in the Senate) (14:03): Mr President, I ask a further supplementary question. I refer to the Prime Minister's statement: … all economic reform options remain on the table. Is a hike in GST one of the options that remain on the table?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:04): No. No. Having had a long community discussion about the desirability or otherwise of increasing the GST—a discussion, I might say, initiated by the Labor Premier of South Australia, Mr Jay Weatherill, and a discussion in which premiers from both sides of politics participated, economic commentators participated, former treasurers and former prime ministers participated, and the crossbench of this chamber participated—the government, having taken in the learnings of
that discussion, the community having had a very thorough look at this, has decided to take
that option off the table.

**Middle East: Maritime Security**

**Senator BACK** (Western Australia) (14:04): My question is to the Minister for Defence,
Senator Payne. Will the minister inform the Senate of Australia's contribution to maritime
security in the Middle East and how it is helping promote prosperity and stability in that
region?

**Senator PAYNE** (New South Wales—Minister for Defence) (14:05): I thank Senator
Back for his question, noting his particular interest in the topic as Chair of the Senate Foreign
Affairs, Defence and Trade Legislation Committee. As Senator Back has alluded to, Australia
has had a near continuous maritime presence in the Middle East for over two decades now.
Our frigate HMAS Darwin is currently located in the Middle East, having succeeded HMAS
Melbourne, and Darwin is in fact the 62nd rotation of a Royal Australian Navy vessel to the
Middle East since the first Gulf War in 1990.

Since 1 July 2014, our contributions to maritime operations have been under the CMF, or
Combined Maritime Forces, in the Middle East region and in counter-piracy operations in the
western Indian Ocean. These are waters that continue to be strategically very important to our
economic and trade interests. By patrolling those known smuggling routes and conducting
boarding operations, Australia and our coalition partners are able to degrade the efforts of
terrorist organisations and insurgent forces that are particularly funded by smuggling. Piracy
has to some degree declined but, without a continued security presence, there is always a very
high risk that it could in fact return.

Australia is committed to the maritime security of the Middle East, as we have long-
term vested interests there. The sea lanes through that area are absolutely vital to international
trade, and the volume of traffic through that area will only continue to increase on an
international basis. As a responsible nation and as part of those Combined Maritime Forces
we will continue to do our part to promote stability and promote prosperity through our naval
vessels and our personnel who operate in this particular region.

**Senator BACK** (Western Australia) (14:07): Mr President, I ask a supplementary
question. Could the minister inform the Senate how the deployment of Royal Australian Navy
ships is supporting international maritime efforts in the Middle East now and will into the
future?

**Senator PAYNE** (New South Wales—Minister for Defence) (14:07): It is very important
to emphasise that this is, indeed, an international effort. The Combined Maritime Forces that I
referred to in my first answer is a 31-nation naval partnership that ensures security, stability
and prosperity across more than 3.2 million square miles of international waters.

HMAS Darwin herself is currently assigned to Combined Task Force 150 and is focused
on disrupting the trade, in particular, of narcotics. Leadership of the CTF—Combined Task
Force 150—rotates between Combined Maritime Forces international members, and Australia
is currently in command of CTF-150.

Australia also continues, as I indicated in relation to our other activities, to participate in
multilateral counterpiracy mechanisms off the coast of Somalia as well as in the Shared
Awareness and Deconfliction group, which is coordinating military responses to the threat of piracy in the Gulf of Aden. *(Time expired)*

**Senator BACK** (Western Australia) (14:08): Mr President, I ask a further supplementary question. Could the minister inform the Senate of what Australia's contributions have achieved over the last 12 months in this region?

**Senator PAYNE** (New South Wales—Minister for Defence) (14:08): Over the past 12 months what Australian naval vessels have achieved in this region is particularly impressive. They have seized around 2.4 tonnes of illegal narcotics with a street value of around $800 million.

During her rotation, HMAS *Melbourne* patrolled more than 37,000 nautical miles. She conducted more than 50 boarding operations and seized almost a tonne of heroin. Her largest seizure alone was 427 kilograms. In fact, over the past 12 months there have also been no successful pirate attacks reported in the region.

HMAS *Melbourne* is on her way home for a well-earned rest, and I want to thank her commander and crew for their tireless efforts. They are very close now; they are, in fact, expected in Sydney on Sunday morning. I know that there will be many very happy family reunions, but also a very sincere acknowledgement from the people of Australia for their achievements on their operation.

**DISTINGUISHED VISITORS**

**The PRESIDENT** (14:09): Before I call the next questioner, could I inform senators that in the gallery we have the presence of a parliamentary delegation from Malaysia. On behalf of all senators, I particularly give you a warm welcome to Australia and the Senate.

Honourable senators: *Hear, hear!*

**QUESTIONS WITHOUT NOTICE**

**Taxation**

**Senator GALLACHER** (South Australia) (14:09): My question is to the Minister representing the Treasurer, Senator Cormann. Is increasing capital gains tax part of the Treasurer's thinking?

**Senator CORMANN** (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (14:10): What is part of the Treasurer's thinking and what is part of the government's thinking is, every single day, how we can strengthen growth, create more jobs and improve our tax system to make it more growth friendly, more efficient and less distorting in the economy, and how we can facilitate stronger growth and do it in a way that is fair.

Unlike the Labor Party, which came up with a massive tax hit on an important industry for Australia, which did not raise any money, when they had already spent all the money they thought it would raise and more, this government actually goes through an orderly policy-development process, and we make our announcements when they are ready to be made. The Australian people will know in good time before the next election—

*Opposition senators interjecting—*

**The PRESIDENT:** Order! Pause the clock. Order on my left!
Opposition senators interjecting—

The PRESIDENT: On my left!

Senator Moore: Mr President, I raise a point of order on direct relevance. The particular question was about increased capital gains tax ‘in the Treasurer's thinking’. So far we have not got to that term. We have gone to some general area but we have not had anything about increased capital gains tax.

Opposition senators interjecting—

The PRESIDENT: Order on my left! I believe the minister has been relevant to the question. It was related broadly to: 'Is it within the Treasurer's thinking?'—even though I think it is difficult for the minister to answer what is in the Treasurer's thinking. So the minister is in order.

Senator CORMANN: As much as I am tempted to provide a running commentary, I will not. What the government is focused on is reforms to strengthen growth and create more jobs to ensure people across Australia have the best possible opportunity to get ahead. That is why in last year's budget we delivered tax cuts for small business. That is why we got rid of Labor's disastrous mining tax and Labor's disastrous carbon tax, which made us less competitive internationally, cost jobs and reduced the level of investment into very important industries here in Australia. That is why we are looking right across the whole tax system for opportunities to make the tax system more growth friendly into the future.

That, of course, is only one part of our comprehensive plan for stronger growth and more jobs, which also includes an ambitious free trade agenda, an ambitious deregulation agenda, an ambitious innovation agenda, an ambitious infrastructure investment program—all efforts of the government to strengthen growth and create better opportunities for people across Australia to get ahead.

Senator GALLACHER (South Australia) (14:13): Mr President, I ask a supplementary question. Is a change in negative gearing concessions part of the Treasurer's thinking?

Senator CORMANN (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (14:13): I think I have explained what the Treasurer's thinking is, in some detail, in answer to the first question. The Treasurer's thinking and the Treasurer's focus is on how we can best strengthen growth to create more jobs and create better opportunities for people across Australia to get ahead.

As part of our overall plan for stronger growth and more jobs, on top of what we are doing in terms of helping Australian businesses get better access to new markets overseas and on top of what we are doing in the infrastructure space and on top of what we are doing in terms of deregulation to reduce the cost of doing business in Australia, we are also continuing to look at how our tax system can be improved.

In last year's budget we reduced taxes for small business to help them be more successful in the future and to help them employ more Australians. In this year's budget there will be a series of initiatives and measures on the revenue and on the spending side of the budget to strengthen growth, create better opportunities and deliver them in a way that is affordable.

(Time expired)

Opposition senators interjecting—
The PRESIDENT: On my left!

Senator GALLACHER (South Australia) (14:14): Mr President, I ask a further supplementary question. Does the Minister for Finance have a role in the government's economic strategy, or does he just get wheeled out to clean up after the Prime Minister?

Opposition senators interjecting—

The PRESIDENT: Order!

Senator CORMANN (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (14:14): That is clearly not a serious question so I won't even treat it with any seriousness whatsoever.

DISTINGUISHED VISITORS

The PRESIDENT: I also acknowledge for honourable senators' benefit in the public gallery we have the 2016 Inter-Parliamentary Study Program officers from parliaments from throughout the world. We welcome them also to the Senate.

Honourable senators: Hear, hear!

QUESTIONS WITHOUT NOTICE

Taxation

Senator LUDLAM (Western Australia—Co-Deputy Leader of the Australian Greens) (14:15): My question is to the Minister for Finance, representing whoever is in charge of developing the coalition's tax policies today. Minister, there are 44,000 young people and children who are homeless in this country today. Last night it was reported that there are children as young as two weeks old sleeping rough on Perth's city streets and there are more than 200,000 people on the social housing waiting list. An entire generation has been priced out of housing affordability. Last year the Parliamentary Budget Office estimated that the combined loss of revenue from negative gearing and capital gains tax exemptions over the forward estimates was more than $22 billion. How does the government justify leaving these massive incentives for property speculation in place when housing affordability is at such crisis levels for so many Australians?

Senator CORMANN (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (14:16): I thank Senator Ludlam for that question. The Australian government wants every Australian to have the best possible opportunity to get ahead, and that is of course why we are working so hard to strengthen growth, to create more jobs and to create the best possible opportunity for every single Australian to get ahead. When it comes to housing affordability that is a very important issue, and of course we want all young Australians to be able to afford their own home—of course we do. The way to ensure housing affordability at a time when prices go up because there is stronger demand than supply in the market is by increasing the level of supply. And there are a whole range of things that will need to be done in relation to this, and the Commonwealth and state and territory governments are focused on these areas of public policy.

To suggest, as Senator Ludlam seems to be suggesting, that the sort of approach that Labor is proposing would be the way to address it is entirely false. We reject that. To make the sort of change to negative gearing so called that Labor is suggesting would push up the cost of rental accommodation, it would push up the cost of rentals, and it would drive down property
values in the established property market and it would drive down property values across the board, and that is not a policy that we support.

The Greens are quite entitled as part of their longstanding coalition with Labor to pursue increased taxes on middle-income earners across Australia—on the police officers, nurses and teachers that are taking advantage of the opportunity to invest in residential property and to deduct the cost incurred in generating income from that investment from that income before it is taxed. That is the way the system currently works. If Labor and the Greens want to go to the Australian people in their usual coalition and sell that sort of policy, good luck to you.

Senator LUDLAM (Western Australia—Co-Deputy Leader of the Australian Greens) (14:18): Mr President, I ask a supplementary question. According to Moody's ratings agency and respected economists such as Saul Eslake, estimates are in the public domain that negative gearing adds nine per cent or around $44,000 to the price of a home. Could you explain, as finance minister, how it is economically or socially defensible to leave negative gearing and capital gains tax exemptions in place when it is so well understood that these huge taxpayer funded incentives for property speculation are artificially inflating home prices?

Senator CORMANN (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (14:18): I do not accept the premise of the question that Senator Ludlam puts there. What is colloquially described as negative gearing is a very simple and very important principle in our tax system, and that is when you generate an income you are able to deduct the costs in generating that income from that gross income in order to determine your taxable income.

Senator Wong interjecting—

Senator CORMANN: I can see that Senator Wong, who, instead of focusing on cutting expenditure and controlling expenditure, is always looking for an opportunity to increase taxes on middle-income Australians.

Senator Wong: You're spending more than I ever did!

The PRESIDENT: Order!

Senator CORMANN: I can see that she is in there, right on cue, wanting to support the Greens—

Senator Whish-Wilson: Mr President, I rise on a point of order in relation to relevance. The minister has not answered the question. He is talking about Senator Wong. He has not come anywhere near answering the question. I ask you to direct him to please answer the question.

The PRESIDENT: Thank you, Senator Whish-Wilson. The minister did say he rejected the premise of the question upfront and did address some of the elements of the question. Minister.

Senator CORMANN: Thank you very much, Mr President. Obviously, if tax arrangements were changed in the way that Senator Ludlam seems to be suggesting, it would make investment in private rental accommodation less attractive. It would reduce the supply of private rental accommodation. It would increase the cost of private rental accommodation along the way, and that is not something that we consider to be in the public interest.
Senator LUDLAM (Western Australia—Co-Deputy Leader of the Australian Greens) (14:20): Mr President, I ask a further supplementary question. This is extremely instructive. Does the minister propose to engage in a rational and fact based way with proposals to transfer the huge taxpayer funded incentives for property speculation into genuinely affordable housing supply, whether it be emergency accommodation for the homeless, a rebooted rental affordability scheme, a housing supply bonds issue or direct investment in the community and public housing sectors? Do you intend to bring any such policies to the public debate, or will you continue to leave it up to the Greens? (Time expired)

Senator CORMANN (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (14:21): Senator Ludlam is entitled to his opinions. Opinions are not fact. Obviously, all of us in the lead-up to the next election will be putting forward our respective policies, and it will be a matter for the Australian people to determine which policies they support.

Building and Construction Industry

Senator JOHNSTON (Western Australia) (14:21): My question is to the Minister for Employment, Senator Cash. Is the minister aware of any incidents of workplace harassment and bullying within the building and construction industry?

Opposition senators interjecting—

The PRESIDENT: Order on my left!

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:21): I thank Senator Johnston for his question. Unfortunately, yes, I can, Senator Johnston. Many would know that the trade union royal commission found there was a culture of wilful defiance of the law which appears to lie at the heart of the CFMEU. There are numerous examples highlighting this culture. For example, in the Federal Court decision last year the court revealed disturbing examples of this type of conduct in the Melbourne Grocon dispute. A witness, a man who decided not to take part in the blockade, told the court that John Setka, the CFMEU’s state secretary, and other CFMEU representatives pushed him into an alleyway and pinned him against a wall. He then told him, ‘Shut up,’ and that if he didn’t shut up that he would shut him up permanently.

The Federal Court also heard that workers trying to get to work had insults hurled at them by CFMEU members, including comments such as ‘scabs,’ ‘dogs,’ ‘scum,’ ‘rats,’ ‘f-ing bastard’ and worse, including, ‘You're f-ing going to die’, ‘You're going to cop it,’ and 'I'm going to kill your family.’ In another case, two Fair Work inspectors visited a construction site in Adelaide. CFMEU official John Perkovic approached, stood directly in front of the inspector and pushed him, and stated as follows:

You f***ing maggot, what are you taking a photo of me for, you piece of s**t?
You f***ing coward. I'd f***ing take you to school, you f***ing piece of s**t.
You f***ing piece of s**t, you're going to have a heart attack.

Opposition senators interjecting—

Senator CASH: I stand in this place and I am astounded that those on the other side cannot at least sit there in silence and hang their heads in shame, because if anyone on this
side said that to one of those people on the other side all hell would break loose in this place. (Time expired)

**Senator JOHNSTON** (Western Australia) (14:24): Mr President, I ask a supplementary question. Minister, what type of impact does this behaviour have on productivity in the building and construction industry?

**Senator CASH** (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:24): Thank you, Mr President. Unfortunately, the behaviour does have an impact not just on those workers who are subjected to this type of behaviour—but I do remind senators that the shadow minister does say, 'It's just a rough and tough industry'—but, unfortunately, for all Australians, because it impacts on productivity. Data from the ABS showed that from 2004 to 2005, when the ABCC commenced its work, to its final year of operation the labour productivity index for the construction industry rose significantly across a number of key indicators. In terms of the rate of disputes in the construction industry, they dropped to twice the all-industry's average. At the same time, long project delays were dramatically reduced. The Gillard government, courtesy of those on the other side, then abolishes the ABCC, and what happens? The rate of disputes rises to four times the all-industry's average. Clearly, the ABCC was doing its job. (Time expired)

**Senator JOHNSTON** (Western Australia) (14:25): Mr President, I ask a further supplementary question. Does the minister believe that the laws that are currently in place are sufficient to act as a deterrent?

**Senator CASH** (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:25): The simple answer to that question is no. Why? Because the ongoing pattern of behaviour clearly suggests that they are not. Since the ABCC was abolished—again, courtesy of those on the other side—the findings of dozens and dozens of court cases show that history was quick to repeat itself and the flagrant disregard for industrial law is now as common as ever. Two royal commissions—the Cole royal commission and now the Heydon royal commission—have now identified systemic unlawful behaviour in the construction industry by the CFMEU. The Federal Court of Australia has gone so far as to ask, referring to the CFMEU: Has there ever been a worse recidivist in the history of the common law?

When the laws are not strong enough to deter unlawful behaviour, something needs to be done.

**Workplace Relations**

**Senator STERLE** (Western Australia) (14:26): Mr President, my question is to the Minister for Employment, Senator Cash. I refer to the minister's previous answer in the Senate yesterday that:

… what occurred on the MV *Portland*, that is a matter for the company—nothing more and nothing less.

If what occurred on the MV *Portland* is a matter for the company, why were the minister's department and the minister's office given advanced notice of the plan to replace the Australian crew of the vessel with a foreign crew?
Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:27): I thank Senator Sterle for his question. Yesterday in question time, Senator Sterle referred to Senate estimates Hansard, so I assume the senator has read the Hansard. In saying that, he would then know that it is normal practice for the department to be notified of such industrial disputes. It would have happened under the former government and it happens under this government. By way of an FYI text, my office, but a few hours before, were also notified of the action.

Senator Sterle would also know, if he read the estimates Hansard, that Senator Lines asked:
Did they advise you that they would forcibly remove the crew?

And the secretary of the department replied:
No, and I do not understand that they did forcibly remove the crew. There was no mention of force.

Opposition senators interjecting—

Senator CASH: So, Senator Sterle, again I stand here gobsmacked that members of the Labor Party come in here to defend the actions of the militant Maritime Union of Australia, bearing in mind that the context in which this all occurred was that there were three orders—two from the Fair Work Commission and one from the Federal Court—that had said to these five employees, 'Stop your unlawful industrial action,' and they refused to. Senator Sterle, no-one in this place and no-one in the wider community gets to pick and choose which orders of a commission or a court they comply with. The law is the law. And in this case the law found against the MUA and the five members on the ship, it told them to end their unlawful industrial action and they refused to.

Senator STERLE (Western Australia) (14:29): Mr President, I ask a supplementary question. I note the minister's failure to answer my question yesterday, so I ask again: when was the minister first aware that the company proposed to use security guards to remove Australian workers from the MV Portland?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:29): Again, Senator Sterle referred to the Hansard from estimates yesterday, so again I assume, in referring to the Hansard, Senator Sterle has read the Hansard. I responded to a question asked by Senator Lines:
… did somebody tell you this was happening?
I said:
No, they did not. I found out the next morning when I saw it in the news.

Senator STERLE (Western Australia) (14:30): Mr President, I ask a further supplementary question. Unfortunately, I did not get an answer, so I will ask again through you, Mr President. I note the minister's failure to answer, so here we go again: when was the minister first aware that the company proposed to use security guards, and does she support the use of security guards to forcibly remove Australian workers from their place of work?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:30): Yes, I did answer the question. I found out about the security guards the following day when I read about it in the
newspaper. In terms of whether I support the actions of the company in removing the five MUA members from the ship, whether it is unions or whether it is the employer—whether it is anybody—I support that, if a court or an industrial commission makes an order determining that you do something, you should do that. In this case, it was two Fair Work Commission orders plus an order from the Federal Court telling the MUA that these people should stop their unlawful industrial action. They refused to and, in doing so, I will just remind senators, there were 12 other Australian seafarers who were not MUA members and were not refusing to sail who were also made to stay on the ship. (Time expired)

Queensland: Drought

Senator O'SULLIVAN (Queensland) (14:32): My question is to the Minister for Regional Development, Senator Nash. Will the minister please—

Senator Cameron: Still dreaming about New York!

Senator O'SULLIVAN: This is a significant question, Doug. Listen up! Will the minister please update the Senate on how the coalition government is supporting communities affected by drought?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate, Minister for Rural Health, Minister for Regional Development and Minister for Regional Communications) (14:32): I thank the senator for his question. Senator O'Sullivan has a long history of advocating for regional Queensland and understands firsthand the effect of crippling drought on our communities. As a regionally based senator and as a farmer, I know the harsh reality of drought not just on farmers but on all of those who live in affected communities, and it is really important that we remember how many of our communities are currently experiencing drought. Drought impacts community confidence and pride, and it does not discriminate. The economic and social impacts of drought can never be underestimated, and this government has a strong record of taking action on drought. Through the Drought Communities program this government is investing in projects that will help create jobs and stimulate growth. The program is providing $35 million to fund local infrastructure initiatives that provide employment for people whose work opportunities have been impacted by drought. To further support these impacted regions, identified local government areas will receive $1.5 million in funding to be targeted at projects that stimulate local community spending, use local resources, businesses and supplies and provide a long-lasting benefit to communities and the agricultural industries on which they depend. Since coming to government, we have invested more than $685 million in assistance and support for Australian farmers and rural communities experiencing drought and other hardship. We have seen over $413 million approved to 778 farm businesses and 5,767 claims for farm household allowance, with $1.35 million per week on average being distributed by the coalition government. This side of the chamber knows how important it is that we support those families and businesses during drought.

Senator O'SULLIVAN (Queensland) (14:34): Mr President, I ask a supplementary question. Can the minister please inform the Senate of the outcomes which are being delivered through the Drought Communities program in my home state of Queensland?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate, Minister for Rural Health, Minister for Regional Development and Minister for Regional Communications) (14:34): I thank the senator for his question. Senator O'Sullivan has a long history of advocating for regional Queensland and understands firsthand the effect of crippling drought on our communities. As a regionally based senator and as a farmer, I know the harsh reality of drought not just on farmers but on all of those who live in affected communities, and it is really important that we remember how many of our communities are currently experiencing drought. Drought impacts community confidence and pride, and it does not discriminate. The economic and social impacts of drought can never be underestimated, and this government has a strong record of taking action on drought. Through the Drought Communities program this government is investing in projects that will help create jobs and stimulate growth. The program is providing $35 million to fund local infrastructure initiatives that provide employment for people whose work opportunities have been impacted by drought. To further support these impacted regions, identified local government areas will receive $1.5 million in funding to be targeted at projects that stimulate local community spending, use local resources, businesses and supplies and provide a long-lasting benefit to communities and the agricultural industries on which they depend. Since coming to government, we have invested more than $685 million in assistance and support for Australian farmers and rural communities experiencing drought and other hardship. We have seen over $413 million approved to 778 farm businesses and 5,767 claims for farm household allowance, with $1.35 million per week on average being distributed by the coalition government. This side of the chamber knows how important it is that we support those families and businesses during drought.

Senator O'SULLIVAN (Queensland) (14:34): Mr President, I ask a supplementary question. Can the minister please inform the Senate of the outcomes which are being delivered through the Drought Communities program in my home state of Queensland?
Communications) (14:34): Senator O'Sullivan would be very aware of the real outcomes this coalition government is delivering to drought affected areas in Queensland. Some 15 councils have had projects approved to help revitalise and stimulate the local economies across Queensland while generating confidence and growth. In McKinlay shire, four projects to help boost tourism, including the refurbishment of a cultural centre, the expansion of the Julia Creek Caravan Park and upgrading amenities at the Kev Bannah Oval, have all been approved. The Blackall-Tambo Regional Council will receive funding to restore the Tambo sawmill, support a major upgrade of the historical cookhouse and refurbish the saleyards, and support land development at the Blackall racecourse complex. These are all very clear examples of the on-the-ground, real outcomes that this coalition is delivering for our drought affected communities.

Senator O'SULLIVAN (Queensland) (14:35): Mr President, I ask a further supplementary question. Will the minister outline what other steps the coalition government has taken to support jobs and growth in drought affected areas?

Senator NASH (New South Wales—Deputy Leader of The Nationals in the Senate, Minister for Rural Health, Minister for Regional Development and Minister for Regional Communications) (14:35): The government is investing in infrastructure initiatives to make travel quicker and easier while growing jobs and growth across regional Australia. This commitment includes the Roads to Recovery program, the Bridges Renewal program, the Heavy Vehicle Safety and Productivity program, the Black Spot program and the National Highway Upgrade program. Under the Bridges Renewal program, the coalition government is supporting Queensland communities. For example, the McKinlay Shire Council has received over $1.7 million to support work on the Punchbowl Road bridge. The Murweh Shire Council also receive coalition government support for work on the Nive River bridge and Langlo River bridge. These are all examples of the way the coalition government is supporting these communities in Queensland that are dealing with the very significant impacts of drought, and this coalition government will continue to support those communities.

Motor Vehicles

Senator MUIR (Victoria) (14:36): My question is to the minister representing the Assistant Treasurer, Senator Cormann. In 2013, Jaguar Land Rover announced that all new vehicles sold by the company would no longer come with a hard copy service logbook, instead relying on an online tool that must be updated by the dealer. Where consumers have exercised their right to choose an independent repairer, it is now impossible to record this service in the online logbook. This has left me wondering: who owns the logbook—the dealer or the car owner? Is the government aware that physical vehicle service logbooks are being removed from the vehicles?

Senator CORMANN (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (14:37): I thank Senator Muir for that question and for some notice of it. The shift to digital record keeping is consistent with trends we are seeing elsewhere in the economy. The problems that Senator Muir identifies are not with this electronic shift but with how consumer interests are protected.

The government recognises that the logbook, whether electronic or paper, is an important record of car ownership, maintenance and usage. The important thing is that people get access to the information and have the information. Last year the industry raised concerns with us
about access to information that enables the aftermarket industry to maintain and repair vehicles. Senator Muir has also made representations to the government on this issue. The former Minister for Small Business, Bruce Billson, was involved in brokering a voluntary industry agreement that would enable independent repairers to access appropriate repair information.

Following representations from industry to Minister O'Dwyer's office, Treasury officials met this month with representatives from the automotive service industry. The government is engaging with this sector to ensure the Agreement on Access to Service and Repair Information for Motor Vehicles 2014 heads of agreement, which has been in place since December 2014, and its supporting codes, work so that independent repairers can get appropriate access to repair information. The issue of manufacturers moving to online logbooks rather than physical service logbooks has been raised anecdotally as part of the broader issue of difficulties currently being experienced by parts of the industry in accessing vehicle repair information.

Senator MUIR (Victoria) (14:39): Mr President, I ask a supplementary question. Vehicle owners appear to be losing access to the service records of vehicles they already own and, more generally, to the data generated by their vehicles. Is the government considering monitoring this issue? I think the minister may have already touched on that.

Senator CORMANN (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (14:39): I thank Senator Muir for that supplementary question. By way of further information, although the government is not a signatory to the industry agreement, Treasury officials are actively working with key stakeholders to discuss progress on the issue of access to vehicle repair information and to this effect will soon attend the inaugural meeting of the steering committee of parties to the agreement. The government will continue to work with stakeholders across the automotive industry to encourage better outcomes for businesses and for consumers. Given that there is an agreement, which was well worked through, we would like to get the various stakeholders back into the room to make sure that the voluntary agreement does work and that agreement allows for dispute resolution and oversight mechanisms which, given a proper life, we believe will prove effective.

An opposition senator interjecting—

The PRESIDENT: Order on my left!

Senator MUIR (Victoria) (14:40): Mr President, I ask a further supplementary question. Just to clarify a little bit: logbooks are an essential record of service history and are relied upon by vehicle owners when making a warranty claim or reselling the vehicle. Given the implications this issue has for consumers, is the government prepared to investigate this matter to ensure that car owners are not sidelined into costly technological black holes?

Senator CORMANN (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (14:40): I thank Senator Muir for that further supplementary question. As I have indicated, the government is actively working with industry to ensure the effectiveness of the agreement and the codes to see if further measures are warranted. To date, the ACCC has not been provided with specific examples of conduct that would demonstrate a contravention of the Competition and Consumer Act 2010.
However, if there are any such examples, I would encourage industry to provide them for further consideration.

Australian Defence Force

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (14:41): My question is to the Minister for Defence, Senator Payne. The minister has repeatedly claimed that: 'Australian vessels and aircraft will continue to exercise rights under international law to freedom of navigation and freedom of overflight, including in the South China Sea.' Yet, at Senate estimates, Air Chief Marshal Binskin testified that the Australian Defence Force is not conducting deliberate freedom of navigation operations in the South China Sea. Minister, why are you and other members of the government continuing to pretend that Australia is conducting freedom of navigation operations, when the Chief of Defence has made it clear that is not the case?

Senator PAYNE (New South Wales—Minister for Defence) (14:42): I thank Senator Conroy for the question. I do not have the benefit of the Hansard of the estimates in front of me, but the government and the ADF have the same view on this matter—that is, that Australia supports the rights of all states, including our own, to exercise freedom of navigation and freedom of overflight under international law, whether it is in respect of the South China Sea or elsewhere.

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (14:42): Mr President, I ask a supplementary question. When China unilaterally imposed an air defence identification zone in the East China Sea in 2013, Foreign Minister Bishop defended the Australian government's strong response by saying: 'China does not respect weakness.' Given China's unilateral actions in the South China Sea, and Ms Bishop's previous comments, why has the government failed to authorise a freedom of navigation operation in the South China Sea?

Senator PAYNE (New South Wales—Minister for Defence) (14:43): As I have indicated—and as the senator has observed—on a number of occasions, both to him and elsewhere, the government will make its own decisions in relation to these activities, but we consistently and strongly say that we support the rights of all states, including our own, to exercise freedom of navigation and freedom of overflight under international law. We have also indicated that we do have concerns about aspects of various claimants' activities in the South China Sea. We have indicated that in relation to a number of those parties. In fact, Foreign Minister Bishop, in both of her visits last week, in both Japan and China, took up a number of these issues and reinforced Australia's position in that regard.

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (14:44): Mr President, I ask a further supplementary question. Our allies and partners, including the United States, clearly believe it would be valuable if Australia acted in support of the international rules based order. Why has the minister not heeded Foreign Minister Bishop's advice, acted with conviction and authorised a freedom of navigation operation in the South China Sea?

Senator PAYNE (New South Wales—Minister for Defence) (14:44): I think Senator Conroy is adverting to statements made yesterday by a visiting US admiral, in Australia, in at least part of his question. As I indicated in comments released to the media last night, the
admiral himself indicated that these are matters for each country to make their own decisions on. Australia will continue to do that in support of international freedom of overflight and freedom of navigation and in accordance with international law.

Child Care

Senator BERNARDI (South Australia) (14:44): My question is to the Minister for Education and Training, Senator Birmingham. Will the minister please update the Senate on what the Joint Committee of Public Accounts and Audit found in relation to the Early Years Quality Fund?

Senator BIRMINGHAM (South Australia—Minister for Education and Training) (14:45): I thank Senator Bernardi for his question and his very astute and accurate interest in the Joint Committee of Public Accounts and Audit inquiry into the former government's Early Years Quality Fund. The inquiry found that the fund is yet another example of Labor's mismanagement when it comes to public funds.

It was not the first report to have a look at the Early Years Quality Fund and find Labor's failure in its management. In 2013 a PwC review found that some $300 million had simply been used as a vehicle to increase union membership. In fact, as a result of the fund that Labor structured to help its union mates, unionised EBAs in the childcare sector quadrupled in a short period of time from 100 to 400. In 2015 the ANAO found that the fund was inherently unfair and inequitable.

Here we are in 2016 and the public accounts committee has painted a similarly damning picture of Labor's fund. It unfairly benefitted those in the know, ensuring that when the funds were made available they expired in only 13 hours, going to those who the Labor Party had no doubt tipped off. It was a union driven $300 million cash splash in which we saw 12 agreements being signed just one day prior to the election.

This is a clear example, along with many others, that the Labor Party cannot be trusted with money and cannot be trusted with childcare policy. Their 2008 increase in the childcare rebate simply saw childcare fees accelerate, driving increased costs for both families and taxpayers in the long run. It is a demonstration that in their policy settings the Labor Party will always put their mates and those preselecting them first and put taxpayer dollars last.

Senator BERNARDI (South Australia) (14:47): Mr President, I ask a supplementary question. I ask the minister if he could advise whether the Early Years Quality Fund actually achieved its objective of workforce development?

Senator Ian Macdonald: It was union development!

Senator BIRMINGHAM (South Australia—Minister for Education and Training) (14:47): Senator Macdonald is dead right there. Senator Bernardi, no, it did not achieve its objective of workforce development, but it certainly achieved the real objective the Labor Party had, which was union development and union recruitment. They designed a program to help their union mates out. Indeed, they let the unions design the program. The ANAO found that United Voice provided the wage schedules within the program. United Voice developed them, not the department. United Voice sent them straight to the Prime Minister's office and, from there, they went straight into the program. The PwC found that the fund was used simply as a vehicle to increase union membership. When the union was challenged as part of the inquiry as to whether they used it to drive up membership, they said, 'Why wouldn't we?' Of
course, that is what they had been invited to do by those opposite when they took taxpayer dollars as a vehicle to lift their membership— (Time expired)

Senator BERNARDI (South Australia) (14:49): Mr President, I ask a further supplementary question. I thank the minister for outlining that tale of woe. What is the government doing to reform the childcare sector and fix the problems that Labor left behind?

Senator BIRMINGHAM (South Australia—Minister for Education and Training) (14:49): Unlike those who left a situation of spiralling costs for both families and taxpayers, we have developed a program that will see almost $40 billion invested over the next four years, with $3 billion in additional funding to make sure that we provide the fairest possible childcare system for families and the greatest appropriate support for children, not for the union mates of those opposite.

We want to make sure the highest rate of subsidy and support goes to the lowest income families and that the greatest hours of subsidy go to those who work the greatest number of hours. We have had a proper process for this. We had the Productivity Commission conduct an open review. We invited submissions, even from United Voice. They were welcome to make a submission, but we did not let them write the policy. We did not let them design it. We made sure that everybody could have their say in relation to this policy and that it was well thought out, appropriately developed and good for families, children and the taxpayer. (Time expired)

Vocational Education and Training

Senator KIM CARR (Victoria) (14:50): My question is to the Minister for Vocational Education and Skills, Senator Ryan. I refer to the Turnbull government’s secret plan for a federal takeover of the vocational education system. Can the minister confirm that the Turnbull government has proposed the deregulation of TAFE fees and cuts to TAFE funding, measures that would result in higher fees and more debt for students?

Senator RYAN (Victoria—Minister for Vocational Education and Skills) (14:51): I thank Senator Carr for that question. As Senator Carr would be aware, the white paper on the reform of the Australian Federation is a longstanding process that commenced a couple of years ago. At the leaders retreat that was held last July, a number of discussions were held around potential clarification of responsibilities. Following that, in good faith, the Commonwealth and the states—governments of both persuasions—undertook work around potential changes to various constitutional and responsibility arrangements. Following that, papers were prepared by officials and circulated, as in the normal course of events. Those discussions will continue at the coming COAG meeting, which I understand is going to be in April.

Senator KIM CARR (Victoria) (14:52): Mr President, I ask a supplementary question. Minister, given your answer that the government has undertaken work, has the government also undertaken or commissioned any analysis of the impact of deregulating vocational education on TAFE, as proposed by the coalition’s secret plan? Can the minister guarantee that federal funding for TAFE will not be cut under the Turnbull government’s vocational education agenda?

Senator RYAN (Victoria—Minister for Vocational Education and Skills) (14:52): Thank you, Senator Carr. Without getting into the pejorative phrasing you used in the question—because it is simply based on a false premise—I, as you understand, having been sworn in last
week am not confidently saying what work might have been undertaken. But, if it was to be a secret, I can tell you this: I would not circulate it via officials to state governments where certain state governments tend to make it land in certain newspapers very quickly. So I am not going to respond to your pejorative language. This is a well-known, public process, where officials have been working on serious matters of reforming the Australian federation that will actually give the electorate and give people a more direct sense of responsibility over who is responsible for what functions and what policy areas.

Senator KIM CARR (Victoria) (14:53): Mr President, I ask a further supplementary question. Speaking of the state governments, I refer to the comments by the New South Wales minister for skills and industry, Mr John Barilaro, who said that the Abbott-Turnbull government has:

… made errors that I would not have ever believed from a government …

If the government's own state colleagues do not trust this government with education, why should Australian families?

Senator RYAN (Victoria—Minister for Vocational Education and Skills) (14:54): Senator Carr, given the mess this government inherited with the legislation your government passed on VET FEE-HELP, which has seen the most extraordinary rate of growth I have ever seen in a Commonwealth program, where it was 100 per cent for a couple of years—

Senator Wong interjecting—

Senator RYAN: Senator Wong, I will make comments on your pose the next time you are at the microphone. I am sure you will take those comments very well, as you often do.

Senator Wong: Sorry, precious. I didn't realise you were such a precious petal, sweetheart!

Honourable senators interjecting—

The PRESIDENT: Order on both sides.

Senator RYAN: It takes a lot for you to call someone precious, Senator Wong.

The PRESIDENT: Order! Address the question, Minister.

Senator RYAN: Senator Carr, as a minister in this government I am not going to respond to selective uses of quotes. We will stand up for the Australian taxpayer and for the role of the Commonwealth in the vocational education sector, and, as I have spent the last four days doing, I will spend the next six months cleaning up a lot of the messes you left.

Petrol Sniffing

Senator SMITH (Western Australia—Deputy Government Whip in the Senate) (14:55): My question is to the Minister for Indigenous Affairs, Senator Scullion.

Honourable senators interjecting—

The PRESIDENT: Order! Senators, do not have discussions across the chamber.

Senator Wong: He is talking to me—

The PRESIDENT: Yes, that is not in order, Senator Wong and Senator Ryan. Senator Smith, start again. Order!
Senator SMITH: My question is to the Minister for Indigenous Affairs, Senator Scullion. Will the minister update the Senate on the harmful impacts of petrol sniffing in remote Indigenous communities and how the government is reducing petrol sniffing across these areas?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:56): I thank Senator Smith for his question and I acknowledge his longstanding interest in the health of Aboriginal communities. Substance misuse, including petrol sniffing, has been a source of illness, death and dysfunction in many remote communities. In some Indigenous communities, I know that petrol sniffing is continuing to have devastating consequences, causing harm particularly to children and young people. Sniffing can lead to behavioural and social problems, and sniffers can end up with serious and irreversible brain and organ damage.

A proven strategy to reduce petrol sniffing, supported by government, is replacing regular unleaded fuel with low-aromatic fuel. However, in some locations, a minority of fuel retailers are reluctant to switch to low-aromatic fuel. Governments' efforts to roll out low-aromatic fuel where there is a community need to reduce sniffing is hampered by fuel retailers that refuse to voluntarily stock the fuel. I would like to take the opportunity to acknowledge the good work of Senator Siewert in initiating legislation to deal with these few retailers unwilling to sell low-aromatic fuel. I did not support the legislation at the time because I actually thought it was the states' job, but it allows me to deal with those few fuel retailers by designating an area as a low-aromatic fuel area. I believe this will help reduce the potential harm of petrol sniffing.

I need to stress that using powers under the act is a last resort. Every effort is made to negotiate with fuel retailers to voluntarily switch to low-aromatic unleaded fuel. Last week, I used powers under the act to designate areas in and around Tennant Creek and Katherine in the Northern Territory as low-aromatic fuel areas. I took the same action on Palm Island last November. It is great to see that in places like Robertson River the residents are now also supporting the use of low-aromatic fuel in their region. It is now illegal to supply, transport or possess regular unleaded petrol for supply to a person in these regions. I have taken this serious measure in order to stamp out the scourge of petrol sniffing. (Time expired)

Senator SMITH (Western Australia—Deputy Government Whip in the Senate) (14:58): Mr President, I ask a supplementary question. Can the minister explain how the government is working with communities and stakeholders on the implementation of these strategies to reduce petrol sniffing?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:58): My department must consult with the broader community, fuel distributors and fuel retailers before low-aromatic fuel is introduced into an area. A communication plan and support materials are developed and implemented. It is important to inform people who travel through and live in regional areas so that they are aware of the benefits of low-aromatic unleaded fuel. Low-aromatic fuel is a similar price and can be used in the same engines as regular unleaded fuel.

A few people have complained that low-aromatic unleaded fuel is bad for their engines—it is simply not true. The government has worked with the fuel experts who produce the fuel, both BP and Viva Energy Australia; there is absolutely no evidence to support these claims.
My department is continuing to work with people in the communities of Tennant Creek, Katherine and Palm Island, including fuel retailers and distributors, health and education workers and local priests, to ensure the transition to low-aromatic unleaded fuel goes smoothly.

**Senator SMITH** (Western Australia—Deputy Government Whip in the Senate) (14:59): Mr President, I ask a further supplementary question. Minister, have these strategies to reduce petrol sniffing been successful in other parts of Australia, like my home state of Western Australia?

**Senator SCULLION** (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:59): The introduction of low-aromatic unleaded fuel has a proven track record in reducing petrol sniffing. Low-aromatic fuel has been sold in Alice Springs since 2005. It is now available in over 150 locations. Research indicates an 88 per cent decrease in the number of people sniffing where low-aromatic unleaded fuel has been introduced. This government will continue to work with fuel retailers across the country to voluntarily stock low-aromatic unleaded fuel in areas where petrol sniffing is prevalent.

Every young person in our community is important. They are the future of our towns and our regions, and we need to ensure that they live in safe and healthy environments. Low-aromatic fuel has a proven track record of helping to reduce the harmful effects of petrol sniffing.

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

**DOCUMENTS**

**Defence Procurement**

**Order for the Production of Documents**

**Senator XENOPHON** (South Australia) (15:00): In accordance with standing order 164(3)(a), I rise to seek an explanation from the Minister for Defence as to why she has not complied with an order for production of documents made on 17 November 2014 in these terms:

That there be laid on the table by the Minister for Defence, no later than 4 pm on the next day of sitting, any documents produced by Macroeconomics.com.au Pty Ltd as a result of tender reference DMOCIP/RFT 0315/2012, including economic modelling and other examination of the potential economic impact of the SEA1000 submarine project on the Australian economy, among other subjects.

I seek an explanation from the minister as to why a document entitled 'A preliminary analysis of the economic impact of future submarines based on the experience of the Collins program' has not been tabled.

**Senator PAYNE** (New South Wales—Minister for Defence) (15:01): I thank Senator Xenophon for some brief notice of the fact that he was going to raise this issue this afternoon. This matter was also discussed at estimates the week before last, as Senator Xenophon will recall. I note the order of the Senate of 17 November 2014. Senator Johnston provided advice to the Clerk of the Senate in November 2014, and I also provided further advice on this matter to Senator Xenophon I think earlier this month, if I recall correctly, and it was then followed up at estimates.
The analysis and the modelling report to which Senator Xenophon refers will form part of a final report to government that is being developed by the Department of Defence. The final report will follow the competitive evaluation process for the Future Submarine program that is now underway. These documents have been brought into existence by the Department of Defence for the purpose of the cabinet's consideration of the Future Submarine, and as such the government stands by its decision not to release those documents.

Senator XENOPHON (South Australia) (15:02): I move:
That the Senate take note of the statement.

This explanation by the minister is not satisfactory. This report is a report that was commissioned by the former government back in 2012 as to the economic benefits of building submarines locally, taking into account the experiences of the Collins class program. Initially, in my various toing and froing with the minister's office and through the Information Commissioner and the Department of Defence, it was indicated that there was nothing there, that there was not a report, but we now know that there has been a report.

I want to pay tribute to Senator McEwen, who has also assiduously pursued this issue in the estimates process. On 10 February 2016, in answer to a question from Senator McEwen, Rear Admiral Sammut said:

There have been some further payments to refine the model, but not through Macroeconomics, who are no longer involved. Their work has been completed in developing the model to a certain point.

In other words, the work has been completed; the modelling has been provided. I also note that Senator Conroy, as shadow minister, has been assiduously pursuing this issue. We need to see the modelling. Taxpayers have paid close to half a million dollars for this.

I note that the 2012 Senate Foreign Affairs, Defence and Trade References Committee report in respect of procurement procedures contained a recommendation that there be openness and transparency in the process of procurement, and the government effectively said in response, ‘We support that.’ I am suggesting that the department has made a separate FOI based claim that the document is exempt on the basis that the document in question was brought into existence for the dominant purpose of briefing a minister on a cabinet submission. That claim is currently subject to a challenge with the Information Commissioner. Noting my detailed knowledge of the claim made by Defence, I am not inclined to simply acquiesce to the claim now being made almost certainly on the advice of the same people making the FOI claim inside the department.

In 1975 the Senate laid out by resolution its position with respect to public interest immunity claims. Paragraph 4 of that resolution makes it clear that, while the Senate may permit claims of public interest immunity to be advanced, it reserves the right to determine whether any particular claim will be accepted. As such, and as a courtesy, I advise the minister that I will be putting a motion to the Senate in the coming days in order to request production of any independent legal advice that supports the minister's claim.

This is an issue of great public importance not just in my home state of South Australia but in terms of the Future Submarine program and the importance of this Macroeconomics report's impact on the program. We ought to see it. Taxpayers have paid for it. If the government says now that there is a public interest immunity or that it is cabinet-in-confidence, we ought to see the basis of that claim.
Senator IAN MACDONALD (Queensland) (15:06): I thank Senator Xenophon for raising this important issue, but I just wonder why it is being raised now. We had a Labor government for six years who did absolutely nothing about any sort of shipbuilding in Australia. While Senator Xenophon makes a good point now, it just seems to me a pity that these points were not made five or six years ago, because, if they had been, and if you could have got the previous Labor government to move to actually do something, then there would not have been the valley of death. There may have been some shipbuilding happening now. We had six years—

Senator Gallacher interjecting—

Senator IAN MACDONALD: Senator Gallacher, you tell us why in six years the party of which you are a member—

Senator Conroy interjecting—

The DEPUTY PRESIDENT: Senator Macdonald, I would like you to ignore the interjections and address your remarks through the chair.

Senator IAN MACDONALD: Thank you, Mr Deputy President, for protecting me from the interjections of Senator Conroy and other members of the Labor Party. These are important issues, but why was nothing done in the six years of the Labor government? I think Senator Conroy is still the Defence spokesman for Labor—I am not sure whether he has been sacked from that job—but if he is still the Defence spokesman perhaps he could tell me whether he did anything about shipbuilding in Australia in the time that he was a minister in that government—I think for all of those six years. There was not one mention of it by the Labor Party or even by Senator Xenophon, as far as I recall—I may be wrong, and I stand to be corrected. It is a very important issue, and I would like an answer from the Labor Party on why they did nothing in six years of government. If they had have done something, then perhaps we would not have the crisis that Senator Xenophon rightly raises now. I see that Senator Gallacher is getting some advice from Senator Xenophon. Perhaps you have got the answer but I, for one, would be very pleased to hear the explanation as to why the Labor Party, after six years in government, did not one thing about any sort of shipbuilding in Australia.

Question agreed to.

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Taxation

Senator URQUHART (Tasmania—Deputy Opposition Whip in the Senate) (15:09): I move:

That the Senate take note of answers given by the Minister for Finance (Senator Cormann) and the Minister representing the Prime Minister (Senator Brandis) to questions without notice asked today by Senator Urquhart and Senator Gallacher relating to taxation.

What a divided, visionless lot those opposite have shown themselves to be. They have proven they have no plans for the economic future of this country—no clue on tax reform and no idea that does not involve hitting the most vulnerable people in our communities.

Last week at the Treasurer's Press Club address, we found out that the government's highly-anticipated plan for tax reform consists of nothing but a big, blank page. We got 46
minutes of waffle and not one single policy proposal. This week we have seen Mr Turnbull channel his inner Tony Abbott with a hysterical and completely baseless scare campaign about Labor’s proposal to save billions of dollars, to create jobs and to put home ownership back in reach for young Australians through moderate housing concession reforms. Honestly, I expected—as I know the Australian people did—better from the man who promised to lead a rational national debate that respected the intelligence of the Australian people.

The current system is not working. Negative gearing and capital gains concessions cost the federal budget more than $10 billion a year, and this is more than we spend on either higher education or child care. It is shameful. They are not increasing the supply of new housing, they are not creating jobs and they are not boosting construction. They are certainly not helping young people to buy their first homes. Not only that, but half of all negative gearing benefits go to those in the top 20 per cent of income earners and 70 per cent of the capital gains tax discount is used by the top 10 per cent of income earners. Despite the hysterical rantings of those opposite, these facts are indisputable. Clearly, something needs to change.

The Liberals do not want to see it become easier for young Australians to compete on a level playing field with investors to buy their first home. Instead, as we found out yesterday, the Liberals are planning on going after the nest eggs of Australian retirees by reducing capital gain concessions on superannuation. We did not find this out from the Treasurer, we did not find out from the Minister for Finance and we certainly did not find it out from the Prime Minister. In fact, the Prime Minister himself ruled out any changes to capital gains tax in question time yesterday. On this matter, the Prime Minister was very clear when he said:

I can say to the honourable member opposite that increasing capital gains tax is no part of our thinking whatsoever.

Despite this clear and unequivocal statement from Mr Turnbull, a few hours later we learnt that it was not true.

In fact, senior Liberals soon briefed media outlets that halving the capital gains tax discount on superannuation was very much part of the government’s plan. It is no small issue to mislead the parliament and it is especially concerning for the person who holds the highest office in the land. It is either a matter of competence—did the Prime Minister truly not know what was going on as his own inner circle hatched plans to plunder the retirement incomes of older Australians?—or, alternatively, it is a matter of character and integrity—did the Prime Minister knowingly mislead the parliament? Either way, it points to a very serious issue of trust.

Senator Brandis: On a point of order, Mr Deputy President. That is plainly a reflection on the Prime Minister by innuendo.

The DEPUTY PRESIDENT: Senator Urquhart, any adverse reflection on a member of the other place is in fact disorderly. I would ask you to keep that in mind for the rest of your contribution, to which I will be listening carefully.

Senator URQUHART: Thank you, Mr Deputy President. So the Australian people have every right to ask themselves just what does our Prime Minister stand for. When he arrived, people thought he would back in marriage equality, fight for meaningful action on climate change and support increased investment in science and innovation. Since then we have seen no change. Marriage equality is further away than it was under Mr Abbott, our climate targets...
put us at the back of the pack and the CSIRO are laying off scientists, and now, it seems, the Liberals have absolutely no plan for tax reform in this country that does not involve a great big tax that would hit those on low incomes the hardest and a plan to plunder the nest eggs of Australian retirees.

So what options do remain on the table? Will the government continue to go after retirees' nest eggs? It is time for Mr Turnbull to come clean with the Australian people about what the Liberals' real plans for tax are. *(Time expired)*

**Senator WILLIAMS** (New South Wales) (15:15): Senator Urquhart talks about affordable housing. How soon we forget! I have not forgotten the days of the so-called world's greatest Treasurer, the days of Mr Keating, when I was paying a 25.25 per cent interest rate. Many Australians had 17 per cent home loans. Lucky they were regulated—they could have been 25 per cent as well. We talk about investment, and we discussed it recently especially in relation to buying farms. On 1 January 2013, the Labor Party brought in a regulation about investment. If you earned more than $250,000 a year, gross—your wage, in our case our travel allowance, and superannuation—and you bought a business it was not tax-deductible but if you bought a house it was. If any one of the 226 politicians in this building went and bought a house, they could get a tax deduction for. But if anybody wanted to buy a farm, no, they did not want that—let the foreigners buy them. I discovered this the hard way—

**Senator Urquhart:** Mr President, I rise on a point of order on relevance to the questions asked.

**Senator WILLIAMS:** I am getting to it.

**Senator Urquhart:** He is getting to it. I draw the chair's attention to his comments.

**Senator Brandis:** Mr Deputy President, on the point of order: the motion is not that we take note of questions; we take note of answers. The answers canvassed the issues raised in Senator Williams's speech.

**The DEPUTY PRESIDENT:** And also, as senators contribute to the debate, generally information is added, and that brings it within order.

**Senator WILLIAMS:** Those opposite have a plan to take to the people of Australia at the next election—they have a plan to raise taxes, to bring in a carbon tax or an emissions trading scheme. I wonder what that will do for costs in the cement industry, the brick industry, the timber industry and the building industry as a whole?

**Senator Conroy:** Even Senator Brandis is struggling to see the relevance of this.

**Senator WILLIAMS:** I think even Senator Conroy would realise that. I know he is a climate change sceptic—I think he is, anyway. So housing affordability means let's go to the next election with a plan to put a tax on everything in our building industry. How is that going to make houses cheaper? How are people in the cities ever going to afford a house? That is why I keep telling them to come out to the country towns—$250,000 will buy a lovely three-bedroom, brick veneer home in a nice area where I am fortunate enough to live, in Inverell in northern New South Wales. It is a real problem. When it comes to affordability and tax, those opposite have one plan—raise taxes and spend more. What have they announced so far? About $8 billion worth of increases in taxes and some $26 billion or $30 billion of extra spending. So tax more but spend even more to bring the budget further into the red and mortgage our children's futures away.
I do not know when the election will be—it might be sooner than we expect, though it is due in August-September-October, as the Prime Minister has pointed out. It may be sooner depending on some bills that come to this place. Those opposite, in the Labor Party and the Greens, will oppose the ABCC legislation because they want to look after the CFMEU and see that they are protected while they disrupt the building industry. When the election comes we will get back to this whole issue of taxation and our plans for the future of Australia. Our plans will be spelt out and costed—there is no doubt about that. We will keep continuing to try and clean up the financial mess we inherited.

If you go back to 2008-09, we had a huge terms of trade surplus. Iron ore was worth a fortune, coal was worth a fortune and we were exporting huge surpluses each month. The government was raking in a fortune in taxes from those big companies. But of course they spent more than they brought in and the debt continued to grow and grow. And that was during good times. If we do not think the good times have gone, the loss announced by BHP today is enough to scare everyone—a $5.7 billion loss. That indicates exactly how the resources sector is going and how tough the budget will be. Of course those in the Labor Party and the Greens will oppose us getting the budget in order. They have even opposed their own savings plan in this place. Labor opposed some $6 billion worth of budget cuts that they had planned to make themselves. When we won government, they opposed them. We will see it all come out before the election, and hopefully that will be sooner rather than later.

Senator GALLACHER (South Australia) (15:21): I rise to make a contribution in this debate on the motion that the Senate take note of the answers given by Senator Cormann and Senator Brandis. At the outset, it is important that the facts here are on the table. Revenue for 2015-16 is expected to be $405.4 billion—an increase of 5.5 per cent of the estimated revenue of 2014-15. Total expenses for 2015-16 are expected to be $434.5 billion, an increase of 3.4 per cent on estimated expenses in 2014-15. It is important that those figures be on the table.

It is also important to understand where those amounts of money come from. Forty-seven odd per cent, or $194.3 billion, comes from PAYE taxpayers Company and resource rent taxes account for about 17.6 per cent of that revenue. Sales taxes, GST and the like represent 15.2 per cent, fuel excise is 4.4 per cent and there are a lot of other much smaller items. The picture is very clear. Through the finance minister, we are asking the Treasurer the specific question: what is in his thinking? The answer that is coming back is prevarication, with no clear vision and no clear, authoritative response to the questions we are legitimately asking. In the interview that the Treasurer did on 3AW on 19 February 2016, Mr Mitchell, the interviewer, said:

… I am looking for this vision that I heard about five months ago. Is this a five year vision or a six months vision?

The Treasurer's response was:

Our vision is of an economy that is innovative, modern for the 21st century, one where people are paying less tax over time, not more tax over time, where the economy is not run by the tax and spend higher tax club who seem to think the answer to every prayer is to raise a tax. When you hear Labor saying they have announced policies all they have done is announce higher taxes fuelling higher spending.

I am still waiting for the clarity that a Treasurer, a few months out from a budget, should have in his mind. He should know what he is going to address. Is he going to address bracket creep,
if that is an economic deterrent? If 48 per cent of the revenue raised is from individuals' PAYE tax earnings and bracket creep is going to be drag on GDP, how is he going to address that? If company taxes are a drain on employment—if they are causing employers not to employ enough people—how is he going to address that? Is he looking at capital gains tax? Is he looking at negative gearing?

He has ruled out changes to the GST, but I might say this: one other very famous Liberal Prime Minister ruled out the GST, saying it was dead, gone and never to be reinstated. Four years later, he actually prosecuted the case and got it in place. The GST is the area that the Liberal government will come back to. They have ruled it out for now because the focus groups tell them it is not popular, but they have to go back to it. You cannot get any more out of the workers. You will not get any more out of the companies. The next biggest item is a 15 per cent GST. They walked away from it because they are gutless. They walk away from anything. This Prime Minister walks away from anything that threatens his position in the Lodge and anything that requires real conviction, real prosecution and real arguing of the case. Negative gearing, capital gains tax and the GST—they walked away from all those debates.

So what are they going to do in the budget? Will they even have a budget? Will they just say, 'Look, let's go the polls before the budget because we can't actually construct a rational, logical view to take to the electorate. We'll just blame the ABCC or the CFMEU for all the woes in Australia—bag it all up and say it's the Labor Party's problem and the crossbenchers' problem. They are why we can't be the government we want to be.' And they will not even address the fact that they do not have the intestinal fortitude to articulate their case in a clear and unequivocal manner in all of the forums that are available to them while they are in government. They are prevaricating. It is embarrassing that Senator Cormann—he of the 'cigar and glass of wine' fame—on the best day of his life, the 2014 budget—(Time expired)

Senator BACK (Western Australia) (15:26): 'There will be no carbon tax under any government I lead.' I remind Senator Gallacher, through you Mr Deputy President, that to start quoting Liberal prime ministers of the past will come home to bite him, and come home it did. I also congratulate Senate Gallacher on very accurately and astutely quoting the Treasurer of this country's vision. What is a vision? A vision is where you see the country being in the long term. Then, from that vision, you work backwards. You work through strategies, you work through tactics, you work through consultation, you work through the whole process and you deliver your vision over time. I have to say that Senator Brandis and, indeed, Senator Cormann exercised a high degree of grace and courtesy in their responses to the question by Senators Urquhart and Gallacher, because the answers could have been given very shortly and, needless to say, they were that the government is not changing the 50 per cent CGT discount for individuals. They could have just said that and then sat down.

It is amazing. I heard in this place from Labor senators today reference to changes to negative gearing. And what do you think came across my mind? It was the live export trade, where that crowd, in government, with reference to nobody and against the advice of a Liberal senator who actually knew something about the trade, came in overnight and cut the guts out of the live export trade—and they now plan to do it, if they have their way, which they will not, with negative gearing. What would we see if Labor policies were introduced for negative gearing? We would see one-third, 33 per cent, of the housing market immediately
dissipate. It would not be the eight or 10 per cent that happened to the cattle industry in the live export trade; it would be more than one-third. We hear about the white-shoe brigade from Senator Cameron. Was he talking about Senator O'Neill, an investor in negative gearing? Was he talking about me? I am not a member of the white-shoe brigade, but I certainly am a participant in negative gearing, let me assure you. I challenge the Labor Party to go out there—

*Honourable senators interjecting—*

**The DEPUTY PRESIDENT:** Senator Back, I was actually going to ask you to resume your seat so that I could bring the Senate to order, but Senator Conroy is looking to raise a point of order.

**Senator Conroy:** On a point of order, I think, when there is a clear conflict of interest being declared like that, it is only incumbent on the good senator to declare how many homes he has negatively geared.

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

**Senator BACK:** There is no point of order, and there is no conflict either. This is a convergence of interests, because I am like many other Australians, like many on the Labor side, who have the common sense to avail themselves of the opportunities that are available to them through the taxation system in this country—as many on your side do.

Senator Conroy—through you, Mr Deputy President—do you know what happens when you invest wisely over time in negatively geared property? It actually becomes positively geared. We have positively geared investments, and they contribute to the Australian tax system. Isn't that an amazing notion for the shadow minister—that negatively geared property could in fact become positively geared and become a positive contributor!

There is a very clear distinction between this government and the other mob when they were in government. We have heard Senator Cormann say that all our policies are associated with cutting tax for small business, free trade agreements which are now stimulating so much export income in the services and in the commodity sectors, and the $50 billion infrastructure fund. There is an allegation and accusation that we are not rushing into things. What did Labor do in government? You rushed into the 'Gillard memorial halls', many of which are now falling down. You rushed into pink batts, and we all know the outcome there. You rushed into the $900 and the $1,200 cheques that largely ended up in poker machines, alcohol and drugs. Go and ask the people who work in accident and emergency departments of hospitals where those moneys went.

This government will not be rushing into its final decisions associated with policy development. There is a budget coming up in May. It will be presented on the basis of careful thought, careful consideration, of the implications—not the pink batts analogy but on the basis of clear and careful persuasion—which will be of the greatest benefit and, as Senator Cormann said, to develop strength in our economy and more jobs in a fair fashion.

**Senator LINES** (Western Australia) (15:31): I too rise to take note of answers given by Senator Cormann and Senator Brandis to questions asked by Labor regarding taxation. It is really hard to keep up with the daily flip-flopping of the Turnbull government. Its approach to tax has been nothing short of shambolic. Look at the rhetoric and rubbish we have heard from those opposite today. They must think that, if they yell really loudly, suddenly that makes it
all right or that it is so loud we cannot hear anything. We heard ancient history from the Nationals in relation to tax, and do you know why that is? Because they have absolutely nothing to say—nothing to say.

The government are busily contradicting themselves all over the place—left, right, centre. They have no idea what is going on in terms of tax, and we have caught them napping. When Labor came out with its very sensible negative gearing policy, they were caught napping, because they have nothing left in their tax portfolio because one minister or another has ruled it out, although some have ruled things back in. But those opposite, the members of the Turnbull government, seriously think the Australian dream is to negatively gear your seventh house! Labor knows that actually the dream is being able to afford your first house. Sure, Senator Back might go on and on about those who negatively gear, and I put it on the record here today that I am one of them. But that does not mean that I do not think the system needs change. Of course it needs change. I am certainly more than willing to pay my fair share of tax and I do not resile from that. I want to see housing at an affordable level in this country. But those opposite do not see that. As usual, they are looking after the big end of town.

The best we have heard from the Treasurer was talk about unicorns! That is really what we heard from the Treasurer. Yesterday we saw Mr Abbott—sorry, Mr Turnbull, the Prime Minister. Actually, they are interchangeable these days, so who would know? Mr Turnbull was channelling his inner Mr Abbott, as within just 48 hours we saw the government consider making the superannuation guarantee an opt-out for low-income Australians, and then, last night, reports revealed the government has a secret plan to halve the current 33 per cent capital gains tax discount for super funds.

This latest leak comes after the Prime Minister yesterday in question time channelled his inner Mr Abbott and attacked our policy—Labor's sensible policy—of halving the capital gains tax discount for individuals and trusts. What Mr Turnbull said in question time yesterday was:

… I can say to the honourable member opposite that increasing capital gains tax is no part of our thinking whatsoever.

That is what is in the Hansard. He cannot get away from that statement. It is clear as anything: it is no part of their thinking whatsoever. But what happened then? Senator Cormann quickly came to the Prime Minister's defence, when he said:

… the Prime Minister never just makes comments on the fly, there are very carefully considered judgments …

Well, they caught everyone out, because later on yesterday afternoon we had the bizarre occurrence of the Prime Minister's office—his own office—briefing newspapers that, despite Mr Turnbull's declaration on capital gains tax, the government was in fact looking at options to change the capital gains tax. Australians are not fooled by this, and voters have quite rightly started to see Mr Turnbull in his true light, as he channels Mr Abbott.

What happened yesterday was, again, an attack on workers by the Turnbull government. They have done a lot of things to hurt workers. They want to scrap penalty rates, they froze the super benefits for workers with the help of the crossbenches and they took away the superannuation low-income guarantee. So you have to wonder, when the Prime Minister is contradicted not just by his own ministers but by his own office: is he going to be replaced?
Seriously, is he going to be the Prime Minister that leads us to the next election? Who would know. (Time expired)

**The DEPUTY PRESIDENT:** On the same matter, Senator Ludlam?

**Senator Ludlam:** Who can tell, Mr Deputy President? I rise to take note of answers given by Senator Cormann on the question of housing affordability.

**The DEPUTY PRESIDENT:** Asked by the opposition?

**Senator Ludlam:** If you consider us as such, then yes. I asked a question to Senator Cormann on housing affordability.

**The DEPUTY PRESIDENT:** That is not the question that is before the chair, so it is not the same matter.

**Senator Ludlam:** I seek leave to take note on another matter.

**The DEPUTY PRESIDENT:** You do not need leave. I will put the other resolution first. The question is that the motion moved by Senator Urquhart be agreed to.

Question agreed to.

**Housing Affordability**

**Senator LUDLAM** (Western Australia—Co-Deputy Leader of the Australian Greens) (15:37): I rise to take note of answers provided by Senator Cormann to questions I asked him in his capacity as finance minister. It is impossible to tell, amidst this headless monster that the government has become on matters of tax policy, exactly who is driving the bus and who is in charge. But one thing is very clear: this government has no interest whatsoever in housing affordability. It is not even a kind of benign neglect; it is hostility. They are approaching government with a scorched-earth approach, where they have burnt to the ground everything that the previous government had put in place. Peak body funding for groups like Homelessness Australia, the National Rental Affordability Scheme, capital budgets for homeless and crisis support shelters—$44 million has been torched. It has disappeared and is not back in the budget.

This is the problem: there are more than 100,000 homeless people in this country right now. Forty-four thousand or so of them are young people and children. The greatest single cause of homelessness in this country right now is domestic violence. It is women—many of them with kids—fleeing homes that are too unsafe to remain in. That is the situation that faces 100,000 people. Roughly 10 per cent of those are sleeping rough in a doorway, in parks, or in completely transient accommodation—in cars.

Against that systematic, malign neglect of these 100,000 Australians who have nowhere to go, we have, over the forward estimates, Parliamentary Budget Office estimates of $22 billion worth of incentives for property speculators—people buying their first, second and third investment properties. These are people like Senator Mathias Cormann, who has two residences and two investment properties; people like the foreign minister, Ms Bishop, who has two residences and three investment properties—good on her; Senator Brandis, quite frugal—one residence, one investment property; Senator Fifield, one residence, two investment properties; Mr Turnbull, the Prime Minister of Australia, three residences and five investment properties. Good for you! How has that come about? What makes it so tax effective for property speculators to bid into the property market to start stacking up these
properties? I should say that those figures I just quoted are from the register of interests that are a year or so old, so apologies if more purchases and acquisitions have been made, or if there are other changes in the record since we last looked.

I put this question to Senator Cormann not that long ago, and it is as though you get something back from a random-answer generator—you do not get anything even remotely comprehensible—to the question that you put to him. So here is what I would put to Senator Cormann. Consider these words: 'The build-up of investors out-competing homeowners leaves young Australians disenfranchised and locked out of the housing market.' Senator Cormann said that those were matters of opinion, not of fact. But that is a quote from the Reserve Bank of Australia's head of financial stability. So it is not just Moody's; it is not just Professor Eslake; it is not just others across the housing sector and the housing affordability sector, people working on homelessness and people at the crisis end of the spectrum, saying that the $22 billion in incentives for property speculation are bidding up prices and locking people out of the market.

It makes me sick when I hear people in this place and the other place talking about how it is just supporting honest mums and dads. Well, mums and dads are renters as well. Mums and dads are homeless as well. When the front bench of the government come in here and pretend to simply be speaking for those mums and dads as honest property investors and quote blatantly misleading statistics from the Property Council and others, who say that some 840,000 Australians with taxable incomes below $80,000 are using negative gearing, they are very careful to always say 'taxable incomes'. Those taxable incomes are after deductions like negative gearing have been applied. It is a remarkable deception to then come in here and say they are just ordinary mums and dads, when, in fact, only 10 per cent of people earning a total income between $50,000 and $100,000 are claiming a net property loss. The fact is: the biggest winners from negative gearing and capital gains tax exemptions are the top end of town. They are the top 10 per cent of income earners—and you know it! Don't pretend you don't know it. The idea that you would push these massive incentives into the property market and then step back and say, 'It's not the role of the state to intervene in housing affordability,' is absolutely disgraceful. Thank goodness this debate in this country has finally arrived.

Question agreed to.

**PETITIONS**

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

**Safe Schools Coalition Australia**

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

The petition of the undersigned shows:

We are concerned about the political agenda pursued by the Safe Schools Coalition program, and the federal funding that this program receives.

Your petitioners ask that the Parliament:

- call on the Federal Government and the Education Minister to remove all federal funding from the Safe Schools Coalition program because it goes beyond education and compels students into advocacy of a social engineering agenda.

By Senator Bernardi (from 9,499 citizens).

Petition received.
NOTICES

Presentation

Senator Simms to move:
That the following matter be referred to the Education and Employment References Committee for inquiry and report by 20 June 2016:
The prevalence and impacts of homophobia, transphobia and discrimination against people with intersex variations in Australian schools, with particular reference to:
(a) prevalence of bullying, verbal and physical abuse;
(b) impacts of bullying on academic performance;
(c) long-term health effects and other implications of bullying;
(d) levels of support provided to individuals subjected to bullying; and
(e) potential government support that could be provided to reduce the prevalence of bullying.

Senators Madigan, Leyonhjelm, Lambie, Muir and Wang, Leader of the Glenn Lazarus Team (Senator Lazarus), and Senators Day and Xenophon to move:
That the following matters be referred to the Education and Employment References Committee for inquiry and report by 30 June 2016:
The ramifications for professional sports people of Australia’s participation in the international sports anti-doping framework, with particular reference to:
(b) the operation in domestic professional sports of the:
(i) Australian Sports Anti-Doping Authority Act 2006 (the ASADA Act),
(ii) National Anti-Doping Scheme, and
(iii) National Anti-Doping Framework;
(c) the investigatory powers of ASADA in comparison with similar bodies in other jurisdictions and conventional law enforcement agencies;
(d) the judicial process provided for under the ASADA Act, including, but not limited to, the rights accorded to accused sportspersons and others during the investigatory phase, the rules governing admissibility of evidence at each stage of the process, the standard of proof applicable at each stage of the process, and rights to appeal any finding of guilt or associated penalties;
(e) how professional sporting competitions have responded to the obligations imposed by the World Anti-Doping Agency (WADA), and the effects on the individual sports person;
(f) the effect on domestic professional sporting competitions of the regulation by WADA and the rulings of the Court of Arbitration for Sport, and
(g) any related matters.

Senator Rhiannon to move:
 That the Senate—
(a) notes that:
(i) on 3 February 2016, the Senate referred the ‘need for a nationally-consistent approach to alcohol-fuelled violence’ to the Legal and Constitutional Affairs References Committee,
(ii) late night violence and alcohol abuse has terrible consequences and is putting health and law enforcement services under tremendous pressure,

(iii) other large cities have retained a vibrant night life by providing 24 hour public transport, a range of support services and policing, and diversity in the density of licensed premises,

(iv) since the Sydney CBD entertainment precinct’s lockout laws commenced there have been huge costs to creative communities, live performances have declined by 40 per cent, jobs have been lost and dozens of venues have closed,

(v) on Sunday, 21 February 2016, about 15 000 people protesting in Sydney against the lockout policy of the New South Wales Liberal/National Government singled out job losses, the lack of personal freedoms and lost opportunities for young people as key concerns, and

(vi) residents and visitors to Sydney’s entertainment precinct should not be punished due to the behaviour of a small minority, and local communities should have a right to choose whether or not to have state lockout laws imposed on their localities; and

(b) calls on the Federal Government to urge the New South Wales Government to work with the community and key stakeholders to find innovative and integrated long-term solutions that will keep Sydney vibrant, open and safe. (general business notice of motion no. 1035.

Senators Wang and Madigan to move:

(1) That a select committee, to be known as the Select Committee relating to the establishment of a National Integrity Commission, be established to inquire into and report, on or before 22 September 2016, on the following matters:

(a) the adequacy of the Australian Government’s legislative, institutional and policy framework in addressing all facets of institutional, organisational, political and electoral, and individual corruption and misconduct, with reference to:

(i) the effectiveness of the current federal and state/territory agencies and commissions in preventing, investigating and prosecuting corruption and misconduct,

(ii) the interrelation between federal and state/territory agencies and commissions, and

(iii) the nature and extent of coercive powers possessed by the various agencies and commissions, and whether those coercive powers are consistent with fundamental democratic principles;

(b) whether a national integrity commission should be established to address institutional, organisational, political and electoral, and individual corruption and misconduct, with reference to:

(i) the scope of coverage by any national integrity commission,

(ii) the legislative and regulatory powers required by any national integrity commission to enable effective operation,

(iii) the advantages and disadvantages associated with domestic and international models of integrity and anti-corruption commissions/agencies,

(iv) whether any national integrity commission should have broader educational powers,

(v) the necessity of any privacy and/or secrecy provisions,

(vi) any budgetary and resourcing considerations, and

(vii) any reporting accountability considerations; and

(c) any other related matter.

(2) That the committee consist of 6 senators, 2 nominated by the Leader of the Government in the Senate, 2 nominated by the Leader of the Opposition in the Senate, and Senators Wang and Madigan.

(3) That:
(a) participating members may be appointed to the committee on the nomination of the Leader of the Government in the Senate, the Leader of the Opposition in the Senate or any minority groups or independent senators;

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

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

(4) That every nomination of a member of the committee be notified in writing to the President of the Senate.

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

(6) That Senator Wang is appointed chair.

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

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

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

(10) That 3 members of the committee constitute a quorum of the committee.

(11) That the committee have power to appoint subcommittees consisting of 2 or more of its members, and to refer to any such subcommittee any of the matters which the committee is empowered to examine.

(12) That 2 members of a subcommittee constitute a quorum of that subcommittee.

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

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

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

(16) That the committee be empowered to print from day to day such papers and evidence as may be ordered by it, and a daily Hansard be published of such proceedings as take place in public. (general business notice of motion no. 1036)

Senators Xenophon and Carr to move:
That the Senate—
(a) notes:
(i) the importance of Australia’s steel industry, not only in terms of revenue but also jobs and the economic value created through the multiplier effect,
(ii) the recent announcement by Arrium OneSteel that unless operating conditions improve at their steel manufacturing facility in Whyalla, thousands of jobs could be lost in the region, and

(iii) actions by the United States of America, India and Canada in recent weeks, in relation to imposing duties on steel dumped in those markets, as well as a current investigation by the European Commission of imported steel in the European Union;

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(b) calls on the Government to:

(i) uphold the provisions of the Australian Jobs Act 2013 and the ‘Buy Australian at Home and Abroad’ principles, and

(ii) urgently uphold procurement rules that recognise the economic value and contribution to the Australian economy of local production of steel, including the positive impact on small– and medium–enterprises in the Australian steel industry supply chain when compared to using imported steel, and taking this into account:

(A) seek to maximise the use of locally-milled and locally-fabricated steel in federally-funded infrastructure and construction projects where possible, and

(B) ensure all taxpayer-funded infrastructure and construction projects be supplied with steel made to the Australian standard, and refer to the South Australian Government’s policy as a best practice model for third party certification to ensure that steel procured for public works is independently tested and certified to Australian standards; and

(c) expedite the Australian Dumping Commission’s investigation into allegations of steel being dumped in Australia, and, if need be, provide additional resources to the Commission to effect this.

(general business notice of motion no. 1037).

Senator Siewert to move:

That the Senate—

(a) notes that three United Nations human rights experts have urged the Parliament of Western Australia not to adopt new anti-protest laws which would criminalise legitimate protests, including those by environmentalists and human rights defenders;

(b) recognises the important role public protest and free speech have played, and continue to play, in a healthy democratic society; and

(c) calls on the Government of Western Australia to abandon these divisive and unnecessary laws.

(general business notice of motion no. 1038).

Senator Wong to move:

That the Commonwealth Electoral Amendment Bill 2016 be referred to the Joint Standing Committee on Electoral Matters for inquiry and report by 12 May 2016.

Senator Waters to move:

That there be laid on the table by the Minister representing the Minister for Industry, Innovation and Science, no later than 9 am on 3 March 2016, the following documents in relation to the restructuring of the Commonwealth Scientific and Industrial Research Organisation (CSIRO) Oceans and Atmosphere division reported on 4 February 2016:

(a) the written briefing prepared in December 2015 by Dr Ken Lee, Director of the CSIRO Oceans and Atmosphere division for submission to the CSIRO executive for the ‘Deep Dive’ meeting;

(b) documents from November to December 2015 demonstrating the consultation that was undertaken with the Oceans and Atmosphere Flagship Research Program Leaders in preparing the above briefing:
(c) any written communication from Dr Alex Wonhas or Dr Larry Marshall to the CSIRO Oceans and Atmosphere division subsequent to the briefing mentioned in paragraph (a) requesting a proposal for more extensive restructuring;

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d) documents from January 2016 demonstrating any consultation that was undertaken by Dr Ken Lee with the Oceans and Atmosphere Flagship Research Program Leaders in developing the proposal for more extensive restructuring;

e) all written communication from December 2015 until the present between the CSIRO Oceans and Atmosphere Flagship and either Dr Wonhas or Dr Marshall in relation to any proposed more extensive restructuring, including:

(i) communications detailing the scope, rationale and implications of the restructuring,

(ii) guidelines or criteria to be used in choosing specific areas to be restructured,

(iii) the rationale for a reduction of 100 equivalent full-time staff, and

(iv) the decision to proceed after the CSIRO executive meeting on or around 27 January 2016;

f) documents from December 2015 until the present demonstrating the consultation process that is being undertaken with the Oceans and Atmosphere Flagship Research Program Leaders, including guidelines or criteria being used, to determine the specific research groups and teams to be restructured;

g) any written briefings for Dr Wonhas or Dr Marshall for the CSIRO executive meeting on or around 27 January 2016 concerning proposed restructuring in the CSIRO Oceans and Atmosphere Flagship;

(h) the minutes or other records of any CSIRO board meeting which considered the restructuring of the Oceans and Atmosphere Flagship;

(i) all project description and project budget documents for projects concerning the Cape Grim observing station and the associated Gas Lab analysis, for the past 5 years, up to and including 2015-16;

and

(j) any written communication between Dr Marshall and CSIRO staff concerning clean coal technology from November 2015 until the present. (general business notice of motion no. 1040).

Senator Lazarus to move:

That there be laid on the table by each Government minister, no later than 4 pm on Thursday, 12 May 2016, any documents relevant to the outsourcing of work by their government departments and associated agencies (including any commissions, bureaus and corporations), to foreign businesses (including wholly-owned foreign businesses, companies registered in Australia with a foreign parent companies and foreign companies with a majority shareholding held outside of Australia), specifically:

(a) the name and location of each government department and agency that is party to a procurement contract with a foreign business (contract);

(b) the number of contracts that currently exist between each government department and their agencies and foreign business;

(c) for each foreign company/business engaged by government departments and their agencies pursuant to contract, the foreign company/business name and the country in which their office is located and/or is operating;

(d) the date each contract commenced, and the date that contract is due to be finalised or reviewed for the purpose of further negotiations;

(e) the nature and scope of works required to be performed pursuant to each contract, including:
(i) where the works are managed and performed,
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(ii) the composition of the workforce, including whether Australian workers are required to be
engaged by the contract,
(iii) the number of Australian workers engaged by the contract, and
(iv) the monetary value of each contract; and
(f) prior to the commencement of each contract, information as to:
(i) whether the requirement for goods and/or services previously existed,
(ii) whether the provision those goods and/or services were performed by the Government, or
(iii) whether the provisions of those goods and/or services was managed and performed on the
Government’s behalf, and, if so, the name and location of the business responsible for the provision of
those goods and/or services. (general business notice of motion no. 1041).

BUSINESS
Consideration of Legislation
Senator RYAN (Victoria—Minister for Vocational Education and Skills) (15:43): I move:
That the following general business orders of the day be considered on Thursday, 25 February 2016
under consideration of private senators' bills:
No. 36 Migration Amendment (Protecting Babies Born in Australia) Bill 2014
No. 76 Veterans’ Entitlements Amendment (Expanded Gold Card Access) Bill 2015.
Question agreed to.

NOTICES
Withdrawal
Senator XENOPHON (South Australia) (15:43): I withdraw general business notice of
motion No. 1024 standing in my name for tomorrow relating to the introduction of a bill.

BUSINESS
Leave of Absence
Senator McEWEN (South Australia—Opposition Whip in the Senate) (15:44): by
leave—I move:
That leave of absence for personal reasons be granted to Senator Peris for the remainder of the week,
23 to 25 February 2016.
Question agreed to.

NOTICES
Postponement
The Clerk: Postponement notifications have been lodged in respect of the following:
General business notice of motion no. 1034 standing in the name of Senator Hanson-Young for 24
February 2016, relating to asylum seeker children, postponed till 2 March 2016.

BUSINESS
Consideration of Legislation
Senator RYAN (Victoria—Minister for Vocational Education and Skills) (15:44): I move:
That the provisions of paragraphs (5) to (8) of standing order 111 not apply to the following bills, allowing them to be considered during this period of sittings:

- Dairy Produce Amendment (Dairy Service Levy Poll) Bill 2016
- Narcotic Drugs Amendment Bill 2016
- Parliamentary Entitlements Amendment (Injury Compensation Scheme) Bill 2016
- Tax Laws Amendment (Small Business Restructure Roll-over) Bill 2016

Question agreed to.

COMMITTEES
Foreign Affairs, Defence and Trade Legislation Committee
Meeting

Senator XENOPHON (South Australia) (15:45): I, and on behalf of Senator McEwen, move:

That the Foreign Affairs, Defence and Trade Legislation Committee meet to consider additional estimates 2015 16 prior to 10 March 2016 to further examine the Department of Defence and that Dr Rob Bourke, Economic Adviser, Capability Acquisition and Sustainment Group appear before the committee at that time to answer questions.


The PRESIDENT: Leave is granted for one minute.

Senator RYAN: If the Senate wishes to recall the Department of Defence as per the motion, the appropriate arrangements will be put in place accordingly. However, the Secretary of the Department of Defence has already advised the committee that he, along with other senior officers, is able to provide any information they require in relation to the Capability Acquisition and Sustainment Group. In particular, senior officers of the Capability Acquisition and Sustainment Group are able to answer all questions in relation to the economic analysis work of the Capability Acquisition and Sustainment Group.

Senator XENOPHON (South Australia) (15:46): I seek leave to make a one-minute explanation.

The PRESIDENT: Leave is granted for one minute.

Senator XENOPHON: There is an important principle at stake here, and that is for the Senate to determine who appears before its committees, including the estimates committees. This is a matter that Senator McEwen and I and others have been pursuing for some time in relation to a report by Macroeconomics.Com.Au Pty Ltd on the economic modelling in respect of the Future Submarine Program. We know that Dr Rob Bourke, an economic adviser from the department, has had a key role in this. We ought to be able to hear from him directly in terms of his direct knowledge about the modelling that was carried out—modelling that cost taxpayers half a million dollars, which we cannot see and which the government is refusing to release.

Question agreed to.
MOTIONS

Tasmania: Bushfires

Senator McEWEN (South Australia—Opposition Whip in the Senate) (15:47): At the request of Senator Bilyk, I move;

That the Senate—
(a) notes:
   (i) the devastating and destructive impact of bushfires in Tasmania which are affecting the people of Tasmania and destroying Tasmanian wilderness areas,
   (ii) grave concern for the survival of Indigenous cultural heritage sites in the area, as well as precious flora and fauna, and
   (iii) the unwavering commitment and hard work of the Tasmanian Fire Service, the Tasmanian Parks and Wildlife Service, SES and volunteers for their resilience and exceptional efforts responding to this natural disaster; and
(b) thanks the Tasmanian Fire Service, the Tasmanian Parks and Wildlife Service, SES and volunteers for their resilience, unwavering commitment and exceptional efforts responding to this natural disaster.

Notice of motion altered on 22 February 2016 pursuant to standing order 77.


The PRESIDENT: Leave is granted for one minute.

Senator RYAN: The coalition applauds the tireless work of approximately 350 Tasmanian personnel from the Tasmanian Fire Service, Tasmanian Parks and Wildlife Service and Forestry Tasmania fighting the fires, especially given the inaccessibility by land and because of weather, even air. We also commend the efforts of Emergency Management Australia for their responsiveness on behalf of the Commonwealth. The impressive effort also includes 148 interstate and New Zealand firefighters, four fixed-wing aircraft, including large air tankers, 35 helicopters, large and medium water bombers, personnel carriers and reconnaissance. The coalition wholeheartedly supports the priority effort to protect lives and property in Tasmania and notes that Tasmania continues to identify areas of high ecological value and cultural significance for protection. The Australian government is providing $14.8 million annually to increase national aerial firefighting capability. The Prime Minister has also offered an additional $500,000 to extend national area firefighting capability this summer. Question agreed to.

Gambling

Senator LAMBIE (Tasmania) (15:49): I move:

That the Senate—
(a) notes that Parliamentary Library Research indicates that:
   (i) states and territories are responsible for regulating and issuing licences to operate poker machines,
   (ii) reporting of data on poker machine activity varies considerably, and there is no apparent requirement to report ownership of licences making the details of the ownership of the licences difficult to obtain, and
(iii) Victoria provides reasonably comprehensive data on poker machines, including ownership, but no other jurisdiction publishes such detailed data; and
(b) calls on the Government to work with state and territory governments to establish a national register to allow the public and media to easily identify the persons, companies or groups who hold poker machine licences and own poker machines.

Question agreed to.

Queensland: Meat Industry

Senator LAZARUS (Queensland) (15:50): I move:
(a) acknowledges that rural and regional Queensland is suffering from drought and ongoing job losses across many sectors, including the meat processing industry;
(b) calls on the Government to take immediate action to prevent further job losses in the Queensland meat industry by:
(i) establishing a dedicated working group comprised of Government, employers and employees, including representative groups/bodies to consult with employers, employees and unions in the meat processing industry to ascertain what level of support would be useful in protecting employment levels in the industry, and
(ii) developing an industry accord in consultation with industry stakeholders, including those within the meat processing, live export and farming sectors, which delivers positive outcomes for all stakeholders and reduces job losses in the meat processing industry; and
(c) further calls on the Government to investigate and report on the extent to which recently signed Free Trade Agreements (FTAs), such as the China Australia Free Trade Agreement, have altered demand and supply patterns in the local meat industry and, if FTAs have contributed to local jobs being lost, how such agreements can be strengthened to prevent this from happening in the future.


The PRESIDENT: Leave is granted for one minute.

Senator CANAVAN: This motion proposed by Senator Lazarus should be opposed. The motion would spread unnecessary uncertainty in our cattle industry and in particular our northern cattle industry. His motion implies that free trade agreements and also the live cattle trade itself could cause job losses. The logical end point of this motion and if the Senate supported it would be to ban or restrict exports of live cattle in favour of processing in Australia. We saw how disastrous this was in 2011 for our entire industry. Cattle Council resident, Howard Smith, today has come out and said that market intervention in Australia’s beef supply chain would be strongly opposed by beef producers. This motion would undermine confidence in the live cattle trade at a time when producers with cattle are finally getting strong returns after a long period of deflated prices. Senator Lazarus calling into question the value of Australia’s free trade agreements and singling out the ChAFTA agreement in particular would be very detrimental to our beef producing industry. Removal of tariffs will bring billions of dollars of extra value to— (Time expired)

Senator LAZARUS (Queensland) (15:51): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.
Senator LAZARUS: I have been to rural and regional Queensland. I have been to meat processing plants. There are job losses. In fact, 580 workers left the job site just outside of Townsville in November and have not been returned through the lack of cattle. This pathetic excuse for a government has done nothing to protect jobs in Australia. As long as the overseas companies are being looked after, they are very, very happy. Stuff the Australian workers! We don't want their jobs! But, of course, the foreign companies are getting all their cattle. We will be getting to a stage where we are going to have to buy processed meat at three times the price from wherever the cattle has been taken. No jobs are created here in Australia, but as long the mates of those over here, their foreign companies, are buying cattle hand over fist and not creating any jobs or any income in Australia, they are happy. *(Time expired)*

Question agreed to.

Schools

Senator LINDGREN (Queensland) (15:53): I, and also on behalf of Senator Bernardi, move:

That the Senate—

(a) notes that:

(i) bullying and harassment should never be tolerated in any forum,

(ii) schools should provide a safe and supportive learning environment for all students, and

(iii) schools participating in the Safe Schools Coalition Australia programme should carefully consider the suitability of resources, including web based resources, for all their students;

(b) requests that all parents are provided information about the programme to allow them to make an informed decision regarding their child's participation, and that schools respect their decision, including the right to exclude their child from the programme; and

(c) requests that all schools considering joining the programme respectfully consult parents in making any such decision.


The PRESIDENT: Leave is granted for one minute.

Senator MOORE: It is difficult to understand why this motion has been brought forward, as it pre-empts the government's own review, which was announced today. Labor introduced the Safe Schools program to address the real and serious issues of bullying, exclusion and suicide in LGBTI youth. Eighty per cent of LGBTI young Australians face abuse and bullying at school, only one in five feel supported at school and they are six times more likely to die from suicide. This is an incredibly important program. Schools participate on a voluntary basis and, just as for all programs, it goes without saying—but it should be said—that material should be age appropriate and parents should be engaged on what happens at school.

Senator SIMMS (South Australia) (15:54): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator SIMMS: Like the Australian Labor Party, the Greens are at a loss to understand why this motion is being put forward, particularly when one considers that the Safe Schools program is instigated by schools themselves. It is led by staff and students and, of course, there is consultation within the school community through parent and teacher organisations within respective schools. So this is really an utterly superfluous motion. It seems to be part of
the crusade led by Senator Bernardi here in this parliament to create this ridiculous argument that somehow by talking about sexual difference within schools, you encourage people to change their sexual orientation. Let me say that anybody who has the most basic understanding of human sexuality knows what an utterly ridiculous proposition that is. It is really disappointing to see our new Prime Minister, Mr Turnbull, kowtowing to Cory Bernardi in this way. He really is Tony Abbott 2.0 and it is an outrage that he is going down this path.

The PRESIDENT: I remind senators to refer to other senators and to people in the other place by their correct names or titles.

Question negatived.

Telecommunications

Senator LUDLAM (Western Australia—Co-Deputy Leader of the Australian Greens) (15:56): I move:

That the Senate—

(a) notes that:

(i) strong digital encryption protects the personal and financial information of millions of people,

(ii) encryption is an important tool to prevent identity theft and other crime,

(iii) encryption ensures that public interest whistleblowers, journalists and other civil society actors can conduct their activities more securely,

(iv) the Government, through services such as Medicare and Centrelink, and digital platforms such as myGov, depends on encryption to keep client information safe, and

(v) any decrease in public trust in digital systems and services will present an obstacle to the Government's agile innovation agenda; and

(b) calls on the Government to:

(i) support the continued development and use of strong encryption technologies,

(ii) resist any push from other governments to weaken encryption on personal devices, and

(iii) work with law enforcement to develop alternative avenues to obtain information through warrants and targeted surveillance that does not put every Australian at greater risk of identity theft.

The PRESIDENT: The question is that notice of motion No. 1032, moved by Senator Ludlam, be agreed to.

The Senate divided. [16:00]

(The President—Senator Parry)

Ayes .................... 16

Noes .................... 39

Majority ............... 23

AYES

Di Natale, R
Lambie, J
Leyonhjelm, DE
McKim, NJ
Rhiannon, L

Hanson-Young, SC
Lazarus, GP
Ludlam, S
Muir, R
Rice, J

CHAMBER
Question negatived.

**Nuclear Weapons**

Senator LAMBIE (Tasmania) (16:02): I ask that general business notice of motion No. 1004 standing in my name for today, relating to United Nations oversight of matters concerning North Korea and Iran, be taken as a formal motion.

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

Senator Ryan: Yes.

The PRESIDENT: There is an objection.

Senator RYAN (Victoria—Minister for Vocational Education and Skills) (16:03): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator RYAN: Australia has strongly opposed the DPRK's nuclear weapons program. As a member of the UN Security Council in 2013-14, Australia strongly supported the adoption of Resolution 2087 imposing sanctions on the DPRK for its 2012 missile tests. The government has called on international bodies, including the UN Security Council, to provide a strong response to North Korea's latest provocations. Australia is working to defeat Daesh through our major contribution to the international coalition to counter the terrorist organisation. This includes training, advice and assistance to the Iraqi security forces and
air strikes against targets in Iraq in Syria. The government supports the Joint Comprehensive Plan of Action nuclear deal that Iran agreed with the P5+1. It increases our security by providing verifiable assurances that Iran's nuclear activities will remain exclusively peaceful and by ensuring that any attempt by Iran to pursue a nuclear weapon would be detected promptly.

Senator LAMBIE (Tasmania) (16:04): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator LAMBIE: I would just like the coalition to know there is more than one way to skin a cat, and sooner or later this will come to light. That is what this chamber is about. It is about great debate. If you do not want to do this today, then that is fine, but it will come out in the open.

MATTERS OF PUBLIC IMPORTANCE

Election of Senators

The PRESIDENT (16:04): I inform the Senate that, at 8.30 am today, Senators Day, Leyonhjelm and Moore each submitted letters in accordance with standing order 75, proposing a matter of public importance. The question of which proposal would be submitted to the Senate was determined by lot. As a result, I inform the Senate that the following letter has been received from Senator Day:

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

The rushed changes to voting laws that will extinguish senate diversity.

Is the proposal supported?

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

The PRESIDENT: I understand that informal arrangements have been made for today's debate in relation to speaking times. With the concurrence of the Senate, I shall ask the clerks to set the clock accordingly.

Senator DAY (South Australia) (16:05): Almost a year ago this Senate passed a motion welcoming the diversity of voices represented by minor parties and Independents in the Senate. The motion passed unanimously. Yesterday the Liberal Party, the National Party, the Greens and Nick Xenophon issued that same crossbench with a death warrant. Our days are now numbered. When we arrived here, what on earth were we thinking? Was it that we crossbenchers, with policies, loyal supporters and vision for the future, had the audacity to get elected and present a different point of view? No, you now need a big party machine and the nerve to shut the gate after you have got yourself in.

I came into this place with a policy priority of 'every family, a job and a house'. But it seems that none of this matters to a good number of people in this place as much as having the numbers and stitching up deals. There are no relationships, just transactions. I get it—this is what will happen from here on. We and the many allies we have outside this unholy Liberal-National-Greens-Xenophon alliance will tell the Australian public the truth. It is the truth about the cartel that now exists to disenfranchise millions of voters in the Senate. The
Australian public will see this for what it is and will not be impressed. Mark my words, this will not end well for the Liberal Party or the nation.

**Senator SESELJA** (Australian Capital Territory) (16:07): I want to make a few points in relation to why Senate voting reform is important and why the tenor of this MPI is wrong. I have the greatest respect for Senator Day and for many of my crossbench colleagues and indeed for some in the opposition, but I want to make a few points.

What is fundamentally wrong with the system at the moment is not who was elected at the last election, nor fundamentally even how many primary votes they got—though I will comment on that. What is fundamentally wrong with our system at the moment is that the people do not deliberately choose who represents them. The people do not choose where their preferences go, because the vast, vast bulk of Australians do not know where their preferences go.

**Senator Day:** They are delegated.

**Senator SESELJA:** Well, they do not know where their preferences go, and this is the fundamental problem. What the Labor Party and some on the crossbench are saying to us today is that the Australian people cannot be trusted to choose where their preferences go. I take a different view. I think the Australian people should have the choice to vote for whomever they choose, and it should not be a system that makes it virtually impossible for them to choose that, and it certainly should not be a system that leads to a virtual lottery as to who is actually elected.

I will give an example. A lot has been made of Senator Muir and the low primary vote. Well, I do not care about the low primary vote. I think Senator Muir is a decent bloke. But I say that the voting system that got Senator Muir elected is a lot like a lottery. Senator Muir happens to be a decent fellow, who I think does his best to represent his state, but it could just as easily have been, when you look at the list of votes at that election, the Australian Sex Party; it could have been The WikiLeaks Party, the Shooters and Fishers Party, the Animal Justice Party or the Help End Marijuana Prohibition party, all of whom got more primary votes. Going down the list, it could have been Katter's Australia's Party, the Australian Fishing and Lifestyle Party, the Australian Independents, the Senator On-Line, the No Carbon Tax Climate Sceptics, Bullet Train For Australia or Drug Law Reform Australia, all of whom were getting half a per cent or less. If they were to get half a per cent and get preferences from people deliberately, in a preferential system there would be nothing fundamentally wrong with that. But what happens at the moment in our system is that people who voted for the Australian Stable Population Party do not know whether their preferences are going to elect the Sex Party or the Family First Party or the Pirate Party. They should have that choice. It should not be a lottery. It should not be the luck of the draw on the ballot paper and where you end up when the preferences start being distributed.

There was stuff put out, I think, before the last election saying: 'If you vote for the WikiLeaks party there is a good chance that you can end up voting for the Nationals,' and 'Vote for the Palmer United Party and there is a good chance that your vote can end up electing the Greens,' and that is true. Many people who voted for Palmer would not have known that he was preferencing the Greens. Many people who voted for Bob Katter would not have known that he was preferencing the Greens and vice versa. People who were voting for the Greens would not have known that their votes were helping to elect someone who, on
the face of it, would have been significantly ideologically different. What I say to the Senate and to the Australian people is that I want to see a system where Australian people choose who represents them in a genuine way, and at the moment that is not what is happening.

The Labor Party are particularly hypocritical and conflicted on this. We heard from Senator Dastyari, arguing against this and saying that it will disenfranchise people. This is a backroom dealer who is arguing for backroom deals. Let us be clear about that. These are backroom deals where no voter would know—even the most diligent voter who spends hours trying to get across it probably would not really know—where their preferences might end up. And, when we are talking about 20, 30, 50 or 100 preferences, they have absolutely no chance. Under the current system, if you are given the opportunity to vote below the line and you have to fill out 100, the fear, of course, is that there is a good chance that you will get it wrong—you will not order them all properly—and then your vote will not count. So most people—I think it is about 97 per cent—choose to vote above the line, and Senator Day says, 'That means you are delegating your preferences.' Well, yes: you are handing over control because you do not have much choice—you are not really given much choice—and then the deals get done, and you do not know where your preference goes.

**Senator Day:** Then change below the line!

**Senator SESELJA:** Well, Senator Day, this is the issue here. We had a parliamentary committee that looked at this in detail.

**Senator Day:** Not the minor parties.

**Senator SESELJA:** It looked at it in detail—and this goes again to the Labor Party. The Labor Party are coming in here and saying—

**Senator Dastyari:** This is not the joint parliamentary report.

**Senator SESELJA:** I think the Labor Party actually made a submission to that which is very, very similar to the legislation that is coming before the parliament. It is very, very similar. You know, optional preferential voting above the line is taking place in New South Wales and the sky has not fallen in. We have still seen people have their choices. What the Labor Party and some of the crossbenchers are saying is one of two things: either they think the Australian people cannot be trusted to choose their own preferences, or the Australian people simply are not smart enough and we should leave it to the political players to choose their preferences for them. I say: let us leave it to the wisdom of the Australian people.

People say this is about favouring one party or another. That is absolute rubbish because if it was about favouring one party then why was the Labor Party, and why were people like Gary Gray, so in favour of it, if it was about favouring one side of politics over another? In three years, or six years, or in future elections, who knows what the dynamics will be in relation to the party structure in this country? Who knows what parties of the left will arise? Who knows what parties of the rights will arise? From time to time it will benefit one party; it will diminish another. That is democracy. But fundamentally when you are looking at these kinds of reforms you should always err on the side of giving voters the choice rather than the backroom players. Fundamentally that is what Labor are going to be arguing against today and no doubt when the legislation comes to the parliament. They are going to be saying to the Australian people, 'No, you can't be trusted to choose where your second, third, fourth, 10th or 15th preference goes.'
I think people should be able to choose. I do not think they should have to preference every party. I think if there are 100 parties you should not have to. There are a lot of parties I have a fundamental opposition to, and I do not want to give them my preferences. I do not want my preferences to go anywhere near them. I could name some parties here, but I am not going to do that today. The reality is that Australians should be given that choice. If there is a party that you have an absolute objection to, they should not be getting any of your preferences.

That is the other great thing about a Senate voting reform which allows people not to preference certain parties whose views they might find obnoxious and objectionable. Under our current system, eventually they get some of those preferences at some point. You will be preferencing them. The best you can do is put them last, but you have to put another obnoxious one second last and another one third last. What I find particularly appealing about this reform is that you would not have to give any of those parties that you have a fundamental objection to a preference. You can preference just the one party. You can preference 10 parties, and it will be the parties that match your philosophy and that you believe are doing a good job.

The Labor Party and some of the crossbenchers are going to say to us that the lottery that we have at the moment where Australians do not know where their preferences go is better. They are going to say that the current system is better and that the Australian people cannot be trusted to do the right thing. We have heard that it will lead to all sorts of informal voting. The reality with the way that this has been structured is that it will not lead to informal voting because, if people vote the same way they always have, it will still count.

But Australians can also follow the instructions that they will be given by the Electoral Commission which will encourage them to number from one to six. In that case, at least the top six choices of that individual will be preferenced. Surely that is fair. The Labor Party and some of the crossbenchers seem to have no confidence in the Australian people's judgement. I have confidence that sometimes they will favour the coalition and sometimes they will reject our policies when they believe we have gotten it wrong. That is democracy, and this reform would actually improve our democracy.

Senator DASTYARI (New South Wales) (16:17): I have fundamental issues with the legislation as it has been proposed. My issues with it stem from the fact that, frankly, from what I can see, what we have here is an electoral gerrymander masquerading as transparency and reform. It is a predetermined outcome with a model built and retrofitted to achieve that. Let's be clear: the coalition and the Greens got into bed together and asked, 'How do we wipe out the minor parties?' Then they built a model to achieve that. Then they created a set of arguments to justify that. If this was real, serious reform, if this was actually about what it purports to be about, we would not be having a one-week inquiry to look at the biggest changes in Senate voting structures since 1984. These would be the biggest changes in 31 years.

I believe the Senate is a better place because of its diversity of views. I believe the Senate is a better place because there are so many different views being expressed here. A lot of them are views that I do not agree with. Someone like Senate Day and I have little to nothing in common when it comes to policy positions, but the fact that there is someone advocating positions that are different to my own I do not think weakens this institution. I believe it strengthens it.
Fundamentally when you have this type of system, these kinds of changes mean—and let's not pussyfoot around this; let's be honest about what this is going to result in—there will be only three parties in this chamber and perhaps occasionally a Senator Xenophon. This is the behaviour of a bunch of schoolyard bullies getting to turn around and say what kids do and do not get to participate and who does and does not get to play.

The hypocrisy of this coming from the Greens party is that it is a party that grew from being a very, very small minor party with a very, very small vote that over a period of time used this system to build its support. To turn around and try to shut the trapdoor behind them is, I think, deplorable. I think it is disgusting. I think it is a terrible development. If the Greens political party decides that it is going to spend the rest of its time being the lap-dog of the coalition parties that is a matter for it—

Honourable senators interjecting—

Senator DASYARI: No, on all the big legislation I have been involved with in the past year all I have seen, time after time, is this new coalition between the Greens, the Libs and the National Party. That is a matter for other political parties—

Honourable senators interjecting—

The ACTING DEPUTY PRESIDENT (Senator Whish-Wilson): Order! Senator Dastyari, just take your seat for a moment, please. I will remind the chamber that interjections are disorderly and that other senators will have their turn to talk shortly. Senator Dastyari, please continue.

Senator DASYARI: At the end of the day, what is it that we want to achieve in the Senate? I believe a more diverse and more open Senate with a range of different views is a better outcome. I believe that these proposals that have been put forward are going to result in a narrowing of the divergent views. The government wants this because it wants a more compliant Senate. That is what this is about achieving. It is not about transparency. If there were a more compliant Senate then what worries me is what would happen with a situation like the 2014 budget. A more compliant Senate would not be prepared to stand up to the government. A more compliant Senate would have fewer and fewer different voices. We as an institution are better and stronger because of the different views held here.

This proposal will result in a giant exhaustion of up to one-quarter of the vote. Let us talk about what this proposal would actually do. This is the introduction of optional preferential voting.

Senator Rhiannon interjecting—

Senator DASYARI: No, this is the introduction—

The ACTING DEPUTY PRESIDENT: Order! Senator Dastlyari, please address the chair when you are speaking.

Senator DASYARI: This is the introduction of an optional preferential system, which will result in a massive exhaustion of votes. This is about making sure that the votes of those people who choose to vote for a minor party will go nowhere. That is what this proposal will result in—that is what the modelling itself says it will do. This is an electoral fix. This is a rort. This is a set of rules, a structure and a system that have been created with the sole...
purpose of wiping out a handful of crossbench senators and locking in a handful of Greens senators. This is bad policy, this is bad law and it is being done for the wrong reasons.

If we are serious about electoral reform, why aren't we looking at how we can reform below-the-line voting? Why aren't we using a lengthier process? This has been rushed in for a double dissolution election and the Greens should be appalled. You should be appalled.

**Senator RHIANNON** (New South Wales) (16:23): When it comes to Senate voting reform, we have a choice: do we back voters deciding on their preferences or do we allow group voting tickets to continue and the backroom deals to flourish, with the likes of Senator Sam Dastyari out there doing these backroom deals and trying to wield and retain power? Do you back democracy or do you back manipulation? That is what is before us now.

Let us remember that we are actually talking about democracy here. Senate voting reform is in the context of how we enhance our democracy, who represents us and how we are governed. We need to ensure our electoral system cannot be manipulated. These reforms are coming before parliament because, in recent years, we have seen levels of manipulation increase. People have become aware of how they can 'rort' or 'game' the system—whatever word you want to use. Voting has become a lottery. I agree with the idea of diversity. All my colleagues in the Greens are very proud that we sit on a rich crossbench. That is part of how this Senate operates, and I hope there always is a strong crossbench, but, as we have seen attacks from the Labor Party suggesting that this will hand power to the Liberal Party, the Labor Party need to look into the mirror at themselves. If they think it will end up handing power to the Liberal Party, it means that they are not doing their job. Why aren't they out there winning more votes and standing up for what matters to people? Why are they doing the wrong thing by refugee rights? Why do they have a weak foreign affairs policy? Why are they failing to clean up political donations? There are issues around national security—so much of this has to do with Labor's failings here.

Coming back to the issue before us, it is worth remembering that Senator Dastyari spoke about the Joint Standing Committee on Electoral Matters report. The JSCEM report was important. It was where the parties came together. The submission from Labor set out their position very clearly. Labor's submission said:

> Senators who … rely principally on preference arrangements to get elected do not reflect genuine voter intention and need to be addressed.

There we had the Labor Party submission supporting reform. We had Labor, the Liberals, the Nationals, the Greens and Senator Xenophon signing off on very clear recommendations. At the time, Bill Shorten was the Leader of the Opposition. He is still the Leader of the Opposition, but now Labor are not on board. We should have unity on electoral reform, but we do not. The Leader of the Opposition is failing to give that incredibly vital leadership that is needed on these sorts of issues. We are seeing weak leadership. It is resulting in people like Senator Conroy and Senator Dastyari leading Labor into oblivion on this issue. They are locking themselves into a position of supporting backroom deals.

There is no question about it: there is a problem with the Senate voting system at the moment. The voter goes in to vote on election day and can only cast one vote, in one box, above the line. By far the majority of people have no idea where their preferences end up because backroom deals have already worked that out. Labor have said they will vote against the bill. They are still back in the last century, when that was how they operated. They
urgently need to change their own image, their own principles and their own way of working, but here they are illustrating to the public how bankrupt they are, even when it comes to such an important thing as voting reform.

They are also going against the advice of their former Special Minister of State, Gary Gray, who worked on JSCEM, worked on this issue and gave very solid advice. The committee was consistent, where all parties, having worked through many issues, came to the same conclusion. Mr Gray commented that Senate voting reform:

… is as important to Labor as one-vote-one-value and it is as important as the franchise.

That says it so clearly, but here we have Senator Conroy and Senator Dastyari leading Labor down a path of embarrassment and oblivion instead of standing up for what is right. Mr Gray also spoke about how these measures uphold the integrity of section 7 of the Constitution.

With regard to the actual plan as it will be set out in the legislation, it has gone another stage from JSCEM, but the essence is still the same. What JSCEM recommended is that it should be the voters who determine their preferences. Under the proposed legislation, voters will be able to do that. They can determine their own preferences if they vote above or below the line. If they vote above the line, they will be required to number at least six squares. This is where, again, Labor and, unfortunately, some of the minor parties are being highly inaccurate in how they are representing this. By requiring at least six boxes to be allocated, preferences will be distributed. Many of the parties are already negotiating preferences. The difference will be that this will not be done in backroom deals; it will be a recommendation to the voter. It will be on the how-to-vote cards given out on election day and on our websites etc. But, again, the decision rests with voters.

I feel very strongly about this issue because I saw how damaging these rorters were in the 1999 New South Wales election, when there were 264 candidates for 81 parties. At that time, the Outdoor Recreation Party, with only one-fifth of one per cent of primary votes, won a seat. They won the same number of seats as the Democrats. But the Democrats at the time had about 20 times as many votes as they did. So, again, when you look into the detail here, how can anybody say that this is democratic? That experience in New South Wales has very much informed how the Greens have taken this forward at a federal level. I spoke many times to former Greens senator and leader Bob Brown about this very issue. He realised that the reforms we achieved in New South Wales could bring benefits to Senate voting reform federally. He introduced a bill in 2004 and again in 2008. He and former senator Christine Milne spoke on this issue many times. These reforms are urgently needed, and the merits of Senate voting reform are really very clear. This issue has been muddied by misinformation, but it is something that we need to address, and address urgently.

I want to return to the idea—which many on the Labor side are sprouting and thereby misinforming many in the social movement—that the Liberals will control the Senate forever and a day. Ben Raue, a psephologist who runs a website called The Tally Room, said, 'It’s a brave call to assume the coalition could pull its entire two-party-preferred vote in a Senate race.' Seats can be taken from the conservatives. Again I remind Labor: look at yourselves. Look at what you stand for. When you are saying that the conservatives are going to control this Senate for the rest of time, what you are saying is that you are giving up. You are satisfied with the weak policies that you are taking out on the environment, on climate change, on people's rights. Every election we have a different result. When we become
candidates, it is up to us as public representatives to work with our members and our supporters to represent what we stand for. If the Labor people have the courage of their convictions to stand up for what matters, there is no reason the conservatives should ever control this place. I have found the scare tactics on this issue deeply appalling.

I think we need to remind ourselves what is going on here with the way in which a few factional operators have gained their power. Let us be very frank about this. Senator Dastyari and Senator Conroy have driven this issue within Labor. As I have indicated, the Labor Party submission to the JSCEM was supportive of these reforms, and the committee's recommendations had total backing from Labor, including from the Leader of the Opposition, Mr Bill Shorten, who was also leader at the time. There was solid support. Then it started to be derailed. Senator Dastyari and Senator Conroy, through their political careers, have gained so much of their power by doing backroom deals.

Senator Wong: Coming from you now—that's good!

Senator RHIANNON: I acknowledge the laughter. I acknowledge the interjection from Senator Wong. Labor needs to look into what is going on here. (Time expired)

Senator REYNOLDS (Western Australia) (16:34): I rise today to speak on this matter of public importance because I believe the issue of Senate voting reform is truly a matter of public importance—not for the reasons outlined in this motion but for the integrity of our democracy itself. There is absolutely no-one in this place more aware of the imperfections of our Senate voting system and the AEC processes than me, having had to contest two Senate elections within seven months because of these very imperfections.

The current system is clearly broken and needs urgent reform before the next federal election. As so clearly articulated by Senator Rhiannon—in fact, I almost thought she had done the job for me and that I would have to sit down—one of her previous colleagues, former Greens senator Christine Milne, in an op-ed yesterday, very adroitly described the urgency of the need for reform. She said:

Leaving things the way they are now, without the proposed reforms, means voting 1 above the line on your Senate ballot paper is like putting a ping pong ball in the mouth of a fibreglass clown at the Easter Show.

How right she is.

It is a fundamental tenet of democracy that Australians have the right to know exactly where their vote is going when they fill out their ballot paper. It is very clear from the bipartisan reports on the last federal election that up to 97 per cent of Australian voters who voted above the line on the Senate ballot paper had little or no control over where their vote ended up and who it assisted to get elected. That is not democracy.

The proposed changes to our very broken Senate voting system are neither new nor something that has been hurried, as suggested in this MPI. In fact, the situation is quite the opposite. The Joint Standing Committee on Electoral Matters did an extensive inquiry into the 2013 election and, in May 2014, almost two years ago, issued the Interim report on the inquiry into the conduct of the 2013 federal election. That report on Senate voting practices has been in the public arena for nearly two years. The bipartisan committee, which included highly respected members of the ALP—Senator Faulkner, Alan Griffin MP and Gary Gray
MP—unanimously concluded that the current system of Senate voting let voters down at the 2013 election and that the status quo is simply not an option.

The report also found that voters in the 2013 election felt their votes had been devalued by preference deals and that voters had been disenfranchised by being forced to prefer unpreferred candidates. That is not the coalition speaking; that is a bipartisan committee which found our system is fundamentally undemocratic. In the same report, which, again, was delivered almost two years ago—and not out of the blue, as is now being suggested—the committee made six key recommendations which they believed were urgent to improve the Senate voting system for the 2016 election.

It is also important in this current debate to put Senate reform into historical context. Since Federation, the Australian Parliament has never shied away from reform to progressively improve our electoral system, in particular the vexatious Senate voting system. Our current electoral systems have evolved over the past century and, while the House of Representatives method of voting system was largely settled by 1918 with several small changes since then, voting for the Senate has continued to be the subject of debate and progressive reforms over the last century. This demonstrates that we do not have to be wedded to the system, which we inherited and which clearly has problems, simply for history's sake.

The introduction of the committee's bipartisan report delivered a very compelling rationale for these changes. It said these changes were necessary—to provide simplicity, integrity, transparency and clarity in the Senate voting system. The changes would also provide the people with the power to express and to have their voting intent upheld; they would also restore confidence that the system of Senate voting actually reflects the will of the Australian people. The report very clearly said that the system that has evolved is inherently undemocratic and that urgent change was required.

The report also provided a number of tangible examples of just how broken the current system is. The first example was the Australian Motoring Enthusiast Party of Victoria, which received only 0.51 per cent, or just over 17,000 formal first preference votes in Victoria, equalling just 0.0354 of a quota. The party was elected to the final seat with a transfer of 143,118 votes from the Sex Party—many of whom would probably have been very surprised to find that their vote got the Motoring Enthusiast Party elected—but whose transferred votes had been transferred from over 20 other parties, arguably coming from voters who had no idea that their vote would elect a candidate from an unrelated party that had 0.0354 of a quota. The second example is from Western Australia, which, as I said, I recall all too well. There was a 14-vote difference between two candidates at one exclusion point and a 12-vote difference at the same exclusion point during the recount. It again demonstrates that there are very serious problems.

Based on these recommendations and the extensive public debate that has occurred now for nearly two years, the government is proposing reforms to empower voters to take back control of their votes in a Senate election. As Senator Rhiannon said, that is exactly what the Labor Party put in its submission two years ago, but, as we have just heard from Senator Dastyari and no doubt we will hear from Senator Cameron, the Labor Party is now starting to unleash confusing misinformation about these reforms. The latest we heard from Senator Dastyari was that these changes would lead to 800,000 additional informal votes. That is clearly false, clearly without substance and clearly insulting to Australian voters who absolutely can mark a
ballot paper one to six above the line with their own preferences. It is outrageous to suggest that Australian people cannot number one to six.

In contrast to this approach, however, the Hon. Gary Gray, who was a member of the committee, is on the record both then and now as strongly supporting the changes. So what did Mr Gray have to say this month in an opinion piece in the *Weekend West*? He said that the measures 'significantly strengthen our democratic process and restore transparency'. He had the courage to stand up for what the Labor Party actually said two years ago to say: 'This system sucks. It is not democratic and I will stand on principle to support what I believe is right.' Mr Gray went on to urge 'the government should act now without delay and before the next election'.

Why now? We have been discussing these proposals for nearly two years and we need to do it soon. The Australian Electoral Commission needs at least three months to implement the changes ahead of the next general election, which, as we know is scheduled for the second half of this year. What are these so-called rushed reforms that have been discussed publicly for nearly two years? One is the abolition of group-voting tickets and the provision of above-the-line voting for up to six boxes so that people can clearly choose the parties of their preference. They can vote for any of the independents or minor parties, but, instead of their votes being subject to backroom deals for group-voting tickets, they will get to choose—indepenents, minor parties, the Greens, Labor or Liberal. I think that is a fabulous outcome.

Another important change is the reduced opportunity for people to game and become registrars of multiple parties. Another change, which will be important for new Australians and for Australians who cannot read, is printing party logos on the ballot paper. That is a huge step forward in enfranchising such people in a more meaningful way.

In conclusion, Labor senators are under-estimating the ability of Australians to vote for the people of their choice. *(Time expired)*

**Senator Cameron** (New South Wales) (16:44): I want to raise some issues different from those we have heard in this debate so far. Senator Day has raised a matter of public importance about extinguishing Senate diversity. I find it interesting that Senator Day would be talking about diversity when Senator Day trots around like a faithful puppy every time the Liberals call a vote. If you want to know where Senator Day is voting, you just have to look at where the Liberals are sitting. There is no diversity. Senator Day has been turned on by his so-called mates in the Liberal Party, and he is going to get kicked out after being such a sycophantic follower of the Liberal Party for the last couple of years. His sycophancy is being repaid with his getting kicked out early because of these changes arrived at behind the scenes by the Greens, by Senator Xenophon and by the Liberal Party. There is quite a strong case of hypocrisy with Senator Day. How must he be feeling when he wakes up every day knowing that his constant voting, following the Libs around every time, has meant absolutely nothing?

Senator Rhiannon speaks about embarrassment and oblivion. I am not embarrassed to say that I do not mind a bit of diversity. I appreciate having people in here who understand the working class of this country, who have come from working class backgrounds—not like the coalition, who have never worked a hard day in their lives; they do not know what it is like to have to battle to put food on the table, do not know what it is like to have to battle to live day by day. The problem we have here goes even deeper than the stupidity of the Greens in doing this deal. If they were going to do a deal, at least the Greens could have tried to get something
out of it. But they are the real mugs of this parliament—they never get anything for the deals that they do. They just roll over. They are even worse than the National Party. The Libs call them in, give them a cup of tea or a chardonnay, and they roll over—they say 'tickle my neck' and away they go. They get a tickle on the neck and that is it. They do a deal but they get nothing out of the deal. Surely if they were a progressive party they would be going after the rorts that have taken place under the donation laws in this country. They would be doing something about it. The Greens had an opportunity to do something now, and what did they do? They rolled over—they absolutely rolled over. They are the biggest mugs this parliament has ever seen in terms of carrying out negotiations. They rolled over on multinationals tax and they have now rolled over on this. A progressive party would at least have enough guts to stand up and get something out of the backroom deals they do.

This is what we really need to be dealing with: we need to be dealing with the Liberal Party in New South Wales, who are getting handed brown paper bags with $10,000 in them in the front seat of a Bentley. What does that do for democracy in this country? We hear a lot about democracy but you will not hear the Liberals or the Greens in this debate talking about the rorts that are the real problem for democracy—the big business donations. The Greens had an opportunity this time round to stand up and say to the Liberals, if you want us to make changes then we want changes to the electoral laws in this country so that you cannot hide donations, so that you cannot get donations made nationally sent to New South Wales; you cannot get donations laundered federally to come back into New South Wales. We know what happened in ICAC with the Liberal Party; we know that four of their MPs in New South Wales had to resign because of the electoral deals they were doing. Senator Sinodinos was the chairman of Australian Water Holdings at the time they gave $180,000 to a company called Eight by Five.

Senator Smith: Madam Acting Deputy President, I rise on a point of order. I think Senator Cameron might be at the bottom of the barrel of his arguments.

The ACTING DEPUTY PRESIDENT (Senator Lines): That is a debating point, Senator Smith.

Senator CAMERON: What a pathetic input that was. As soon as you mention the rorts that the Libs are involved in, they are out there defending the white shoe brigade that are funding them. That was absolutely pathetic, Senator Smith. You tell me why a company that could not pay their workers superannuation, with Senator Sinodinos in a senior position in the company, was giving $180,000 to Eight by Five—

Senator Smith: Madam Acting Deputy President, on a further point of order: I think the standing orders make it very clear that relevance is an important element and Senator Cameron should get back to the topic of the motion.

The ACTING DEPUTY PRESIDENT: I do believe Senator Cameron is being relevant.

Senator CAMERON: Senator Smith, you are an absolutely pathetic joke.

Senator Smith: Madam Acting Deputy President, even from Senator Cameron that was a very unnecessary contribution.

The ACTING DEPUTY PRESIDENT: Senator Cameron.

Senator CAMERON: If you have such a glass chin you should not be in here. Eight by Five got about $400,000, and even Bill Heffernan did not know about it—and he was up there
on the Central Coast of New South Wales looking at all these rorts going on. The Liberal Party is continuing the rorts. The Greens made a deal with them, and they say they stand up against rorts but what did they do? Absolutely nothing. They did nothing. Again they rolled over.

Senator Rhiannon: Madam Acting Deputy President, on a point of order: for consistency, could Senator Cameron tell us about the rorts—

The ACTING DEPUTY PRESIDENT: Senator Rhiannon, that is a debating point.

Senator Rhiannon: There were the appearances—

The ACTING DEPUTY PRESIDENT: Senator Rhiannon, do not dissent from the chair. Resume your seat. That is a debating point.

Senator CAMERON: So the Greens have been arguing about backroom deals, and they did the backroom deal—and they got nothing out of it. They are the worst negotiators that have ever appeared in this Senate. They are pathetic, they are hypocrites, they stand here talking about democracy but when they had a chance to do something about electoral rorts they did not do it. The Libs are off the hook and the Greens have rolled over again. Absolutely pathetic. (Time expired)

Senator LEYONHJELM (New South Wales) (16:52): Many Australians feel the major parties do not represent them. Their elected representatives often have good intentions at the outset, but the constraints imposed by their parties soon kick in. They end up defending the status quo, talking in generalities and platitudes, and seeking at all turns not to offend a soul. So one-quarter of Australian voters cast their vote in the Senate for minor parties—parties other than the coalition, Labor and the Greens. That is more than three million Australians. Their votes only led to 11 per cent of Senate seats going to minor parties, but at least there are voices in the Senate raising issues of concern to them. They get a conservative senator like Bob Day, a small-government senator like me and an everyday, decent man like John Madigan. The intended change to Senate voting will smother these voices. People who vote for minor parties will see their votes exhaust. They will have no say in the make-up of the Senate and they will be effectively disenfranchised.

The Greens support this because it will remove competitors and deliver them the balance of power. I do not understand why the coalition support it—perhaps because it will wipe out any alternative voices for smaller government, like the Liberal Democrats, and any alternative voices for conservative values, like Family First. We regularly point out how the Liberals and Nationals are addicted to big spending and high taxing. Perhaps they think they are securing their base, and empowering the Greens is a price they are willing to pay. Perhaps they do not really mind if government spending and taxation rise and for Australia to slowly turn into Greece, as long as they are in government while it happens.

What we know is that Malcolm Turnbull dabbled with joining the Labor Party in the past. Perhaps he really is the Manchurian candidate for the Greens. Should we be surprised if a member for Wentworth hands the balance of power to the Greens? But what is surprising is that the small-government and conservative elements in the Liberal and National parties have not woken up to what is going on.

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (16:54): I rise to support the resolution because, frankly, I have been shocked that the Greens have done
another dirty deal to support the Liberal government. That is exactly what they have done. They have decided that 10 green bums on seats in the Senate is more important than any principle. It is more important than the principle of donation reform; it is more important that the principle of ensuring that we have a fair voting system—because that is what you have all done. You have been led by a senator who is in absolute panic that they will not be able to get a quota in their own rights in the upcoming Senate election in New South Wales. They stared at the last New South Wales election and no green was elected. So we have to change the system to make sure that that person can get elected in New South Wales.

This is a deal, as Senator Leyonhjelm has stated, that is going to effectively exclude 3.2 or 3.3 million Australian voters—25 per cent of Australian voters—who do not want to vote for Labor, the coalition, the Greens or the Xenophon party. Everybody who does not want to vote for them will not count anymore. Let us be very clear about this: the government and the Greens have stated they want to wipe out the crossbenchers. That is the stated purpose of the bill. It has no other purpose. Who will come in and replace them? We know it is not going to be any of the minor parties. It is not going to be a new Nick Xenophon, who started off getting two per cent of the votes when he first ran for parliament, because he is locked out. He has turned the key, slammed the door and pulled up the ladder—no new Nick Xenophons can ever emerge. I do not have to agree with Family First, but they have a right to be part of the process. I have worked with Family First in Victoria through Senator Fielding. He voted against me more than he ever voted for me, but, let me tell you, they built their way up.

Now you want to slam the door and ensure that nobody else can get up but a member of the Labor Party, the coalition or the Greens. That is what you have done. When you wipe out those minor parties, you will be replacing them with the three, and the Xenophon party will be there as well. That is why Senator Xenophon is in it. I watched Senator Xenophon on TV throwing his tantrum—'I got 1.7 quotas; I should've got two.' Here is a hint: you get two when you get two quotas. If every other minor party in South Australia said, 'We don't want to give preferences to Senator Xenophon to elect a second Xenophon candidate,' that is how the ball rolls. If you cannot get the preferences, tough. He says, 'I got 1.7 and I deserve to get two because I got so close'—what a pathetic little tantrum and what revenge he is taking on everybody by supporting this deal.

So the Greens have 10 bums on seats locked in. That is what this deal does—10 green bums on seats are absolutely locked in as a part of this deal, because that is what you will get. Your reward will be to lock your jobs in. Everybody else in the country who is not part of a major party gets locked out, but you get locked in. You have closed the door and you are on the inside. You have given up all principle here.

If you really cared about electoral reform in this country, this deal would include electoral donation reform. The government were desperate for this deal. You had them over a barrel again and you rolled over. You could have said, 'We will only vote for this package if we get meaningful donation reform in this country.' So you had a choice: pursue your principles or pursue bums on seats. And we all know what you have done. You know what you have done. You have taken bums on seats over principles. I do not want to hear any more lectures from any of the Greens saying, 'We're principled and you're unprincipled. We're a political movement; you're just a filthy political party.' Let me be very clear about this: you are now a
filthy political party. You have advanced yourselves at the expense of everybody else in this chamber.

Government senators interjecting—

Senator CONROY: There are your new friends! Get used to them. You will be cuddling up to them more and more often. This was a time for you to fight for your principles or fight for your seats, and you sold out your principles. You sold out your principles on a whole range of things that you have campaigned for and that we have campaigned for.

But what is worse than just selling out your principles is that you are putting in place a system that will probably lead, over time, to the Liberals having 38 senators permanently. Once Nick Xenophon retires—once the Xenophon party disintegrates after the departure of Nick Xenophon—the Liberals will regain their missing votes and become 38, and then not one policy, not one principle, that you believe in will ever again pass this chamber. You will have delivered that to those opposite. You are propping up the Liberal coalition government. You are giving them an opportunity to make their health cuts, education cuts and GST changes. All of that is what you are risking through this filthy deal just to make sure you can all keep your own bums on the seats in that corner. That is what has happened here. (Time expired)

Senator LAZARUS (Queensland) (17:01): The Senate is the final stop for the consideration and debate of bills which impact on the people of Australia. As a senator for Queensland I consider every bill on the basis of whether it will benefit the people of Queensland, and if it does not I will not support it. If it does but it needs improvement, I will amend it. In my time in this house, I have acted with honesty and diligence, I have done the hard yards for the people of Queensland and, despite the threats of a double dissolution by Malcolm Turnbull, I will not change my approach. The people of Australia come first, not multinational mining companies, not the Chinese government, not the big end of town—the people of Australia. If the Turnbull government wants to get bills through the Senate, my advice to Malcolm and his colleagues is: start writing better bills. Start writing better bills which benefit the people of Australia, not the rest of the world.

Yes, I agree voting needs to be reformed, but the dirty deal done by the coalition and the Greens delivers extreme reform which will wipe out any chance of everyday Australians being able to enter politics through the Senate in the future. That is not what I call a democratic process. This delivers a system whereby only the rich will be able to enter politics, by buying their way in through advertising and publicity. Malcolm Turnbull wants to turn Australia into America.

Senator O'Sullivan interjecting—

Senator LAZARUS: I see the bully in the pack there at the back. Wucka wocka wacka! Malcolm Turnbull wants to turn Australia into America. Heaven forbid. He wants to deregulate higher education, he wants to privatise Medicare and now he wants to limit access to politics to the wealthy. Everyday Australians are going to miss out because of this dirty deal.

Once the new voting reforms have been rammed through the Senate, the Turnbull government will go to an early election, through a double dissolution, because they are scared that, if they wait, they may lose too many seats due to their waning popularity.
Senator LAMBIE (Tasmania) (17:03): I rise to contribute to this matter of public importance proposed by Family First senator Bob Day, who suggested the topic of discussion be 'the rushed changes to voting laws that will extinguish Senate diversity.'

This rushed change to our voting laws is a distraction from the important business of this place. This change is not being driven by the people of Australia. In the time I have been a Tasmanian senator, I have not had one person, not one, come into my office and ask for a change to the Senate voting system. They wanted positive changes and improvements to health, education, social services, veterans' conditions and diggers' pay, and they wanted jobs. It is self-interest which is motivating the Liberals, the Nationals and the Greens. We should be discussing the government's plan to make $650 million worth of cuts to Medicare bulk-billing and all the women's lives that will be endangered by these cuts. That is the issue that everyone who contacts my office is concerned about today, not Senate voting reform.

Just as this Senate voting change has been done by a dirty backroom deal between the Liberals, Greens and Nationals, it is clear that the Liberals, Greens and Nationals will be doing preference deals at the next federal election. A vote for the Liberals and the Nationals will be a vote for the Greens, and a vote for the Greens will be a vote for the Liberals and the Nationals. Who would ever have thought that the political married bliss of the Liberals and Nationals would be disrupted by the Greens climbing into their electoral bed and sneaking under the sheets! Just when Barnaby Joyce thinks he will be Deputy Prime Minister when the Libs win the next election, he finds out that he has competition from the Greens leader. Poor old Barnaby will not know where to sleep—in the middle, on the top or on the bottom! I guess Barnaby will sleep wherever Richard tells him to sleep from here on in!

One of the reasons that the government gives to justify the rushed decision to change Senate voting is the alleged chaos in this chamber. They whine that we stopped $30 billion of government savings. Let us get a few things clear right now. It is not $30 billion of government savings that I have proudly stopped. It was $30 billion of theft by the Liberal-National Party from poor and struggling Australian workers, pensioners and families.

Parliamentary Library research shown to me proves that the total value of cuts in 63 bills presented by the government to this Senate was $62 billion. Of that $62 billion, $30 billion was blocked, as it took money away from poor Australians and struggling families and pensioners. After consultation with crossbench senators, $32 billion of sensible government savings were passed. Of those 63 government bills presented, 73 per cent passed this Senate and 23 per cent were stopped.

This diverse Senate has protected the Tasmanian people from the horrors of the Liberal-National budgets. The people of Tasmania can be protected from the worst excesses of the major parties and get more by voting for the JLN Senate candidates—(Time expired)

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

DOCUMENTS

Consideration

The ACTING DEPUTY PRESIDENT (Senator Gallacher) (17:07): We now proceed to the consideration of documents. The documents are listed on page 5 of today's Order of Business.
I rise to speak on the Australian government's response to the Regional Telecommunications Independent Review Committee report, *Regional telecommunications review 2015*.

My office, which is based in the Blue Mountains in New South Wales, receives calls—as many senators' offices do—from not only New South Wales but around the country, complaining about problems with telecommunications and, specifically, the lack of a decent NBN system around the country. Many people are appalled. The promises that the Prime Minister, Malcolm Turnbull, made about how the mixed technology would suddenly deliver all these great things on telecommunications for people around the country have not materialised. None of that has materialised—none of it.

In my local area—the lower Blue Mountains—people are being told that a 1.5-megabit uptake is okay. That is almost dial-up. It is just a bit better than dial-up, and they are being told that that is acceptable. They are having to pay $40, $50, $60 a month to get a miserable 1.5 megabits. This is pathetic! Prior to the election, over three years ago, we were told by the Prime Minister that the NBN would be rolled out and everyone would have access to good telecommunications. Yet what has happened? Telecommunications is still an absolute disgrace. The government is going for a system that is based on old technology. It is going for a system that is based on corroding copper.

I had a problem with my own ADSL2 connection at home. They checked it over the phone, as they do. They tried to make adjustments over the phone, remotely. They said, 'No, there's a problem; we'll come out.' They opened the pit. The pit was absolutely full of water. The connections were being kept together by cling wrap and tape, to try and keep them from corroding even further. This is a system that is not fit for purpose for a modern country trying to deal with modern technology.

The current Prime Minister has conned the Australian public, because the system that he is proposing is a second-rate system that will not deliver. It is a system that he said would be in place by now at a reasonable cost to the public. Well, the cost has blown out. We still have a poor system. We still have a system that you cannot operate. We are talking about putting in a second city airport at Badgerys Creek and how it will create all these business opportunities. Well, it will not create home business opportunities in the Blue Mountains, because you cannot run a business with no decent internet connection.

This government has been an abject failure in a whole range of areas. Its first budget epitomised what this government is about. It is about austerity. It is about austerity policies that harm working-class people in this country. When working-class people want to try and get on a bit and run a small business from their own home, they cannot do it because the technology is so bad and the promises that the Prime Minister made have not been delivered.

This is another failure from this government. It is another failure from a Prime Minister who the public are seeing day after day as being totally incapable of running the country and
making a decision. All he knew was that he wanted to get into the Lodge and he was going to do whatever he could to get into the Lodge. This is a government that cannot deliver for working- and middle-class families in this country. This is a government that promised much on telecommunications and has delivered nothing.

Senator O'Sullivan interjecting—

Senator CAMERON: The doormat, Senator O'Sullivan, from the National Party has piped up. You should be ashamed of yourself! The National Party have allowed this government to attack working-class people in the regions and in rural Australia, and you have been absolutely silent. You have been absolutely silent on it. This is a disgraceful government. It cannot deliver on telecommunications. It has lied to the Australian public. (Time expired)

Senator IAN MACDONALD (Queensland) (17:12): I always love hearing Senator Cameron ranting and raving on, because I was one of the ones who sat here for six years and watched the most dysfunctional government that this country has ever seen—six years of Labor. The Rudd-Gillard-Rudd government was supported by the Greens political party in all those six years. Now we hear Senator Cameron lecturing us about good governance!

In taking note of this document, which is the Australian government's response to the Regional Telecommunications Independent Review Committee's report, Regional telecommunications review 2015, can I say, again, that I can only be amused at Senator Cameron's defence of his colleague Senator Conroy. Senator Conroy wrote out the policy for the NBN on the back of a beer coaster in a VIP plane, travelling, I think, somewhere between Cairns and Sydney. This was the Labor Party's famous NBN proposal. If you looked at the proposal that Senator Conroy put forward—and I did: I sat on many a committee trying to help Senator Conroy make something out of it—you would realise that the policy had no thought, nothing for Australians, in particular, and certainly nothing for regional Australians.

By contrast, Mr Turnbull, when he was the communications minister, tried to fix Senator Conroy's NBN mess, and he did a great job in doing that. Senator Fifield, as the minister, is getting the NBN doing what is needed by Australia.

I draw the Senate's attention to the work we have done in rural and regional Australia in telecommunications. In particular, I am very, very pleased to highlight an announcement made by the government only a couple of weeks ago where money was provided to the Burke Shire Council way up there in the corner of north-west Queensland. The coalition government provided millions of dollars to build a fibre-optic cable between Doomadgee, an Aboriginal community up in the north-west, and the town of Burketown. That will make such a difference to everybody in that particular locality.

The new satellite is about to come on stream. The NBN is being rolled out in a sensible way and is achieving things for regional Australia. To have to sit here and listen to a lecture from Senator Conroy's colleague on the NBN is just ludicrous. I was not going to participate in this debate, but as soon as I see Senator Cameron get to his feet, I think: 'This will be good entertainment; it will be good humour.' There will not be a skerrick of truth in it, but it is always good to come along for a laugh. Occasionally, we need laughs in this joint. When Senator Cameron speaks, you are always sure to have a good laugh. What Labor did with the
NBN in telecommunications in Sydney sort of stopped at parliament house— that is about as far as Labor was concerned.

The coalition government has made real advances in telecommunications, particularly in regional, rural and remote areas of Australia—parts of Australia that the Labor Party do not even know exist. I do not think they have a member anywhere in rural and remote Australia. They used to have a senator up in the north of Australia in Senator McLucas, but she has been done over by the factional bosses in the Labor Party and has been replaced by a male candidate, a union hack, from Brisbane. I cannot think of anyone from Labor in the north of Australia these days. It just shows the Labor Party's interest in the north and in regional, rural and remote Australia.

Congratulations to Malcolm Turnbull when he was the communications minister. Congratulations to Senator Fifield. Now it is double congratulations because not only are they making things work but they had to pick up the pieces from the Labor Party and turn it into something sensible. I am pleased to say they have done it, and they deserve the Senate's congratulations.

Question agreed to.

Joint Committee of Public Accounts and Audit

Government Response to Report

Senator SMITH (Western Australia—Deputy Government Whip in the Senate) (17:17): On behalf of the Joint Committee of Public Accounts and Audit, I present two documents of the committee as listed at item 14 on today's Order of Business. I seek leave to incorporate a tabling statement in Hansard, and to move a motion in relation to the documents.

Leave granted.

The documents read as follows—

Australian Government response to the Joint Committee of Public Accounts and Audit Report No. 449

Regional Development Australia Fund, Military Equipment Disposal and Tariff Concessions:

Review of Auditor-General Reports Nos 1-23 (2014-15)

February 2016

Response to the recommendation

Recommendation No. 3

The Committee recommends that the Department of Finance, in consultation with the Australian National Audit Office (ANAO), update, as required, the Commonwealth Grants Rules and Guidelines to reflect recent ANAO audit findings concerning departmental grants administration, including further reinforcing the requirement for decision-makers to record the basis for funding decisions.

Noted

The Commonwealth Grants Rules and Guidelines (CGRGs) were introduced in July 2014 to reflect changes in legislation, Government policy and recommendations of ANAO audit reports. The CGRGs explicitly state that decision-makers who approve a commitment of relevant money in relation to a grant must record, in writing, the basis for the approval relative to the grant guidelines and key consideration of value with relevant money (CGRGs 4.5 and 4.11).
In addition to the CGRGs, the Department of Finance (Finance) has published guidance on the Finance website to assist entities and ministers comply with the requirements, including in Resource Management Guide No. 412 Australian Government Grants - Briefing and Reporting. Finance will continue to periodically update this guidance material, including taking into account recent ANAO audit findings.

Senator SMITH: I move:

That the Senate take note of the documents.

Question agreed to.

Joint Statutory Committee on Public Works

Report

Senator SMITH (Western Australia—Deputy Government Whip in the Senate) (17:18): On behalf of the Joint Statutory Committee on Public Works, I present two reports of the committee as listed at item 14 on today's order of business. I seek leave to incorporate tabling statement in Hansard.

Leave granted.

The document read as follows--

Mr President

On behalf of the Parliamentary Standing Committee on Public Works, I present the Committee's first two reports for 2016.

Report 1 of 2016 addresses three projects referred to the Committee in September, October and November 2015.

The first project, LAND 121 Unit Sustainment Facilities, concerns infrastructure works at a number of Australian Defence Force units around Australia. The works are to provide new and upgraded facilities to support the introduction, operation and deployment of the ADF's new vehicle fleet.

LAND 121 is a multi-phased project providing the ADF with approximately 7500 high-capability field vehicles. Defence advised these vehicles represent a significant increase in capability. They replace multiple vehicle fleets that have been in service since the early 1980s. The estimated cost of the project is $276.5 million.

The Committee received a briefing from Defence and conducted public and in-camera hearings on 27 November 2015.

At the public hearing the Committee spoke with a representative from the Gallipoli Precinct Action Group - or GPAG - a local action group of residents living in the vicinity of Gallipoli Barracks at Enoggera. Concerns were raised regarding traffic management, Defence's community consultation and security of Defence personnel and others.

Following the public hearing Defence advised that as part of the process to finalise the Traffic Management Plan for Gallipoli Barracks, meetings with local action groups will be arranged. Wherever possible Defence will implement appropriate measures to minimise the impact of construction traffic on the local community. Further, Defence stated that a quarterly meeting with community groups will be established for the duration of the proposed works at Gallipoli Barracks, and that the project will maintain an 'email inbox' for community members to make contact with the project team.

The Committee considers that known community groups, such as GPAG, should be involved more in consultation during the planning and development phases of Defence projects. This consultation should continue throughout the delivery of the project and beyond.
The Committee requires that the Department of Defence report back in six months on the effectiveness of its consultation strategies with community groups around Gallipoli Barracks.

At the hearing Defence advised that contamination investigations had been conducted at all proposed sites for the project. Defence was confident that the environmental risks identified were minor and could be managed through site-specific Construction Environmental Management Plans.

The Committee requires that the Department of Defence keep the Committee advised on the development of the site-specific Construction Environment Management Plans for the project, including any increase to environmental risks found during the Initial Environmental Review.

The Committee is satisfied that the project has merit in terms of need, scope and cost and recommends that it proceed.

Mr President, the next project in Report 1 concerns the fit-out of office accommodation at the Australian Taxation Office in Northbridge, Western Australia. The primary objective of the project is to refurbish a reduced leased area and to meet current legislative and efficiency standards. The estimated cost of the project is $27.5 million.

The Committee received a briefing from the ATO and conducted public and in-camera hearings in Canberra on 4 December 2015.

At the public hearing, representatives of the ATO discussed procurement methodology, construction costs and leasing arrangements to demonstrate the proposed project represents the best value for money for the Commonwealth.

The building, at Francis Street, Northbridge, was purpose-built for the ATO in 1992. The ATO has a long term operational requirement in Perth. However, through the continual evolution of work practices, a significant area of the accommodation was being underutilised.

The ATO has negotiated a new lease contract with the current landlord until 2024. The renewed lease area is reduced by approximately one third relative to the previous lease.

The revised tenancy area requires a refurbishment as the current fit out is 13 years old and has reached end of life. At a private briefing the ATO showed the Committee video of the existing fit-out. The video demonstrated the aged and poor condition of the existing fit-out.

The Committee is satisfied that the project has merit in terms of need, scope and cost and recommends that it proceed.

Mr President, the final referral considered in Report 1 is from the Department of Foreign Affairs and Trade for the base building refurbishment and integrated fit-out of the area to be leased by the International Energy Agency within the Australian Chancery in Paris. The estimated project cost is $27.5 million.

At the request of DFAT the Committee’s hearings for this project, which were scheduled for February, have been postponed. The Committee has suspended consideration of this project, pending further information from DFAT.

I commend this report to the Senate.

Mr President, Report 2 of 2016 addresses the AIR 5431 Phases 2 and 3 project which was referred to the Committee in September 2015. The Department of Defence is seeking approval to undertake infrastructure works at 18 air traffic management centres across Australia.

Defence and Airservices Australia have partnered to develop a single civil-military air traffic management system. The unified air traffic management system will allow Defence to conduct various operations, while enabling the civil aviation industry activities to continue in a safe and flexible manner.

The objective of the AIR 5431 Phase 2 and 3 project is to upgrade air traffic control towers and airfield systems facilities that were constructed in the 1960s and which are no longer fit for purpose. The project will supply training, support and maintenance facilities, in order to allow air traffic control services to
continue uninterrupted throughout the system rollout and operation. The estimated cost of the project is $409.9 million.

Construction on the project is expected to commence in mid-2016 at RAAF Base Amberley. Works at other sites will commence progressively from late 2016, with all works will be completed by the end of 2021.

During the inquiry the Committee received evidence regarding contamination at RAAF Base Williamtown. The contaminants, known as PFOS and PFOA, were commonly found fire retardant foams used in aviation rescue fire-fighting operations up until the mid-2000s.

The Committee learned that Defence first detected PFOS and PFOA on base at Williamtown in 2012, and that it was aware of the risk that the contaminants could migrate beyond the boundary of the base in storm water runoff and through the water table. In 2015 Defence confirmed there was contaminated water outside of the base.

The detection of PFOS and PFOA in areas around RAAF Base Williamtown has been a cause of anxiety for local residents. It has also had significant financial impacts for local farmers and for fisheries in the vicinity.

The Committee notes that Defence's original submission included only one line referring to potential contamination at the project sites. It was submissions from Hunter Water and the New South Wales Environmental Protection Agency, plus media articles and a local member on the Committee that brought this issue to the forefront of the Committee's considerations.

Although Defence advised in its submission that no significant issues were raised in its community consultations that would impact on the proposed works, the Committee is aware that at the time Defence and the community were engaged in robust and extensive public meetings regarding contamination issues at RAAF Base Williamtown.

The Committee believes Defence should have been more forthcoming regarding contamination issues at Williamtown, not only for this project but also for two previous project referred in 2014 and 2015 which included significant works at Williamtown.

In a supplementary submission Defence assured the Committee that it intend to comply with a range of contamination management strategies proposed by Hunter Water and the NSW EPA, and that it had adopted measures to ensure that any current and future works at Williamtown would not exacerbate the contamination issues.

Mr President, PFOS and PFOA are referred to as legacy contaminants. They were used extensively at Defence and civil airfields around Australia for a 30 year period from the 1970s. This issue has the potential to be broader than Williamtown, involving Defence bases and other airfields across Australia.

The Committee notes that the Senate Foreign Affairs, Defence and Trade References Committee is conducting a broad inquiry into PFOS and PFOA contamination. Its first report, tabled on 4 February 2016, was directed to contamination at RAAF Base Williamtown. The Senate Committee is continuing its inquiry into PFOS and PFOA contamination at Williamtown and on other sites in Australia. I look forward to seeing the recommendations when the Senate Committee tables its final report.

However, having regard to the role and responsibilities of the Public Works Committee as set out in its establishing legislation, the Committee is satisfied that the AIR 5431 Phases 2 and 3 project has merit in terms of need, scope and cost. The Committee recommends that the project proceed. But, the works must be managed appropriately so as to not cause or exacerbate contamination issues.

To this end, the Committee requires that Defence provide it with an update detailing the status of contamination at RAAF Base Williamtown by June 2016. Also, the Committee requires Defence adhere to all the recommendations made by Hunter Water Corporation and the NSW EPA in association with works at RAAF Base Williamtown.
Further, the Committee requires Defence to work closely with Hunter Water and NSW EPA on the works at RAAF Base Williamtown, including:

- seeking input from both agencies when developing and finalising environmental plans;
- providing relevant information, including results from testing for contaminants, in a timely manner; and
- allowing adequate on-site access for monitoring and inspections

Mr President, I commend this report to the Senate.

1 Perfluorooctane Sulphate
2 Perfluorooctanoic Acid

Senator SMITH: I move:

That the Senate take note of the reports.

Question agreed to.

### Joint Standing Committee on Treaties

**Report**

Senator O'SULLIVAN (Queensland) (17:18): I present the 158th report of the Joint Standing Committee on Treaties: treaty tabled on 10 November 2015. I seek leave to have the tabling statement incorporated in Hansard.

Leave granted.

_The document read as follows_—

Mr President, today I present the Joint Standing Committee on Treaties' Report 157: Treaties tabled on 13 October 2015.

Report 157 covers two proposed treaties:
- Agreement between the Government of Australia and the Government of the Republic of India concerning Transfer of Sentenced Persons; and

Mr President, Australia's international transfer of prisoner scheme has been in place since 2002. The scheme provides a comprehensive framework to govern the transfer of prisoners in and out of Australia. The focus of the scheme is on rehabilitation and reintegration of prisoners. It enables prisoners to serve out their sentence in their home country.

Mr President, transferring prisoners back to their home country removes language and cultural barriers to rehabilitation and reintegration. For Australian prisoners it may mean access to relevant counselling for drug, alcohol or gambling issues. It may also mean better supervision and support to reintegrate back into the community after release. This is in addition to the benefits of being closer to the support network provided by family and friends.

The scheme also contributes to community safety by making sure that convictions are recorded in Australia. As well it enables effective monitoring and management of prisoners released on parole. It relieves the hardship and financial burden on the relatives of Australian prisoners held in India and reduces the cost of providing consular assistance.

The second treaty covered in this report is an amendment to the International Labour Organisation's Maritime Labour Convention. The Convention establishes minimum working conditions for seafarers working on ships. The Australian Government ratified the Convention in 2011 and it entered into force for Australia in 2013.
Mr President, this amendment will require parties to the Convention to establish a financial security system for seafarers abandoned by their employers. Abandonment includes:

- failure to cover the cost of a seafarer's repatriation;
- leaving the seafarer without necessary maintenance and support; or
- otherwise severing ties with the seafarer, including failing to pay wages for a period of at least two months.

The amendment will require parties to set up a financial security system that provides:

- up to two months' worth of outstanding wages and other entitlements owed to the seafarer;
- all expenses reasonably incurred by the seafarer, including repatriation costs; and
- the seafarer's essential needs, such as clothing, accommodation, drinking water and medical care.

Additionally parties will be required to provide a system of compensation for the death or long term disablement of a seafarer.

Mr President, the amendments will make sure that vulnerable seafarers have appropriate workplace protections in place in the event of abandonment or sickness, injury or death. Seafarers or their families will be able to access compensation for a long term disability or death.

Mr President, I can advise that the Committee supports the proposed treaty actions. The Committee has recommended binding treaty action in relation to the Australia-India transfer of prisoner agreement. The amendment to the Maritime Labour Convention is deemed accepted by parties on a set date, so no recommendation is required.

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

Senator O'SULLIVAN: I move:

That the Senate take note of the report.

Question agreed to.

Joint Select Committee on Northern Australia

Report

Senator IAN MACDONALD (Queensland) (17:19): I present the report of the Joint Select Committee on Northern Australia on the inquiry into opportunities for expanding aquaculture in Northern Australia. I also present the minutes of the proceedings. I move:

That the Senate take note of the report.

I want to spend just a couple of minutes highlighting this unanimous report of the joint standing committee. I emphasise it is unanimous and I congratulate both the chairman of the committee, my colleague and friend the Hon. Warren Entsch MP, the member for Leichhardt, and also Ms Alannah MacTiernan, the deputy chairman, a Labor member obviously of the lower house. Regrettably, I hear that she, like other sensible Labor members from Western Australia, is leaving the sinking ship and getting out while she can with some dignity. I say the 'sensible people, because not only is Ms MacTiernan the deputy chairman of this report—and she contributed quite significantly to the conclusions of the committee—but the committee also included other, if I might say, sensible Labor members like Mr Gary Gray and the Hon. Warren Snowdon, who made significant contributions to the committee's determinations.

Other members of the committee included George Christensen, the member for Dawson; Senator Canavan, who is with us today; Ms Natasha Griggs, the member for Solomon in the
Northern Territory; Senator Dean Smith; and Ms Melissa Price, the member for Durack—the biggest electorate in Australia. Of course, Ms Price is particularly interested in aquaculture in that whole electorate of Durack, which takes in three-quarters of the state Western Australia and is in that northern part of Western Australia, which has great opportunities for aquaculture and development into the future.

Northern Australia has a natural advantage for aquaculture production, including a long coastline, pristine waters, the availability of suitable land and, of course, its proximity to Asia. The tropical climate also encourages high aquaculture growth rates, and there are a number of aquaculture species which occur naturally in Northern Australia. Most seafood consumed in Australia is, regrettably, imported and this provides local producers, including aquaculture ventures, with significant opportunities to increase market share through import replacement. The obstacle, however—and this has been well canvassed during the committee’s various hearings around the North—is an exemption from country-of-origin labelling requirements for food prepared for immediate consumption, such as restaurants, cafes, clubs, and fish and chips shops. I mentioned in the Senate a couple of weeks ago that the Northern Territory does require that labelling. Unfortunately, the rest of Australia has not yet got to that. I continue to hope that something will be done in the future, because consumers in restaurants should be allowed to make informed choices, and the committee has recommended that this anomaly be removed.

The aquaculture industry in Northern Territory is relatively underdeveloped compared to other Australian jurisdictions. But, I have to say, barramundi and prawn aquaculture are poised to expand. The committee spent some time in prawn farms near Cardwell, north of Ingham, and near Cairns. We also saw a wonderful barramundi farm in the Northern Territory in the southern suburbs of Darwin, which is going gangbusters, if I could say that. So these people who are developing those businesses have proved it can be done.

Across the Top End and the Torres Strait there is greater potential for Aboriginal and Torres Strait Islander management of coastal waters and fisheries. There is the potential for sea ranching of clams, oysters, pearl meat, triton shells and trochus shells. For example, there are moves to increase the involvement of Aboriginal and Torres Strait Islander communities in crocodile farming and Trepang ranching enterprises. As well, triton shells can be produced for the environmental management of the crown of thorns starfish. These developments can boost Aboriginal and Torres Strait Islander employment.

The Australian south sea pearling industry is facing significant challenges, including widespread damage arising from the oyster oedema disease. Consequently, the committee has recommended that a pearl industry recovery task force be established to fund research to identify the causative agent and possible remedial action. The committee has been encouraged by the move to create aquaculture development zones in Western Australia and the Northern Territory, which will ensure certainty for industry by defining approval conditions and reducing approval times.

In my own state, in North Queensland, I am embarrassed to say, by contrast, the development of aquaculture, which is influenced by the need to protect the waters of the Great Barrier Reef, has seen so many impediments to a degree not commensurate with the projected impact on the health of the Barrier Reef. There is a pressing need, the committee discovered, particularly in Queensland, for scientific certainty and regulatory clarity concerning potential
aquaculture industry impacts. To assist science based decision making, there should be research into the potential for environmental impact arising from aquaculture ventures in areas adjacent to the Barrier Reef. We were heartened by the degree to which there is common ground amongst stakeholders as to how to resolve any development impasse, such as we have seen in Queensland over the last 15 years. The committee is confident that the aquaculture companies are taking steps to reduce their environmental impact and to comply with environmental regulatory requirements. The expansion of aquaculture in the North increases the need for a skilled workforce, and training institutions will need to provide industry-focused training courses to meet the anticipated skill set.

We had unanimity of thought from scientists from James Cook University, from the Australian Institute of Marine Science and even from GBRMPA in the end acknowledging that the impact of aquaculture on the Barrier Reef is minimal, and a figure that I recall was less than a one per cent impact on the Barrier Reef. Yet the Queensland government has enormous regulatory impediments to the expansion of the industry there. So it was good to see the scientists telling us—not us telling them—that the regulations are old-fashioned and based on science that has long past.

In a number of its recommendations, the committee has recommended that the proper science work needs to be established—some baseline science work that is up to date and takes into account modern methods and modern technology—so that we can encourage this industry, which, the evidence shows, has no real impact on the Great Barrier Reef. Yet the committee heard time and time again evidence from people who had been attempting to spend millions of dollars on aquaculture and create hundreds of jobs in northern Australia and who have just been stymied by government regulations—including to a degree, I have to say, by Commonwealth government regulation through the Great Barrier Reef Marine Park Authority. The evidence to the committee, as I say, indicates that now all of the insiders, including the GBRMPA, believe that there is a way through it.

The committee thought it would be a worthwhile advance to do in Queensland what has been done in Western Australia and, I understand, the Northern Territory—that is, for the scientists, in conjunction with state government, who regulate these things, to indicate beforehand an area of the coastline where aquaculture could be established without any chance of a negative impact on the Barrier Reef. There would be a lot of the coast of Queensland where that would apply. That would encourage investors in, and that means wealth for Australia, it means import replacement and it means jobs, jobs and jobs for northern Australians in an area which, currently because of the mining downturn, desperately needs jobs.

I am pleased to present this report on behalf of the committee. I want to thank all those who participated in the inquiry by providing submissions, appearing at public hearings and hosting inspections. Again, I congratulate all of those on the committee who participated and contributed to the outcome of this inquiry.

Senator CAMERON (New South Wales) (17:29): I welcome the joint position adopted by the committee to look at the opportunities in the Northern Territory arising from aquaculture, but I just want to take up some of the issues that Senator Macdonald has failed to raise in his report on the challenges that the Northern Territory faces. One of the big challenges that the Northern Territory faces is climate change, and one of the challenges that
the Great Barrier Reef faces is the bleaching of coral as a result of climate change. Work by
the CSIRO and the Bureau of Meteorology has predicted that by between 2030 and 2070
Northern Australia is likely to experience hotter temperatures, more intense rainfall and more
intense cyclonic events. These are issues that cannot be ignored when you are looking at the
development of the Northern Territory.

Time and time again I have heard Senator Macdonald basically deny the existence of
climate change. He has got a form of words that he uses constantly to try to say that he is not
in the climate denier camp. But from my understanding of what Senator Macdonald has said
over the years on this issue, he really is living in the past on this issue.

These are the issues that we have to deal with: an increased risk of salt water inundation
and erosion in coastal territories in the Northern Territory, while inland areas will experience
more high temperatures and they will have more drought, flooding, dust storms and bushfires.
The scientists from the CSIRO are saying this. Although the Northern Territory produces half
of Australia's run-off, it is considered to be water limited for two reasons. Firstly, there is high
evaporation and evapotranspiration for most of the year. Secondly, the potential for water
storage is constrained. I welcome the report, but we just need some realism about the
challenges that the Northern Territory will face in terms of climate change.

The other area I think needs to be looked at in the Northern Territory in the years ahead is
the issue of trying to improve the living standards of people in the Northern Territory—as we
want to improve living standards around the country. Yet the policies that this government,
the Abbott-Turnbull government, have been proposing certainly do not go to improving the
living standards of Australians. What would a GST have done for the Northern Territory? A
GST would have harmed rural and regional Australia more than most other places. Yet, what
do we hear from the National Party? Zip, nothing. They are quiet about a GST. They have
said nothing. They came in here and were not prepared to take on the Liberal Party—the big
brothers of the National Party—and were prepared to impose a GST on people in rural and
regional Australia, including people in the Northern Territory. There will be $80 billion
pulled out of health. If we are talking about creating an aquaculture industry in the Northern
Territory, surely you need to have a decent health system and a decent education system. If
you are going to grow the Northern Territory, you do not do that by pulling $80 billion out of
health and education around the country, including in the Northern Territory. You do not cut
back the pensions for Australians, as the 2014-15 budget was about to do. It was about to cut
back the pension for pensioners in this country and increase the pension age to 70. These were
the things that the National Party and the Liberal Party sought to impose upon the
Australian—

The ACTING DEPUTY PRESIDENT (Senator Gallacher): Senator Macdonald, do
you have a point of order?

Senator Ian Macdonald: Mr Acting Deputy President, I raise a point of order. I hate to
interrupt Senator Cameron, because, as I said before, he is so entertaining—if inaccurate—but
we are discussing a report on aquaculture. It is a very serious report, and it will do much to
help an industry in the North. I ask that Senator Cameron return to the topic and give us his
thoughts on aquaculture.

The ACTING DEPUTY PRESIDENT: There is no point of order.
Senator CAMERON: This really demonstrates the absolute incompetence of the Liberal and National parties understanding the implications of climate change on building this nation, especially in the area of the Northern Territory. I have just gone through what the Bureau of Meteorology is saying will happen in the Northern Territory and I have just told you what the CSIRO is saying, but you want to blindly ignore these challenges. You can do as many reports on aquaculture and you can build as many dams in the Northern Territory as you like, but you have to deal with the reality of climate change and its implications on the Northern Territory and on Australia in general. So I am very—

The ACTING DEPUTY PRESIDENT: Senator Cameron, resume your seat. Senator Macdonald, I take it you have a point of order?

Senator Ian Macdonald: Mr Acting Deputy President, I raise a point of order. Again, I do not like to interrupt Senator Cameron, but this is a unanimous report by the Labor Party, the Greens and the coalition. Climate change, if it is mentioned at all, does not figure in any of the recommendations. I think it is barely referred to anywhere in the report, so Senator Cameron needs to be at least remotely relevant to the inquiry before us.

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

Senator CAMERON: I am being entirely relevant, because, if you are talking about building industry in the Northern Territory—whether it is aquaculture, the cattle industry, the farming industry or meat processing—these are the issues that the country will have to face in the future. Senator Macdonald just does not get it. Senator Macdonald does not understand these issues. Senator Macdonald is a climate change sceptic and he just refuses to accept the reality of what climate change will do in the area of aquaculture and in the area of farming around this country. The CSIRO tells you these are the issues. The Bureau of Meteorology tells you these are the issues. The various scientists in the universities around the country tell you about these issues, but you, Senator Macdonald, just do not accept it. When I am saying that I think this report needs to be seen in the context of climate change in the Northern Territory, that is when Senator Macdonald interjects; that is when Senator Macdonald demonstrates his ignorance of the issues that are before this country on climate change.

Another area that will be a challenge for any aquaculture industry, and industry in general, in the Northern Territory is the exploitation of 457 visa workers, and if the aquaculture industry is not to end up like some of the industries around the country where 457 visa workers are being exploited then that is an issue that we will need to deal with when we are building an aquaculture industry. Looking after people who come here to be on holiday and looking after people who come here to get a job are remote from the thinking of the coalition. They are quite happy for exploitation of 457 visa workers. They do not deal with it in a concrete way.

So I am just raising the prospect that if we are to have an aquaculture industry in the Northern Territory then decent wages, decent conditions and protections for the workers and dealing with climate change are some of the issues that will need to be dealt with. It is fine writing a nice report with all of the positives, but you have to understand that there are issues that go to climate change and the exploitation of working people.

This is a report that I welcome. I welcome the joint report, but I simply want to bring a bit of reality. The pests and diseases that the CSIRO and the Bureau of Meteorology say are
going to arise from climate change, both for animals and humans, are issues that we will need
to deal with.

_Senator O'Sullivan interjecting—_

_Senator CAMERON:_ Again, we have got the doormats of the National Party in here. Senator O'Sullivan loves interjecting when I am on my feet. It does not make much sense when he interjects with me. It does not make much sense at all when I hear his contributions here.

_Senator IAN MACDONALD:_ I take a point of order on Senator O'Sullivan's interjection, where he cast aspersions on Scotsmen—my forebears. I think he should be made to withdraw that.

_The ACTING DEPUTY PRESIDENT:_ I rule that there is no point of order.

_Senator CAMERON:_ That is a bit hypocritical of Senator Macdonald, who has raised my accent in the past. I am actually a real Scot, Senator Macdonald; I am not a pretend Scot like you. I am a real Scot—I was actually born there. I do not have to come in here in a kilt to try and pretend that I have got a link back to Scotland. You have raised issues about my accent in the past—that is fine. I do not have a glass jaw in these things. I can give it and I can take it. That is what real Scots do—not like you, up on your feet every two minutes, trying to be a pretend Scot with a glass chin. We do not have a glass chin where I come from. We can give it and we can take it—not like the Macdonalds that you seem to represent.

_The ACTING DEPUTY PRESIDENT:_ The question is that the Senate take note of the report.

Question agreed to.

_Senator Ian Macdonald:_ Perhaps Senator Cameron meant to continue his remarks?

_Senator Cameron:_ Oh yes, that is a good one—I should continue my remarks! I should continue my remarks and hopefully we can continue this debate.

_The ACTING DEPUTY PRESIDENT:_ Okay, thank you, Senator Cameron.

_Joint Committee of Public Accounts and Audit

Law Enforcement Committee

Government Response to Report

_Senator CANAVAN_ (Queensland—Nationals Whip in the Senate) (17:41): I present two government responses to committee reports as listed on today's _Order of Business_. In accordance with the usual practice, I seek leave to incorporate the documents in _Hansard_.

Leave granted.

_The documents read as follows—_

_Australian Government response to the Joint Committee of Public Accounts and Audit Report No. 449_


Response to the recommendation_
Recommendation No. 3

The Committee recommends that the Department of Finance, in consultation with the Australian National Audit Office (ANAO), update, as required, the Commonwealth Grants Rules and Guidelines to reflect recent ANAO audit findings concerning departmental grants administration, including further reinforcing the requirement for decision-makers to record the basis for funding decisions.

Noted

The Commonwealth Grants Rules and Guidelines (CGRGs) were introduced in July 2014 to reflect changes in legislation, Government policy and recommendations of ANAO audit reports. The CGRGs explicitly state that decision-makers who approve a commitment of relevant money in relation to a grant must record, in writing, the basis for the approval relative to the grant guidelines and key consideration of value with relevant money (CGRGs 4.5 and 4.11).

In addition to the CGRGs, the Department of Finance (Finance) has published guidance on the Finance website to assist entities and ministers comply with the requirements, including in Resource Management Guide No. 412 Australian Government Grants - Briefing and Reporting. Finance will continue to periodically update this guidance material, including taking into account recent ANAO audit findings.

Australian Government response to the Parliamentary Joint Committee on Law Enforcement report:

Examination of the Annual Report of the Australian Federal Police 2013-14

December 2015

Government Response to the Parliamentary Joint Committee on Law Enforcement report:

Examination of the Annual Report of the Australian Federal Police 2013-14

The Parliamentary Joint Committee on Law Enforcement (the committee) tabled its report into its Examination of the Annual Report of the Australian Federal Police 2013-14 on 14 September 2015. The report makes two recommendations. The Australian Government's responses to the Committee's recommendations are provided below.

Recommendation 1

3.22: The Committee recommends that the Australian Federal Police include greater detail in the Annual Report with reference to all category 1, 2 and 3 complaints, including the period in which they are received, how long they take to investigate and resolve, how many are 'carried over' financial years and what proportion are substantiated.

The Government agrees to the Committee's recommendation.

Following the tabling of the Committee's report on 14 September 2015 and, in response to Recommendation 1, the AFP included the additional data in its 2014-15 Annual Report.

The AFP will include this additional data in all future annual reports.

Recommendation 2

4.21: The Committee recommends that the government introduce legislation to re-establish the Parliamentary Joint Committee on Law Enforcement's oversight function with respect to the monitoring, reviewing or reporting on the performance by the Australian Federal Police of its functions under Part 5.3 of the Criminal Code.

The Government does not agree to the Committee's recommendation.

The oversight of AFP's functions under Part 5.3 of the Criminal Code was transferred to the Parliamentary Joint Committee on Intelligence and Security (PJCIS) in late 2014.

The Government supports the transparency and accountability afforded by appropriate Parliamentary oversight of the AFP's functions and activities. However, legislating for the Committee to have
duplicative oversight of the AFP's functions under Part 5.3 of the Criminal Code in addition to the PJCIS would create an unnecessary administrative burden on the AFP.

COMMITTEES

Membership

The ACTING DEPUTY PRESIDENT (Senator Gallacher) (17:42): Order! The President has received letters from requesting changes in the membership of various committees.

Senator CANAVAN (Queensland—Nationals Whip in the Senate) (17:42): by leave—I move:

Community Affairs Legislation Committee—
  Discharged—
    Senator Johnston
    Participating member: Senator Canavan
  Appointed—
    Senator Lindgren
    Participating member: Senator Johnston

Economics Legislation Committee—
  Discharged—Senator Canavan
  Appointed—Senator Smith

Economics References Committee—
  Discharged—Senator Canavan
  Appointed—Senator Smith

Education and Employment Legislation Committee—
  Discharged—
    Senator Lindgren
    Participating member: Senator Canavan
  Appointed—
    Senator Johnston
    Participating member: Senator Lindgren

Education and Employment References Committee—
  Discharged—
    Senator Reynolds
    Participating member: Senator Canavan
  Appointed—
    Senator Johnston
    Participating member: Senator Reynolds

Electoral Matters—Joint Standing Committee—
  Appointed [for the purposes of the committee's inquiry into the Commonwealth Electoral Amendment Bill 2016]—Participating members: Senators Di Natale, Hanson-Young, Ludlam, McKim, Rice, Siewert, Simms, Waters and Whish-Wilson
Environment and Communications References Committee—
   Appointed—
   Substitute member: Senator Gallacher to replace Senator Singh for the committee's inquiry into oil or gas production in the Great Australian Bight
   Participating member: Senator Singh

Finance and Public Administration Legislation Committee—
   Discharged—
   Senator Smith
   Participating member: Senator Canavan
   Appointed—
   Senator Lindgren
   Participating member: Senator Smith

Finance and Public Administration References Committee—
   Discharged—
   Senator Smith
   Participating member: Senator Canavan
   Appointed—
   Senator Lindgren
   Participating member: Senator Smith

Human Rights—Joint Statutory Committee—
   Appointed—Senator O'Sullivan

Murray-Darling Basin Plan—Select Committee—
   Discharged—
   Senator Canavan
   Participating member: Senator Smith
   Appointed—Senator O'Sullivan

Northern Australia—Joint Select Committee—
   Discharged—Senator Canavan
   Appointed—Senator Lindgren

Scrutiny of Government Budget Measures—Select Committee—
   Discharged—
   Senator Canavan
   Participating members: Senators Ruston and Sinodinos
   Appointed—
   Senator Abetz
   Participating member: Senator Ronaldson

Unconventional Gas Mining—Select Committee—
   Discharged—Senator Canavan
   Appointed—Senator Johnston.
Question agreed to.

**BILLS**

**Offshore Petroleum and Greenhouse Gas Storage Amendment Bill 2016**

**Tax Laws Amendment (Small Business Restructure Roll-over) Bill 2016**

**First Reading**

Bills received from the House of Representatives.

Senator CANAVAN (Queensland—Nationals Whip in the Senate) (17:43): 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 CANAVAN (Queensland—Nationals Whip in the Senate) (17:43): 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—*

**STATEMENT OF REASONS FOR INTRODUCTION AND PASSAGE IN THE 2016 AUTUMN SITTINGS**

**OFFSHORE PETROLEUM AND GREENHOUSE GAS STORAGE AMENDMENT BILL**

**Purpose of the Bill**

Amendments to the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGS Act) are required to clarify the status of certain petroleum titles under the Act.

**Reasons for Urgency**

The bill is urgently required to resolve uncertainty as to the status of certain petroleum titles purported to be renewed or extended by Joint Authorities under the OPGGS Act without all required approvals in place. This uncertainty as to the status of the titles has potential associated risks to titleholders’ investments.

**STATEMENT OF REASONS FOR INTRODUCTION AND PASSAGE IN THE 2016 AUTUMN SITTINGS**

**TAX LAWS AMENDMENT (SMALL BUSINESS RESTRUCTURE ROLL-OVER) BILL**

**Purpose of the Bill**

This bill will allow small businesses to change their entity structure without incurring a capital gains tax liability at that time.

**Reasons for Urgency**

As this measure is to commence on 1 July 2016, introduction and passage of the bill during the 2016 Autumn sittings is required to give taxpayers and the Australian Taxation Office sufficient time to put in place systems and processes to allow for the efficient administration of the tax system and a smooth roll-out of Tax Time 2016.

Debate adjourned.

Ordered that the bills be listed on the *Notice Paper* as separate orders of the day.
REGULATIONS AND DETERMINATIONS
Social Security (Administration) (Trial Area – Ceduna and Surrounding Region) Determination 2015

Disallowance

Senator SIEWERT (Western Australia—Australian Greens Whip) (17:44): I move:

That Social Security (Administration) (Trial Area – Ceduna and Surrounding Region) Determination 2015 be disallowed.

The determination I am seeking to disallow is the Social Security (Administration) (Trial Area—Ceduna and Surrounding Region) Determination. This is the measure that puts in place the cashless debit card or, as it is probably more commonly known, the cashless welfare card in Ceduna. This is a measure that I and the Greens opposed when the legislation was introduced and debated and we opposed it largely for the same reasons that we oppose income management—income management is a poor policy and it has failed in its stated objectives. We opposed the cashless welfare card from the introduction of the bill that established the operation of the welfare card and set up the provisions for the trials. We opposed it through multiple rounds of estimates where I asked questions about it and now it is regulation. I am trying to disallow it because we do not think this is good public policy.

We want good policies that genuinely help people. We do not support harsh and ineffective policies that do not help people and that, in fact, can harm people. The fundamental ideology that underlies this policy is flawed. It is a belief that strict, harsh control measures by government can solve deep rooted social issues, social problems and substance abuse problems. It is harmful, it is paternalistic and it will not address the issues.

As Nicholas Rothwell wrote on Saturday in The Australian, the approach:

… embodies the hope that direct control over spending patterns can change the behaviour and the attitudes of families and entire communities: that the mind can be modified by a rein on the purse.

I believe that the approach of believing that you can influence the mind, that it can be modified by a rein on the purse is fundamentally mistaken. The Northern Territory intervention has shown this. Some problems cannot be solved by supposedly simple approaches that are strict and that put in place harsh controls. For a start, people will find a way around those harsh controls.

When I look at the evaluation of the Northern Territory intervention, it has had detrimental impacts. Some problems require care and support for people who are in fact vulnerable. They require the addressing of the underlying causes of disadvantage and of substance abuse. We need a multifaceted approach that deals with a multifaceted problem. We have consistently seen that this policy of income management does not work and there have been numerous assessments that show this, particularly for compulsory income management. This is not a new innovative approach; it is a continuation, another form of income management, and, as is often said, income management on steroids. It is a failed approach and has been shown not to work.

I would now like to quote from a very useful report entitled Evaluating New Income Management in the Northern Territory: Final Evaluation Report. I suspect that many people today who will be voting on this motion will not have read that report. For those of you who
have read the report, what the heck are you doing supporting this approach and not supporting the disallowance of this determination?

The final NT evaluation said:

A substantial group of people subject to income management felt that income management is unfair, embarrassing and discriminatory.

The evaluation could not find any substantive evidence of the program having significant changes relative to its key policy objectives, including changing people’s behaviours.

There was no evidence of changes in spending patterns, including food and alcohol sales, other than a slight possible improvement in the incidence of running out of money for food by those on Voluntary Income Management, but no change for those on compulsory income management. The data show that spending on BasicsCard on fruit and vegetables is very low.

There was no evidence of any overall improvement in financial wellbeing, including reductions in financial harassment or improved financial management skills.

More general measures of wellbeing at the community level show no evidence of improvement, including for children.

… … …

The evaluation found that, rather than building capacity and independence, for many the program has acted to make people more dependent on welfare.

… … …

The evaluation data does not provide evidence of income management having improve the outcomes that it was intended to have an impact upon.

They are the findings of the evaluation of income management in the Northern Territory—failed on virtually every count. Yet he we have a government, and I predict an opposition, that are going to vote down my motion to disallow what is a failed approach. There is still time for the opposition to change their minds. I am not confident the government are going to. This is a very important point: this is failed measure. We have had this evidence for nearly two years yet somehow the government still want to proceed with this flawed approach—let’s just amp it up a little more; keep amping it up instead of looking at the evidence. The government already know this approach does not work but they still keep pushing ahead.

I had someone ask: why don't you trial this? We have had a trial since 2007. That is more than a trial, folks. That is why we should not be having this trial, because it is just a continuation of a failed approach. It is a dead end. Nicholas Rothwell, in his article on income management, said:

When income management was first introduced in the Northern Territory in 2007, it was seen by the Howard government as a stopgap measure, a ‘short, sharp shock’, a way-stage en route to further economic reform rather than the long-term destination it has become.

What we are debating here is the long-term destination of continuing income management. He we are years later and income management is a dead end that hurts Aboriginal people and communities.

The idea that this policy is a trial is a sham for a number of reasons. To have a trial, you have to have comparison sites. There is no comparison site. This lies at the heart of whether it is really a trial, to look at whether it would work compared to other policies, or it is just an attempt by the coalition to push their ideology.
The coalition, thank goodness, is providing an additional $1 million in services to the communities in the area affected by the trial. I, for one, welcome any additional funding that provides good quality services. But, a year from now, when they are measuring some of these outcomes, we will not know whether it is those services or the cashless welfare card that have led to any changes that are found. In her submission and evidence to the Senate inquiry into the bill, academic Eva Cox put it well when she said:

This agreement for including services locally creates serious issues for the trial’s claimed intentions. How can any form of research determine whether any improvements that may occur over 12 months are the result of the card or of the services, or a mix of both?

…… …

How do you separate the card’s effects from the benefits from the services?

I have been asking about this and trying to find out where the comparison sites will be. People may recall that when we were debating this bill in the chamber I asked a lot of questions. I did not get a lot of answers, but I asked a lot of questions. I asked the minister about this particular issue, and I would like to go through his response at the time. Minister Fifield, who was the minister dealing with this bill in the chamber, said:

I guess there are two broad elements to an evaluation. One is comparing the circumstances in the given community, looking at what the baseline was and how things have improved or otherwise. The other is comparing a trial site to a similar community, and that will be part of the trial. There are other communities that would be receiving some equivalent forms of community support and that is what the evaluation will look at.

Let’s skip forward from the debate that we had on that last year, when the bill went through, and go to Senate estimates from the week before last. When I asked, in Senate estimates, about this issue and where the other comparison site was going to be, the departmental officials told me they wanted an effective baseline both in the trial communities and in comparable communities that do not have the services and will not be having the services in place. What is the point of that? You are not comparing like with like. You are not separating out the effect the cashless welfare card will have.

So the government is welshing, before the trial even starts, on their commitment to have a proper evaluation, a proper comparison, and makes a mockery of calling this process a trial. It is not a fair trial. It is not a trial. It cannot prove that the cashless welfare card works for people struggling with issues of substance abuse, alcohol abuse, drug abuse and gambling. I do not want anybody to mistake the fact that the Greens are absolutely supportive of addressing alcohol abuse, drug abuse and gambling. We absolutely and fundamentally agree that it needs addressing. We fundamentally disagree with the approach that this government consistently takes and has been proven not to work. We still, in the Northern Territory, have significant drug and alcohol problems, and gambling problems.

Regardless of the outcome, members of the government have already been talking about the rollout of the cashless welfare card or the cashless debit card—whatever you choose to call it—across regional Australia. We already know from the report that Andrew Forrest did that he was advocating rolling out the cashless welfare card, 100 per cent, across all of Australia. It appears that it does not matter to the coalition that it works, and it is obvious from their response to the Northern Territory evaluation that they do not actually look at the evidence. They do not care whether it has worked or not. The evidence conflicts with their
ideology, so why would they change their ideology? You have to limit these tough approaches that do not work. This is not a trial.

The coalition is targeting communities with very high numbers of Aboriginal people. We are very clear about that. The only two communities that have signed up at the moment are, largely, Aboriginal communities. I understand from media reports that Laverton has now said no to the card, joining Halls Creek saying no to the card, and I understand from estimates that the government is trying to convince Geraldton to have a go. I urge people in Geraldton to look at the evidence about this. It does not work. Do not condemn yourselves and your community to being another so-called trial site for this failed ideological approach. This policy has been criticised by Aboriginal leaders and Aboriginal community members. Not everybody supports this trial. I will get to the issues about consultation later.

Mick Gooda, the Aboriginal and Torres Strait Islander Social Justice Commissioner, has written about this in both his 2014 and his 2015 report. He also wrote in The Australian that the welfare card is not the solution to alcohol abuse. He said:

Any possible benefit of the card must be weighed against the sense of disempowerment our people already face. It must be weighed against the stigma our people continue to face, and the restrictions placed on our basic rights and freedoms we fought so hard for.

He went on to say:

The hardest part of this proposal to accept is that yet again the treatment of our people will be different to mainstream Australia, and it is this differentiation of treatment that we have fought so hard to bring into the open.

As I said, the Shire of Halls Creek in my home state of Western Australia has decided to reject this card and this approach. They did that because their Aboriginal Advisory Committee voted against the card. The shire president said:

We've got an Aboriginal advisory committee. If we're not going to take any notice of them, then why do we have them?

Importantly, before the trial has rolled out, there have been many problems with the consultation. I know there are ongoing issues in Ceduna, because I am getting lots of emails and communication from community members. I understand that some signatories to the memorandum of understanding in Ceduna have very strong concerns about the manner in which the card is being implemented. In fact, they say it was not their understanding that it was going to be rolled out to everybody. I understand that one of the original signatories to the MOU wants to see elements of the MOU dissolved. I understand that is an ongoing discussion.

As well as this fundamentally flawed approach to the card, I have been asking a series of questions in this chamber and in estimates for months about the operation of this card. In the last round of estimates, we found out that it looks like some sort of loophole is already being built into the card, where people can transfer over $1,000 to somebody else's account, particularly if they are out of town and lose their card. The government did not volunteer this information. It came out when I was asking about what happens with a lost card. I would have thought there were some ongoing issues with that if the government says this is all about stopping people being able to access cash to buy grog.
I have been through in this place many times the impact that this card will have on vulnerable community members, but I want to go through some of the specific points in relation to the card in the time I have remaining. There are ongoing questions around what will happen in terms of merchant charges and what is happening with the status of the community body. I have spent some time trying to find out online about the community panel. This is the panel that you go to to ask to get the 80 per cent restriction on being able to access cash—in other words, you are going to get 20 per cent—down to 50 per cent.

I have not been able to find that online, but I am going to quote from a letter that I have just been sent about this card and that raises some questions about this card. The letter is from Mr Simon Schrapel, who is the Chief Executive of Uniting Communities. He has written this letter, which has gone to the minister, and I have been given a copy. He has cc’d it to me. He has written it on behalf of the ‘keep income management accountable network’. One of the issues that he raises in the letter to the minister is the appointment and funding of the community panel. He says: ‘Appointments to the community panel are a matter of ministerial discretion, but for the first trial site in Ceduna it is anticipated to include the local mayor and/or the council chief executive, among other local residents. We have raised concerns with departmental staff about these arrangements, including the disclosure of highly personal information to others living in a small community’—a small community, I might add, that is quite divided over this card. These are my words now; I am not quoting Mr Schrapel. This raises very serious concerns about the release of information. It also goes to the issue of privacy rights, which Mr Schrapel also addresses in the letter to the minister.

But there are other fundamental issues around the terms and conditions of the Indue accounts and the cashless welfare card. Indue is the financial institution—and I am being careful to say ‘financial institution’ because it is not a bank—but there are questions unanswered. They are implementing this on 15 March, folks. The department could not answer in estimates the week before last about very important issues around some of these financial arrangements, such as whether they are signing up to the ePayments Code and the Code of Banking Practice, and other issues. To date, they have not been able to provide the relevant terms and conditions under which the card will be operating.

The letter says: ‘There are now only four weeks until the first trial is due to commence, and the documents are not available. We have been informed that they are commercial-in-confidence. The terms of reference do not, in our view, play a significant role in negotiations between the government and Indue but are critical in defining the relationship between the participant consumers and the financial service provider the government has mandated.’ This is particularly important because the people who are subject to this measure do not get a say on which financial institution will be handling their money, but they are not being given some of the most basic understandings about how this is going to work.

We still do not have the resolution of who is going to pay the merchant charges that people will be required to pay when they are using this card. We confirmed in estimates that—contrary to what the government said in the chamber in the debate on this legislation, which is that they were working with the merchants in Ceduna that have merchant charges to see if they can get them waived—they have failed. They told us in estimates that that has failed. They have no answer for the issue for those merchants outside the trial areas. They are not
negotiating with them. They cannot, because it is just too big an issue, so people will have to be paying merchant charges.

I repeat again: every dollar counts when you are trying to survive on income support, particularly when the government is making it even harder for you to manage your money under this card. That is unacceptable. This card will not work. It disproportionately impacts on Aboriginal and Torres Strait Islander peoples. It is discriminatory in that respect. I believe it breaches their human rights. This is a failed experiment that started in 2007, and it should be put to bed. I urge the Senate to support this disallowance.

Senator MOORE (Queensland) (18:04): Labor will not be supporting the disallowance of the Social Security (Administration) (Trial Area—Ceduna and Surrounding Region) Determination 2015. As we said when we had the debate earlier this year about the original plan around the Ceduna trials, we are concentrating on looking at how we could work effectively with community to respond to very serious questions. Having said that, I agree with Senator Siewert on a lot of the content that she put into her contribution. We continue to ask the questions at Senate estimates, and consistently at every opportunity we can get, to try to work out exactly how we can best respond to serious issues in community.

The major reason that Labor are supporting the Ceduna trial and not accepting the disallowance this afternoon is that we believe that there has been significant acceptance and even passionate support in elements of the Ceduna community of having this intervention. I use the term, and I know it has a lot of history around it, but this trial—and it is a trial—in Ceduna is an intervention into a community which has openly cried out for support and for help. In terms of the process, we believe that the trial must be evaluated as strongly and as openly as it possibly can be. But, in terms of the way it operates, one of the really solid aspects is that the trial has support by local, state and federal governments.

No-one can claim anywhere that any process has 100 per cent support. In fact, one of the things that worried me most about the evidence we had in the community affairs committee about the Ceduna program was, I think, an overstatement by some people about the degree of support that they had in their community. I think that is one of the elements that Senator Siewert has pointed out in her contribution: when something is being changed or something new is brought into a community, it is really important to ensure that you listen to all the concerns raised and you actually put out as much information as you possibly can. I do note that the department and also Minister Tudge have worked very hard in this process to provide a large amount of information to the community, but it must be understood that there will always be people who will not be happy. There can be no way that you can have 100 per cent of support in any area, and to claim that you do actually underestimates the role and the range of opinion in a community. Having said that, we are actually heartened by the degree of support that has been raised by a number of the Aboriginal communities in the area surrounding Ceduna and the local government area of Ceduna. The mayor has been a very strong supporter of this program and has, in fact, begged that Ceduna be put in the trial.

Also we have information from the state government that, whilst there was a memorandum of understanding signed at the time we had the Senate Community Affairs Legislation Committee inquiry, there was little indication about exactly what would be the engagement of the state government in the process. We understand there has been significant discussion
subsequently and there is now very positive engagement from the state government about what they can put into the area.

Again, Senator Siewert, I totally agree with your comments about it being a multifaceted problem that demands a multifaceted response. That is one of the reasons that we are showing support for this trial in Ceduna. One of the core elements we raised during the original discussion was the fact that there is no single element that can make change in a community. Originally you need to have the full engagement of the community—and Ceduna has made statements that it wants to be part of this process—and, secondly, you need to have effective wraparound services so people using the card have within their community the necessary services to address their needs around drug and alcohol, gambling and building effective communities and families in their area.

Mr Tudge has forwarded a copy of all of the support services that have now been promised to the Ceduna community for the period of this trial. We believe any evaluation must take into account the effectiveness of the whole program: the use of the debit card and the wraparound services that have been injected into the community. Senator Siewert is absolutely right—all evaluation must not fail to look at the full responses in the area and must ensure that any outcomes are listed and evaluated against how the community has worked together using all the services that have been provided.

It always worries me when we talk about a trial that it will be compared to another community. The injection of support in Ceduna for the time of the trial should not be at the expense of other communities that would not be receiving similar services. If you have identified in your community, as Ceduna has done, serious crises around drug addiction and violence, you should be able to expect governments to make responses that will be able to work effectively with you to make sure you can mend your community and ensure your citizens are safe and healthy. While Senator Siewert pointed out the issue with trying to make a comparison, I am personally not as convinced around that element. In fact, I do not want to see another community that has an identified crisis being starved of resources to make some kind of effective comparison.

I think we have the ability and experience in our government departments—state, federal and local—to look effectively and with transparency at exactly what is working in our community and what is not. Any trial that sets off without having that commitment and that structure will not succeed. In terms of our support for the trial, we want to see exactly what the monitoring process is going to be. The details of that have not been released yet. We will continue to ask questions about how the community of Ceduna is being supported. The citizens of Ceduna have had a great deal of suffering. It was identified at our committee inquiry that this community have had suffering. They were able to identify at the committee hearing the loss that has been suffered in their community in terms of violence, suicide and the horrors of drug and alcohol addiction and that has led to their request to be part of the trial.

We believe this is a trial that is for this process. We do not think and have never accepted that there should be a blanket approach to any form of community work or the way welfare payments are done. Just because something works in Ceduna should not mean that you have an identical thing rolled out across every community. One of the attractions of this process is that the whole process is being linked to the community itself so they can shape and make this
trial work as best suits them. They are not going to be directed from outside as to what should happen. They will be able to identify what works best for their own community and also what does not work.

Senator Siewert also raised some concerns about the information we do not have. Detail needs to be known about the way the debit card will operate, the terms and conditions of the relationship between the financial institution and the people themselves, and how the account will work. At the recent Senate estimates committee there was not that form of detail available for people to see. With the trial due to commence next month, we hope that that information will be shared as quickly as possible so that the trial will be able to work as quickly as possible.

We understand that these things take time to implement and we understand that there will be things that have to be worked out, as there will be things that will work and things that will not work, but we expect that the core elements of the way the Indue organisation will operate, the rights and conditions around using their services and how this card will operate would be available now if this trial is going to start in the first or second week of March. People will have their welfare payments transferred into that process and that needs to be fully in place so people can have confidence that they will not be without the money they need to have to exist. As we all know, people who are reliant on welfare payments do not have large reserves of cash. So, if they do not have income coming in, they will not be able to support either themselves or their families. That was the kind of information that we were told when we had our inquiry last year would be in place in good time before the trial commenced, so I would really like to get more information from the department or from the minister about how well advanced and how completely effective those financial arrangements are now with the way the actual card will work.

Labor will be watching and ensuring that the monitoring of the process will be done, including people in this place who are deeply interested in how this will operate. We do not want to have issues and concerns raised after the event; we want to know how the monitoring is going to operate. If people are concerned, we do not want their voices silenced. We know that, when people are worried or fearful, sometimes it is very easy to increase that fear and to raise issues now that possibly people had thought had been fully discussed earlier. So in many ways it is going to be the responsibility of the department to ensure that that communication is maintained effectively in the local community. If people are genuinely disgruntled, their voices should be heard so that they will not feel as though they have been forgotten by the people who should most be looking after their welfare.

I know that the concerns are in the community, and that has been made clear through emails that people have received. There have also been concerns raised by people whom I deeply respect—people like Mick Gooda, the Aboriginal and Torres Strait Islander Social Justice Commissioner. I take his comments about the disempowerment of people very seriously, and that is something that I know the department will be considering.

We know that people who live on very reduced incomes such as welfare payments work very effectively with the money they have, so their worth and their ability to budget and run their own lives should not be in question. What we are seeing, and what we have been told that this trial is focused on, is a community which has been ravaged by the impact of alcohol and drugs, so we think that there has been a need identified. We think that there has been
consultation with community. We were reassured only last week of the fact that some of the major Aboriginal and Islander communities in the region are fully committed to ensuring that they give the trial a chance. We think that now it is up to us as a parliament to ensure that, through the process of this trial, there will not be secrecy or isolation and people's views will be heard. So, in this sense, we are not supporting the disallowance, and we look forward to seeing how this trial operates and whether there is an effective intervention to stop the ravages in this community.

Senator RUSTON (South Australia—Assistant Minister for Agriculture and Water Resources) (18:17): Obviously we do not support the disallowance motion that has been put forward by Senator Siewert. The Senate passed this legislation to trial a cashless debit card for Centrelink recipients in communities that have significant—and I underline the word 'significant'—alcohol, drug and/or gambling problems. The locations have been chosen on the basis of the openness of the community to participate in the program, where the community wishes to actively address the welfare-fuelled alcohol, drug and gambling abuse that exists within the community.

In my home state of South Australia, Ceduna has been selected as the first community, and can I state that there is overwhelming support by the entire community for this trial to take place in that town. Ceduna is only a little town; it has about 4,500 people. I have spent a lot of time in Ceduna, and I have spent a lot of time in the communities, going out to places like 18 Tank. I am sure that many of the people who have made a contribution to this debate have never been out to 18 Tank to see the kind of devastation that is created in a community by, particularly, the alcohol impacts on that community.

The community leaders in Ceduna actually approached the government to explore the idea of this cashless debit card, and they are absolutely supporting the introduction of it. The community sees this in a very positive way, as an opportunity to try to overcome some of the problems that the community currently suffers. There are some horrific statistics just on that one community alone. In a community of, as I said, only about 4,500 people, in 2013-14, for example, they had in excess of 4,600 admissions into the sobering-up centre. When you consider the size of the community, that is pretty horrendous. Hospitalisations due to assault were 68 times the national average. So, as you can see, the community had every right to be concerned, and I think that we as a government have a responsibility to respond to the request by that community for help, because you can see the problem is extraordinarily significant.

The disallowance motion is basically seeking to overturn a decision of the Senate, which passed this legislation overwhelmingly, with the support of seven of the crossbenchers as well as the ALP—and I am delighted that the ALP, the opposition, are prepared to stick with this particular program. Obviously they understand the importance not just to the Ceduna community but to many other communities around Australia where alcohol, drug and gambling abuse is having a significant impact on the members of those communities. Senator Siewert's disallowance motion also ignores the calls from the community to try to get on top of this issue, which is really disappointing. It seems really quite ironic that somebody who purports to be supporting and looking after the interests of the community is actually in this place seeking to disallow an instrument that the communities have asked for themselves.

Obviously the government is vehemently opposed to this particular disallowance motion, because we believe it not only robs the Ceduna community of the opportunity to try out a new
idea to try to address an issue that is really significant in that community but also denies the opportunity for other communities to be able to benefit from the trial that is run in this community and the trials that, I understand, are to be rolled out in Wyndham and Kununurra in the East Kimberley, subject to the outcome of this trial in Ceduna. I am really proud to be part of a government that is actively supporting a community in my state—a community that is crying out in need.

**Senator SIEWERT** (Western Australia—Australian Greens Whip) (18:21): I do not think there are any other speakers, so I will make a final contribution and wrap up this debate. I am extremely disappointed that the opposition are not taking up the opportunity provided by this debate to re-evaluate their approach to this so-called trial. The reason I am bringing this back is that I am using the parliamentary process that is put in place for delegated legislation to enable us to consider the fine detail of regulation under acts of parliament. The government are, in fact, using more and more delegated instruments. If I were them, I would be a little bit careful about having a go at senators who use the parliamentary process to look at the regulations that the government are relying on to implement large swathes of their acts. This process is there for us to look at the checks and balances of legislation and the implementation of legislation. It is so important because there are so many unanswered questions about this process that the government have still not been able to answer. As I said during my first contribution, as late as the week before last the government still could not answer the questions I was asking in Senate estimates, and yet this so-called trial is due to start on 15 March.

In her contribution, the minister said that we are not prepared to try a new idea. It is not a new idea. That is the fundamental problem. Income management is a failed experiment. I went through the final evaluation from the Northern Territory intervention, which confirmed many of the preliminary findings. There is no substantive evidence that the program has had significant changes relative to the key policy objectives, including changing people's behaviour. There were a whole lot of other objectives. There has not been an overall improvement in financial wellbeing, as you heard from the contribution before. So it is not a new idea; let's put that to bed. It is not a trial because we are not comparing like with like. I point out that, in the Northern Territory intervention, there were a lot of services provided, but they were provided in a top-down, paternalistic approach; they were not working with the community. There were many other problems, including things that we know from debating the Closing the Gap statement in this place last night. We know that many of the measures have not worked because of the flawed nature of those measures. It is not a new idea that providing services, if they are quality services, works as well. Even then, in the NT, where there were some limited services, we have not seen significant improvements.

It is not a trial. There are many ongoing issues. It is not a new idea. Yes, the statistics are appalling. Unfortunately, I can quote appalling statistics for many other communities. I quoted appalling statistics in the Northern Territory. Unfortunately, we have not seen any improvement due to income management in the Northern Territory either. There are still appalling statistics there. They are awful, which is why we need to be doing something about it. Yesterday, in our responses to the latest *Closing the Gap* report and the Close the Gap Campaign Steering Committee progress report, we went through a long list of things that we need to do. People seem to think this is a silver bullet approach to dealing with very complex
problems. There is no silver bullet approach. There are many people in the community who do not support this trial. We are now hearing from the people who were included in the consultation. They said that the rollout to everybody is not what they understood the government would be proposing.

Some of the other issues that were brought up by the community in the letter from Mr Schrapel that I referred to before were about seeking fundamental information, which is why these questions are needed before the trial starts on 15 March and why I have sought to disallow it. Indue is not a signatory to either the voluntary ePayments Code overseen by the Australian Securities and Investments Commission. The government could not tell us that during Senate estimates last week, but I am now told that, in fact, they are not. I have not been told that by the government. I have been told by the community that they understand they are not signatories to that ePayments Code. They are not signatories to the relevant industry codes that apply to retail banks and credit unions—most notably, the Code of Banking Practice and the Customer Owned Banking Code of Practice. These codes provide for important protections, including setting out the rules for determining who pays for unauthorised transactions—that is pretty important—establishing a regime for recovering mistaken internet payments—again, really important—rights around cancelling direct debit arrangements and obligations on providers for facilitating chargebacks. The government also could not tell me, during Senate estimates in the week before last, what is happening with some of the hire-purchase payments.

Departmental officials have apparently assured people in the community that participants in the trial will have 'substantially the same protections in their relationship with Indue as normal banking customers enjoy'. In their letter, the community members of the 'keep income management accountable network', go on to say that they think this confidence is misplaced. They would be happy to make some more specific comments, but, at first instance, 'an assessment of the ways in which Indue's offerings may fall below industry standards will be best informed by a detailed review of the terms and conditions for both the savings account and the cashless welfare card'. That is why they want to see the terms and conditions that will apply. It is absolutely essential. This card is going to apply to every person in this trial area who is on a working-age payment. If you are on Newstart, youth allowance, the single parent payment or the disability support payment, you are going to be subject to these measures. They are not being given a choice of which bank they can go to. They have to go to an organisation that is not a bank. It is a financial institution, and it is not signed up to those codes. These are just some of the unanswered questions: who is on the community panel, how are you going to find the community panel and how are you going to ensure privacy of the people who are subject to these measures? You cannot just start this trial without knowing these things. In a small, divided community, how are you going to get a person who is independent to make the decisions about someone's personal finances? Again, we do not know. The government may have already decided who is on that panel. It has not been released. As I said, I have tried to find out further information but have not been able to. That is another question the community is asking.

This is not a trial. The government obviously has an ideological approach to this. I am disappointed that the opposition are still going along with supporting the flawed approach that income management is. They have had plenty of opportunity to look at the evidence as well.
They cannot call this a new trial. It is a continuation of the same misguided approach that has not worked.

There is some evidence that shows that in some limited circumstances voluntary income management has been successful in some communities. Voluntary income management is a very different proposition. People actually get to make a choice. They are not dictated to. They do not have the same feeling of lack of control. They do not have the feeling of that process necessarily being unfair, embarrassing and discriminatory, because they have made a choice.

People in Ceduna are about to be subjected to this process. They have not got a choice. I am sure the government are not saying that everybody who is on income support abuses alcohol and drugs and gambles. I am sure they are not saying that. But by taking that approach that is the message you send. It is not appropriate. We should be learning from our mistakes. We should be working with Aboriginal communities on support for community delivered programs that work.

This is a flawed mechanism. This is why I urge the Senate—I am giving you another chance!—to say no to this flawed approach that has deeply divided communities. You are dividing communities for a flawed approach. You have heard all the unanswered questions. Support the disallowance and let's have the opportunity for a rethink about how we can actually address this huge problem. No-one is denying there is a problem. There is no use just quoting statistics to try to justify a measure that does not work. I urge the Senate to support this disallowance.

The ACTING DEPUTY PRESIDENT (Senator Seselja): The question is that the disallowance motion moved by Senator Siewert be agreed to.

The Senate divided. [18:36]

(Averting Deputy President—Senator Seselja)

Ayes ....................11
Noes ....................28
Majority ...................17

AYES

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

Hanson-Young, SC
McKim, NJ
Rhiannon, L
Siewert, R (teller)
Waters, LJ

NOES

Abetz, E
Bilyk, CL (teller)
Bushby, DC
Collins, JMA
Gallagher, KR
Lines, S
Madigan, JJ
McGrath, J

Back, CJ
Bullock, JW
Cameron, DN
Gallacher, AM
Lindgren, JM
Ludwig, JW
Marshall, GM
McKenzie, B
Question negatived.

**BILLS**

**Tax Laws Amendment (Implementation of the Common Reporting Standard) Bill 2015**

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Senator WHISH-WILSON (Tasmania) (18:39): I am speaking in continuation on the Tax Laws Amendment (Implementation of the Common Reporting Standard) Bill 2015. I did digress a little before the start of question time. We were discussing the fact that this is more work that has been done by the parliament, and by all political parties, to try to progress the issue of tax transparency and multinational tax avoidance, and to provide the ATO, the Australian Taxation Office, with better laws and information to tackle the problem. I was congratulating Labor for being constructive and working with the government and the Greens to deliver something on multinational tax avoidance.

I did not get a chance to talk to the amendments that Labor will be putting to the chamber in the committee stage, but I will leave that until then. I commend Labor for putting up amendments, although earlier they voted some Greens amendments down on the principle that we did not follow due process, which I find very interesting considering they were excellent amendments. We worked hard with tax transparency stakeholders to try to improve that legislation, and there was nothing particularly controversial about it.

I would also like to take this opportunity to especially thank the tax transparency network, who I know have worked with Labor to develop the amendments that we are going to hear about shortly. I also congratulate Dr Andrew Leigh's office on the work that they have done in helping to present these amendments. The Greens will be supporting the bill. Of course, we support the intention of the bill to provide new laws and powers to the Australian Taxation Office to help crack down on multinational tax avoidance. We will be working constructively and as adults, supporting the amendments, which improve this legislation and actually deliver an outcome for Australians on multinational tax avoidance. Good on you, Labor, for doing something constructive on this issue.

(Quorum formed)

**The ACTING DEPUTY PRESIDENT (Senator Seselja):** Senator Ludwig.

**Senator Whish-Wilson:** On a point of order, Mr Acting Deputy President, may I correct, for *Hansard*, something that I said during my speech?
The ACTING DEPUTY PRESIDENT: I think the appropriate time is at the end of the debate, but Senator Ludwig is ceding his time for a moment.

Senator Whish-Wilson: I wanted to thank the Tax Justice Network, not the tax transparency network.

Senator LUDWIG (Queensland) (18:44): Tonight I rise to speak on the Tax Laws Amendment (Implementation of the Common Reporting Standard) Bill 2015. The Common Reporting Standard is an important measure to combat international tax avoidance, and Labor have strongly supported this measure, just like we support cracking down on multinational tax avoidance. The Common Reporting Standard is a multilateral policy initiative of the G20 and the OECD. This initiative will allow financial account information to be exchanged between tax authorities in participating countries. With over 90 countries participating in this exchange of information, there will be far fewer places for tax avoiders to hide. It is important to note that the sharing of this type of information is crucial to make sure those individuals and companies pay their fair share of tax and to stop the money-shuffling operations. It follows on from other efforts in attacking money laundering. If you can achieve across-the-board agreement with countries to address this issue with appropriate laws then you will succeed in minimising these operations.

Labor want this well-coordinated system to come into effect as soon as possible. However, once again we see Mr Turnbull's government say one thing but do something else when it comes to tax avoidance. The government, in this bill, has proposed delaying the reporting on accounts held by corporate entities until 2019. This means that Australia will be lagging behind most OECD and other advanced economies. There are more than 40 countries which will begin this information exchange from next year. These countries include the UK, France, Germany, India, Argentina and Mexico as well as numerous European Union member states. Under the Turnbull government, Australia makes it glaringly obvious that it is not serious about tax avoidance by delaying this implementation for years. I do hope that in the second reading debate the government can outline cogent and relevant reasons for the delay and not just say that it is because they think industry needs time to adjust. If we wait this number of years, we will be in the same category as Russia, the United Arab Emirates and the Bahamas. This country has led the world in many areas, particularly in seeking to effect agreements across countries to stamp out money laundering, but instead we have now found ourselves at the bottom of the heap, dragging our feet. It does not speak highly of this government. What is more concerning is that this government will make individual reporting mandatory from 2018 while delaying corporate reporting for an extra year, until 2019, giving their mates in big business even more time. During this debate I encourage the coalition to provide a good rationale for the significant delay in making these changes.

The government have form when it comes to avoiding action on tax avoidance. They have cut 4,700 jobs from the Australian Taxation Office. They have done a dirty deal with the Greens to wind back tax transparency. Their multinational tax plan, if you can call it that, is so vague that Treasury could not even cost it. It is important to highlight the point about the multinational tax avoidance legislation, because it shows the government's complete insincerity when it comes to this important tax reform. After the Senate had already amended the government's bill so that companies at the lower threshold of $100 million in earnings had to pay their fair share of tax, the coalition made an agreement with the Greens at the last
minute to keep the reporting threshold at $200 million. You have to put it in the frame of this

government not being about transparency. It is not about ensuring that it can sign up to a

multinational agreement to shed some light in this area to ensure that big business reports.

Because of the last-minute deal they signed, instead of information being released about 900

companies, we will end up with information being released for only about 300 companies,

and the rest will be kept out of sight, in the shadows. We would expect this type of manoeuvre

from the coalition, but it just shows how deeply ingrained the Greens are in trying to move

towards the coalition. Worse still, I can see—

Senator Whish-Wilson: It's the pot calling the kettle black on that one, mate!

Senator LUDWIG: Of course, the Greens complain about it. But you did it. Do not hide

from it. Own it and defend it if you will—but I do not think you can defend it. You certainly
do not want to talk about it now. We could be here all day talking about the self-serving,
hypocritical, narrow-minded and perpetually outraged little clique that is the Greens, but there

is the business of actually holding this government to account.

A report by the ATO in December last year confirmed that one in four companies earning
more than $100 million paid no tax in Australia in 2014—not one jot. Anyone would think
that is unacceptable, and that is why Labor's $7.2 billion plan would further tighten the tax net
by putting in place a measure such as the Common Reporting Standard and making sure it is
up and running as soon as possible.

We would also address the practice of shifting money from different parts of the company's
global corporate structure to its Australian arm, thereby sending their money overseas as
repayment of these artificial loans and at the same time claiming tax deductions. Our plan
would see companies only be able to claim tax deductions against the average amount of debt
that they owe banks around the world. These plans are detailed, costed and responsible
measures that Labor has outlined to make sure that companies which do business here pay
their fair share of tax.

The bill, as it stands, does not require that information collected through the common
reporting standard to be public. Labor believes in greater tax transparency, and we have
proposed that the Commissioner of Taxation make this information public in an annual report
by providing aggregated and, importantly, the identified information about the financial
account holdings of foreign nationals. The government continues to oppose measures to bring
the time line for the common reporting standard forward. It, along with the Greens, has
clearly opposed greater transparency and it has only been forced to take any action on
multinational tax avoidance by the work done by the Senate economics committee,
particularly the Labor senators on that committee.

This government clearly has the wrong priorities when it comes to tax avoidance. But
speaking of tax avoidance, there is another kind of avoidance occurring to the great detriment
of our country and our economy. It is something that has emerged gradually—it is the policy
avoidance that we have seen from the Turnbull government and the Treasurer. While Labor
has announced tax policies to counter the fiscal vandalism that those opposite have wreaked
on the budget, Mr Turnbull and Mr Morrison have actively avoided the debate on tax reform.
I have never seen in this place a government that has avoided so many debates about tax. It
trumpeted in the early stages that it would be a government that would have tax reform at its
centre—it would have a white paper on tax reform; it would set out an economic plan on tax
reform. To date there has not been a squeak from this government. I would be embarrassed if I were a backbencher for the coalition at this point in this debate. Not only have they avoided making any proposals to reform our tax system, they have actually gone out of their way to rule out everything and anything possible. In fact, they created their own scare campaign around the GST and then ruled it out. That is hilarious! I have never seen a government create its own scare campaign so that it could rule it out. It is unique, let me say.

Let me throw-out a policy for those opposite which I could announce—a national policy avoidance scheme. It seems germane to this government which has no big ideas. Its only idea is how to create a national policy avoidance scheme, which could be independently analysed by the Parliamentary Budget Office. Those opposite could figure out a way at least to have fines for not complying with the national policy avoidance scheme, because to date this government has failed to deliver an economic plan for this country. The shame of that is that it has been in government for 2½ years and its only explanation is: 'We'll get to that budget and we'll have our economic plan.' What are we going to do between now and the budget? What have we done between the last budget and now? This government does not have an economic plan and it does not seem to be prepared to have the wherewithal to put its shoulder to the wheel and develop one. It wants to wait for a budget. Budgets come and go, but I am concerned that the plan that this government might produce will never materialise.

In all seriousness, this is not good governance by a coalition which leaves ordinary Australians hanging and waiting for a plan which has not materialised. Announcing that it will have a plan is not a plan—that is not a plan that sells. That is not economic leadership. Mr Morrison, at the Press Club the other day, did not display economic leadership, and I would say the media thrashed him for not being able to articulate an economic plan to this country when he had the opportunity to do so. This was on display for all to see. At the end of the day, Mr Turnbull did not want to become Prime Minister because he had a grand vision he wanted to set out for this country on how we would move from here into a way forward. Really he just wanted to be Prime Minister. Why? Perhaps he thought he deserved to be Prime Minister. The day that Mr Turnbull challenged Mr Abbott, he said:

Ultimately, the Prime Minister has not been capable of providing the economic leadership our nation needs. He has not been capable of providing the economic confidence that business needs.

That is what Mr Turnbull said when he challenged Mr Abbott. He set him down as a failure.

Senator Smith: On a point of order, Mr Acting Deputy President. I am enjoying Senator Ludwig's contribution, but I do recall standing order 194 requires that senators not digress from the topic in question.

The ACTING DEPUTY PRESIDENT (Senator Seselja): Senator Ludwig, we are discussing the Tax Laws Amendment (Implementation of the Common Reporting Standard) Bill, and I would ask you to be relevant to that bill.

Senator LUDWIG: On the point of order, there is broad latitude given by the chair to allow us to cross areas such as those I am talking about. I am talking about tax and tax avoidance and I am talking about this government's lack of ability to hold a proper tax debate. But I am happy to listen to your ruling and come back to the point.

We have been talking about this government not having a plan for how they are going to implement the Common Reporting Standard. Today they want us to pass legislation and wait
this huge time for the changes to be delivered. The reason they want to wait this huge time is that ultimately Mr Turnbull likes jetting around the world rather than putting his shoulder to the wheel to come up with a vision for Australia. The same can be said about Mr Morrison. The Tax Laws Amendment (Implementation of the Common Reporting Standard) Bill is a good example of where they just want to kick the can down the road and hope that it is implemented in three or four years time. It is the same plan Mr Morrison has—he does not have a plan today, I think he said at the Press Club; he said he would show us a few graphs and kick the can down the road, and 'Trust me, we will come up with a plan in due course.'

The rubber hits the road between now and the budget. It is remiss of this government not to consider how they are going to explain to the public what their plan is or is not. They have a steering wheel but the engine is not even running. This government does not have a purpose, apart from it apparently being the most exciting time to be an Australian, which is just a slightly longer catchphrase than Mr Abbott's 'stop the boats'. This government continues to be devoid of ideas, including how it is going to implement its tax policy. I think it is even devoid of a plan to implement the Tax Laws Amendment (Implementation of the Common Reporting Standard) Bill. When you look around the world, it is evident that this government has completely failed to explain, in a succinct and sensible way, why it can take so long for the implementation of tax administration in this country.

The Common Reporting Standard for the automatic exchange of financial accounting information is ultimately a good thing. It will ensure the collection of financial accounting information, it will ensure the reporting of that information to the jurisdiction's tax authority, and it will ensure the exchange of that information with the respective tax authorities of the nonresidents. All in all, it is beneficial. What is concerning are the time frames for implementation, as I have outlined, but ultimately this legislation underpins this government's inability to act quickly, decisively and with purpose. This bill highlights the inadequacy of this government to deliver anything. It concerns me that, when you look at their phrases, they will have a tax plan but they will rule out everything and anything they can possibly think is contentious. Ultimately, at the end of the day, they will not have a plan and they will simply use catchphrases such as Australia is a great place to live and why shouldn't you vote for the coalition. This bill highlights exactly the reason you would not vote for the coalition, why you would not continue to support the coalition. They do not have a plan for how to implement the international legal framework underpinning the CRS and countries covered by it. With the completion of those few words, I will allow the government time to answer the earlier questions I raised.

Senator DASTYARI (New South Wales) (19:04): I am conscious of the time and I am conscious of what has already been said. I want to make sure the government has the opportunity to have its say on this. The Common Reporting Standard is a multilateral policy initiative that has been led by the G20 and the OECD. This bill continues with what has been a lot of work that has already taken place and a lot of initiatives over the past period. It is important that we not look at the Tax Laws Amendment (Implementation of the Common Reporting Standard) Bill in isolation but understand that it is part of what has really been a series of bills and a series of initiatives in this chamber to address some of these taxation issues. I point out that while there has been quite a bit of political disagreement and a bit of rancour about certain aspects of legislation, the Senate itself, all parties in this place, have
come at it from a series of genuine but different views that are largely supportive of one another.

It is important to understand that the initiatives here are largely being supported, but there are some differences. Those of us on this side of the chamber want to see the government go further. We would like to see the government go harder. We think there are other initiatives and other steps that can and should be taken that have not been taken. We feel there are good things that can and should be done that have not been done, and in fact there is more low-hanging fruit in terms of legislation. That being said, there are a lot of good intentions and goodwill in this bill, and when we get to the committee stage I will propose some amendments which will go a long way towards improving it. With that, being very conscious of the time, I do want to give the government the proper opportunity to wind up.

Senator BIRMINGHAM (South Australia—Minister for Education and Training) (19:06): I am delighted, almost brimming with surprise and delight, to be able to provide the summing-up speech for the Tax Laws Amendment (Implementation of the Common Reporting Standard) Bill 2015 and to warmly thank all of those senators who, I have no doubt, have made extremely valuable, thoughtful and detailed contributions to this debate that I have been studying very closely.

This bill implements the Common Reporting Standard for the automatic exchange of financial account information. Globalisation and technological advances have made it easier for taxpayers to hold investments in financial institutions outside of their jurisdiction of residence, increasing the opportunities for international tax evasion. The standard tackles this type of tax evasion, improving the integrity of the tax system. Financial institutions will be required to collect financial account information of foreign residents and report it to the Australian Taxation Office for transmission to other jurisdictions' tax authorities. In exchange, the Australian Taxation Office will receive information on Australians with offshore accounts. It will use the information to ensure that they are complying with their domestic tax obligations. Over 95 jurisdictions have committed to implement the standard, including former tax secrecy jurisdictions such as Luxembourg, Switzerland, the British Virgin Islands, the Cayman Islands, the Isle of Man, Guernsey and Jersey. I commend this bill to the Senate and look forward to its passage.

Question agreed to.

Bill read a second time.

In Committee

Bill—by leave—taken as a whole.

Senator BIRMINGHAM (South Australia—Minister for Education and Training) (19:09): I table a supplementary explanatory memorandum relating to the government amendments to be moved to this bill.

Senator DASTYARI (New South Wales) (19:09): Senator Birmingham, I note that you are only the minister acting in this portfolio at the moment, so there will be elements of this which I understand you may have to check in and get back to us on, and I note that we have only 10 minutes left until the adjournment debate. Perhaps we will not get the opportunity to get to the end of a lot of these matters, and I suspect that Senator Cormann will be dealing with this for a little while longer.
One of the criticisms that has been made is that the Abbott-Turnbull governments committed us to a timetable which sees Australia lag behind most of the OECD and other advanced economies. More than 40 countries will begin exchanging information on individuals in 2017. Is my understanding correct that this legislation does not bring this system into effect until after those countries have already begun reporting?

Senator BIRMINGHAM (South Australia—Minister for Education and Training) (19:10): I can advise Senator Dastyari that I understand his understanding is correct and that the reason relates to the differences in financial year timings between Australia and other jurisdictions—ours, of course, being a July-to-June financial year time frame and other jurisdictions having calendar year time frames.

Senator DASTYARI (New South Wales) (19:11): Our time frame starts in 2018. My understanding is that the financial institutions will be required to report on the high-value accounts held by individuals to the ATO by the middle of 2018 and report high-value accounts held by corporate entities by 2019. There has been no rationale given for delaying the reporting on corporate entity accounts by 12 months. The real question is: why is there one deadline, in the middle of 2018, for individuals and another for high-value accounts held by corporate entities in 2019? I want to flag that this may perhaps form the basis of an amendment—which, being conscious of time, I suspect will not be moved this evening.

The world is moving in a particular direction on this front. We have a situation where 40 like-minded OECD nations will already have begun the process of sharing this type of information, and what worries me is that Australia is going to fall behind. While there have been many disagreements in this chamber about the nature of the bill and amendments to different parts of the bill, I think former Treasurer Joe Hockey and the tax commissioner have done an incredible job on the international stage and played a very important role in making Australia world leaders in some of these areas. Again, that does not mean I think all the legislation has been perfect. The criticism that people like me have made is not that the laws that this government has tried to pass have necessarily been bad or ineffective laws; the criticism has largely been where the debate here has gone. The question is: why do you have two separate dates for reporting, one for individuals by the middle of 2018 and another for corporate entities by 2019? Why doesn't this bill bring those two dates together?

Senator BIRMINGHAM (South Australia—Minister for Education and Training) (19:14): The short answer for Senator Dastyari in terms of the proposal as I understand—

Senator Dastyari interjecting—

Senator BIRMINGHAM: I am giving the short answer first! It is a multipronged approach that I am taking and I will do my utmost to assist you in the undertaking that you have here, Senator Dastyari, to move us forward in a constructive manner, but one that takes us, appropriately, to 7.20 pm! The short answer is that the different time frames, I am advised, relate to the OECD agreement that was struck and that the legislation introduced, which provides for the different time frames, is consistent with the terms of those OECD discussions and arose out of that agreement.

Obviously, the government has seen the amendment that you propose to move in that regard during the committee stage of this debate. I am advised that that amendment is similar
in form to one that was tabled by the shadow Assistant Treasurer, Dr Leigh, during the debate in the House of Representatives. The government has sought some clarification of the purpose of that amendment, as it was not clear from Dr Leigh’s speech in the second reading debate exactly what the intention of that was. However, having had the chance to reflect upon that and understand the intent behind it—and the substitution of ‘2019’ with ‘2018’ that is proposed—it is the government’s intention to agree to the Labor Party’s amendment to bring forward the deadline from 31 July 2019 to the new date of 31 July 2018 for the reviewing of entity accounts to be finalised. That will of course, as you outlined in your question, bring this into line with the time frame in the bill for high-value individual accounts.

It may also be of use to the chamber at this time if I give a quick understanding of the government amendments for which I tabled the explanatory memorandum previously. We are introducing those amendments to ensure that the provisions operate as intended upon the introduction of this bill. In particular, the amendments will correct a technical anomaly in the original bill so that statements relating to pre-existing individual accounts that are high-value accounts as of 30 June 2017 must be reported to the tax commissioner by 31 July 2018. These amendments help to ensure that this deadline is met, regardless of whether the reporting financial institution conducts its due diligence procedures on these accounts between 1 July 2017 and 31 December 2017 or between 1 January 2018 and 31 July 2018.

While I am by no means pretending to be an expert on these processes, I assume that that distinction between those two six-monthly periods has some relationship to the question you asked previously, Senator Dastyari, about some of the approaches to time frames under the legislation and that it will hopefully provide additional clarity in that regard.

It is important to appreciate that the timing provisions in the bill have been carefully crafted to ensure that they are aligned with OECD guidance on collection, review and exchange of information. The government are certainly eager to see this legislation successfully passed, which is why we have brought to the chamber some of these amendments that will aid in its operation and why, perhaps more importantly, we are cooperating with the opposition in relation to some of their amendments, which we have now had time to properly consider and reflect upon and which, overall, we believe will help to achieve and enhance the implementation of the common reporting standard for the automatic exchange of financial account information.

Senator DASTYARI (New South Wales) (19:18): Thank you for that, Minister Birmingham. It is very positive to hear that the opposition amendments that have been foreshadowed but not yet moved have a decent chance of government support. Again, I think it is quite effective when there is a bipartisan approach to and bipartisan support for these matters.

I want to note the work of the Senate Economics References Committee, which I chaired and which Senator Ketter now chairs, in this space. I think it has been really important to have that public debate raising a lot of this information. There is a lot more transparency and people understand what really goes on with multinational tax minimisation, or avoidance, or whatever you want to call it. The reality is that every dollar ‘minimised’ is a dollar that is not going to a hospital, to a school or to a service that is required. That is why it is so important that we get the legislative framework right: so that we can tackle this increasing issue.

Progress reported.
ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Ketter) (19:21): Order! I propose the question:
That the Senate do now adjourn.

Joan Nicoll Tennis Centre

Senator WILLIAMS (New South Wales) (19:20): Last Sunday week, 14 February, I was honoured to be asked to represent the government at the opening of the Joan Nicoll Tennis Centre at Terranora, adjacent to Tweed Heads. Tennis Terranora started as an intraclub of the Terranora Lakes Country Club way back in 1978, growing to over 400 members, five courts, a clubhouse and a coach. With the unfortunate liquidation of Terranora Lakes Country Club in 1996 and the eventual sale of that club’s land and buildings, the old tennis club was given notice to vacate. The club was re-established as a separate association with about 100 members and renamed Tennis Terranora Incorporated.

From 1996 to 2002, the tennis club continued to function using the same complex as before, which was under private ownership, on a week-to-week rental arrangement. Through media reports during 2002, members heard that the existing tennis complex would be redeveloped for other purposes, giving the club an uncertain future. In November 2002, Tennis Terranora set up a committee of eight members to oversee the relocation of the club to new premises, as it was clear a new home was needed. Funding was sought, and the club itself raised over $50,000. But in May 2005 Tweed Shire Council, a great supporter, was placed in administration.

Over the next four years Arkinstall Park at Tweed Heads was recommended as the venue for a regional tennis centre. Initially, Tennis Terranora was keen to relocate to the new centre, but they found the delay would be far too long and they were under pressure to vacate their existing site. Stage 1 of the Arkinstall Park sports complex was opened in May last year.

In late 2009, the council made an offer to Tennis Terranora to take up a site at Henry Lawson Drive and, shortly after, the council said it would contribute $145,000 towards the clubhouse amenities. Originally this $145,000 was for a separate amenities block. Thus began a long process of DAs and approvals, with club members rallying to help. The first sod was turned in August 2013. Then began a program of earthworks, laying of asphalt, fencing and painting and construction of the clubhouse.

The Nationals candidate for Richmond at the last federal election, Matthew Fraser, made an election commitment of $250,000—and it was duly delivered. As well, there was $30,000 from the New South Wales government, and it was good to have my Nationals state colleague, the member for Tweed, Geoff Provest, with us. There was $50,000 from Tennis Australia, and Ken Laffey represented Tennis Australia at the opening. As well, there was the $145,000 from Tweed Shire Council, led by Councillor Katie Milne, plus a couple of loans.

What struck me at the opening was the in-kind support Tennis Terranora received. It seemed like every husband, wife, brother and sister had rolled their sleeves up to dig a hole, use a paint brush, lay some tiles or plant a shrub. Many had put their hand in their pocket to pay for some of these. A conservative $255,000 worth of in-kind support from individuals and businesses resulted in a magnificent complex of five tennis courts, state-of-the-art clubrooms,
an amenities block and lighting fixtures. The longer-term goal is for more courts, so that Tennis Terranora becomes the headquarters of junior tennis in the Tweed.

There are many people who can look back with pride on what they have contributed, but I want to mention a few: South East Excavations, run by Brian and Bruce Turner, who donated $120,000 worth of civil works, fencing materials and soil; the president of the club, Rob Nienhuis, who has been a tenacious leader, organiser and contributor in his own right and who will be knocking on doors again shortly looking for assistance for the next stage; and the lady after whom the Joan Nicoll Tennis Centre is named.

Joan Nicoll played in two Australian Open tournaments, as well as at Wimbledon, and has won titles in Denmark, Spain, England and Fiji. Joan recently retired after 30 years of dedicating her time and highly-regarded skills to coaching the junior tennis stars.

Thank you to the members of Tennis Terranora for your warm welcome and hospitality and, more importantly, for rolling your sleeves up and never giving up. Persistence is the key to success. The community has worked hard. They have a wonderful facility. It is a great legacy for Joan Nicoll for her years of contribution, expertise, talent and coaching of the young ones. I wish them all the best for the future.

Workplace Relations

Senator LINES (Western Australia) (19:25): I rise tonight to talk about the sacking of Australian seafarers—those hardworking seafarers of the MV Portland. On 13 January, in the dead of the night and with the full knowledge of the Turnbull government, Alcoa forcibly removed the Australian seafarer crew from the MV Portland. These Australian seafarers were sacked and immediately replaced by foreign workers, who then sailed the MV Portland to Singapore. This could only have happened with all of the i’s dotted and the t’s crossed. This is managed by a number of government agencies, who have told us, through estimates and inquiries, that the Turnbull government was well and truly informed and knew exactly what was going on well ahead of the actions on the night of 13 January.

Of course, the Liberal government has form on selling out Australian waterfront jobs. In 1998, in the long-running Patrick’s dispute, it became clear that the Liberal government was at the front and centre of Australian waterfront workers being sacked. In 1998, under Prime Minister John Howard, hundreds of Australian workers lost their jobs. I will never forget the gleeful face of the industrial relations minister at the time, Mr Peter Reith, who made the announcement on national television that these workers had been stood down. Not a skerrick of remorse was shown; in fact, Mr Reith was almost gleeful with his announcement.

Fast forward to 2016, and, once again, we have a Liberal government at the front and centre of an industrial dispute and, once again, selling out Australian seafarer jobs. Certainly it is clear, from Senate inquiries and estimates, that former minister Truss was kept well informed by the Australian Maritime Safety Authority. This was done, as they told us in Senate estimates, with regular updates and even, on 24 December, through supplying talking points to the minister.

It is also clear from Senate estimates that Minister Cash was kept well informed by the Department of Employment and also knew ahead of time that Alcoa intended to use security guards in the dead of the night to forcibly remove Australian seafarers from the MV Portland.
The facts are that neither Minister Truss nor Minister Cash—indeed, no-one from the Turnbull government—lifted a finger to save those Australian jobs from the MV Portland. The Turnbull government stood by in the full knowledge that hardworking, law-abiding, taxpaying Australians would be sacked and their jobs taken by foreign workers who were underpaid and on $2 an hour.

It is clear that, once again, the Turnbull government has sacrificed workers in favour of the big end of town—this time, Alcoa. Nobody on this side of parliament and in the townships around Portland believes the Turnbull government when they say that will save the smelter. The piddling amount of money that Alcoa saves by using a foreign crew will not save the smelter, if it is, indeed, in trouble.

The Turnbull government's pathological hatred of unions and organised labour is obvious for all to see. Just as Australians did not support the government's actions against workers and the MUA in 1998, they will not support the government aiding and abetting the use of foreign workers in Australian waters, taking away the livelihoods of fellow Australians. I cannot believe that the Turnbull government has not shown any remorse or even anger that Australian workers have been forced out of their jobs and that we now have foreign crews on Australian waters. This is the thin end of the wedge. Australians will not stand for it. Australians stand for a fair go, and it is obvious they will never get that from the Turnbull government.

World's Greatest Shave

Senator LUDLAM (Western Australia—Co-Deputy Leader of the Australian Greens) (19:30): Tonight I want to speak about what haircuts and blood cancer have in common—not a lot, you might imagine at the outset. Last week I met a woman by the name of Serina Marie Doesn. In 2002, at just 29 years of age, Ms Doesn was diagnosed with acute myeloid leukaemia, which is a form of blood cancer. Her bright demeanour really belied the 14-year battle that she has had with this form of blood cancer. She has relied and drawn very heavily on the extraordinary volunteers and staff of the Leukaemia Foundation for support. She described to us the remarkable difference that the foundation has made in her life. It gave us a bit of an insight into just how many people in the Leukaemia Foundation helped her between emotional counselling and financial support, transport to and from treatments each month, accommodation facilities when she was flown to Melbourne for treatment and even really thoughtful things like care packages of fresh food and groceries delivered to her door after extended periods of time in hospital.

Serina spoke of the hope that she has that research undertaken by the Leukaemia Foundation would one day find a cure for blood cancer. Whether it be a greater understanding of the molecular biology of cancers or other forms of research, researchers are closing in on the development of many new drugs that target specific genetic changes which are associated with or cause these cancers. Leukaemias, as many senators know, strike the elderly. They strike the young. They strike children, men and women. It is an incredibly indiscriminate, complex and difficult thing to treat.

Some of the discoveries that the global research effort has uncovered and identified involve new approaches to cures or successful management of many cancers which thereby stop their progress or at least keep some symptoms under control. So there has been extraordinary progress in recent decades. Some of the new drugs may still have undesirable side effects, but
generally they are far less toxic than the traditional heavy-duty chemotherapy that has been used in the past. While some blood cancers are still very dependent on traditional 'chemo', the new targeted therapies that are here now and many others on the horizon potentially reduce the side effects of heavy-duty chemotherapies. One of the things that I discovered is that there is no one leukaemia. There are a whole variety of different conditions that can attack people, without warning, as was Sarina's experience.

In 2015, the Leukaemia Foundation's research indicated the importance of clinical trials in providing patients with access to new therapies not yet reimbursed on the Pharmaceutical Benefits Scheme. Of those people who tried to access these new therapies, only around half of them succeeded. Of those who were able to access new therapies through a trial, three-quarters reported a beneficial response with no detectable disease or actually achieved remission.

Most new blood cancer medicines are very expensive and therefore beyond the reach of the average Australian. Most people can only afford these drugs when they are made available through the PBS. This is why the Leukaemia Foundation is calling on the federal government to improve access to new cancer drugs that are not available through the PBS and to continue to implement the recommendations of the Clinical Trials Action Group to ensure that more Australians have access to clinical trials and new medicines. Although survival rates are improving, blood cancers are the third-highest cause of cancer death in Australia. That is higher than better-known cancers like breast cancer and melanomas. More than 1,200 Western Australians will be diagnosed with leukaemia, lymphoma or myeloma this year. That is 23 people each week just in WA. The national figures are roughly 10 times higher.

So what on earth does this have to do with haircuts? It is because this can happen to anyone—young and old—anybody can make a difference, including politicians. So I have signed up for the first time to the World's Greatest Shave. I am thrilled to have already reached my initial target to raise $5,000. I want to thank everyone who has contributed so far. I have started a fund. You can donate to a fund and I will shave my hair, or you can donate to a fund and I won't. I am pleased to announce that, as of tonight, the fund to shave Gary—that is probably a longer story—has reached $1,925. But the fund to save my hair has reached $2,887. There are three weeks to go before the big shave, and so I have obviously revised my fundraising goal. If colleagues want to help out with this haircut, they are welcome to do so. So please help me raise these funds by donating at the World's Greatest Shave.com.au. Senator Abetz, you are welcome to donate as well.

### Taxation

**Senator ABETZ** (Tasmania) (19:35): Supporting the aspirational in our society is a public good. It is vital that public policy settings recognise this fact by encouraging this valuable human endeavour. The aspirational in our society are the builders. They are those of our fellow Australians who take risks, who often forsake, forgo and defer immediate wealth and opportunity to spend and enhance lifestyle to create future wealth and future opportunities. They engage in short-term financial pain now in exchange for future financial gain, which allows Australians to become financially self-sufficient and less welfare dependent. In this context, I welcome the Prime Minister ruling out the abolition of negative gearing.

Negative gearing has been part of our taxation regime for over 100 years. The reason it has been part of our taxation system is self-evident. The ALP previously experimented with its
removal and reality hit heavily and fast, with less construction work and higher rentals, which had profound impacts, especially on those less well off. Suffice to say Labor reversed their ill-considered policy within a year or two. To seek to repeat this error and peddle it as new tax policy by the Leader of the Opposition shows the hollowness and policy bankruptcy of Labor. As is too often the case for the ALP, they have engaged in the shallowest of discussion, peppered with the regrettable language of envy and class warfare and, of course, in splendoured isolation of the facts and previous experience.

There are 840,000 of our fellow Australians who earn less than $80,000 per annum who engage in negative gearing, of whom 53,800 are teachers, 52,000 are retail workers, 39,500 are nurses and 22,600 are hospitality workers. Why aren't the unions sticking up for those workers? No wonder union membership continues to decline day by day. Seventy-three per cent of people who negatively gear invest in just one property, whilst 18 per cent invest in just two. In other words, that covers 91 per cent of those that negatively gear—hardly the wealthy, just hardworking Australians taking a risk, going without today, preparing for their tomorrow. They should be saluted and encouraged, not vilified.

Indeed, the state with the lowest levels of incomes in Australia, with a total population of about 515,000, namely Tasmania, has over 18,000 people forgoing the possibility of an enhanced lifestyle to provide for a better tomorrow. I, for one, salute their entrepreneurship and aspiration to be more self-reliant. So to the over 3,000 negative gearers in the electorate of Lyons, to the over 3,400 negative gearers in Braddon, to the over 3,500 negative gearers in Bass and to the 9,000 in Denison and Franklin: be assured the Liberals support your endeavours and your aspirations.

Let us be clear, in discouraging negative gearing there may be a short-term increase in tax revenue but with a devastating commensurate long-term consequence of increased welfare dependence and less tax taken from the construction sector. The attack on negative gearing, which has served us so well, is indicative of the negative politics of those from the left. Governments have an expenditure problem not a revenue problem. It is lazy and economically stifling to seek to milk the last possible drop of taxation, which simply stops hard work and saving for the future. I trust as a nation we will not need to relearn the consequence of killing the goose that lays the golden egg.

Jones, Mr Steve

Senator LUDWIG (Queensland) (19:40): I speak today in memory of a great Queenslander, a hardworking colleague and a true friend. It was with great sadness that I heard this week of the passing of the Lockyer mayor, Steve Jones. Mayor Jones had served as mayor of the region since 2004 and was elected as the first mayor of the newly established Lockyer Valley Regional Council in 2008. Mayor Jones was an unstoppable advocate for this region. Faced with the worst natural disaster in a lifetime, Mayor Jones embodied leadership in his affable and modest style.

Steve and I worked together closely following the 2011 Queensland floods, in my capacity as Minister Assisting the Attorney-General on Queensland Floods Recovery. As many in this place will remember, the 2011 floods were a disaster that affected nearly the entire state of Queensland. Grantham, a small town in the Lockyer Valley within Mayor Jones's council area, was amongst the most devastated towns in the whole state. Out of the 38 who tragically lost their lives across the entire state as a result of this disaster, 12 of them came from this
small community of around 500 people and 19 died across the Lockyer as a whole. The
damage to public and private property was also immense. Houses were inundated with water,
cars were washed off roads and council roads and bridges were washed away.

The town was first settled in the mid-1800s and was built on a flood plain. Devastated
residents were now faced with the difficult choice of rebuilding their homes in this dangerous
corridor or leaving their tight-knit community behind. Unsatisfied with leaving his
constituents with this dilemma, Mayor Jones embarked on a very ambitious project. He
wanted to relocate the entire town. Under the scheme, a 485-hectare estate was created on
higher ground, overlooking Grantham. New Grantham, as it became known, was possible due
to a land swap deal that allowed residents to swap their blocks for new property in the
relatively safe location. The redeveloped township of Grantham is a permanent testament to
his vision and love for his community.

Mayor Jones was someone who would always leave politics at the door and who would
always keep in touch. Getting to work with him during the reconstruction period after the
2011 floods was a real pleasure. I was very much looking forward to visiting the Lockyer in a
few weeks' time with Minister Donaldson. Mayor Jones had contacted us and offered to give
us a tour of the community to view the results of the recovery and see the contribution they
make to the state's agricultural sector. Always the advocate for his community, Mayor Jones
wanted to speak with us during the visit about opportunities for expanding agriculture across
the region. Sadly for him and his family, he is no longer a strong advocate for the community,
but I firmly believe that his legacy will live well into the future.

My thoughts and the thoughts of my family are with Mayor Jones's family, friends and the
staff of the Lockyer Valley Regional Council.

**Tasmania: Bushfires**

**Senator McKIM** (Tasmania) (19:44): It is fair to say that things are pretty tough in
Tasmania right now. We have 60 bushfires still burning, including 12 still burning inside the
Tasmanian Wilderness World Heritage area. We have lost over 120,000 hectares of our
beautiful island to these fires in the last six weeks, including over 20,000 hectares inside the
World Heritage area.

Hydro Tasmania's dams, the source of the overwhelming majority of our state's electricity
generation, are currently at just 16 per cent capacity, and they are predicted to fall to 13 per
cent within two months—far lower than ever before. The viability of our entire oyster
industry is under threat from Pacific Oyster Mortality Syndrome, which can kill otherwise
healthy oysters overnight. Each of these three issues represents a very different crisis facing
my home state of Tasmania, but they have one thing in common: global warming.

Consider *Climate futures for Tasmania*, a technical report on water and catchments, which
found:

Climate change is likely to reduce inflows to catchments used for hydro-electricity generation
throughout the 21st century …

And consider climate futures for Tasmania general climate impacts report, which found:
Annualy, there is a steadily emerging pattern of … reduced rainfall over central Tasmania …

... ... ...
The central plateau district shows a steady decrease in rainfall in every season throughout the 21st century.

Clearly, the science is telling us there is going to be decreased rainfall in Hydro Tasmania’s catchments throughout the 21st century and decreased rainfall on the central plateau, home to fragile, non-fire-adapted ecosystems, which, of anywhere on the planet, exist only in Tasmania. Some of these ecosystems were tragically lost in the recent fires. It is worth noting that most or all of these fires were started by dry lightning strikes on 13 January this year.

Australian Bureau of Meteorology scientific researcher Dr Andrew Dowdy said on dry lightning strikes and climate change: ‘We’ve found that there's a good chance that there’ll be more dry lightning in South Eastern Australia in summer in the future with climate change.’ He went on to say: ‘The bad news, I guess, continues that under climate change there's more severe fire weather days in general throughout much of Australia, so that further exacerbates the danger.’

So we can expect more extreme fire weather in Tasmania and more fire ignition events. In terms of our oyster industry, it is worth noting that the New South Wales Department of Primary Industries says that the evidence suggests that the disease is activated when water temperature reaches 22 degrees. We know that Tasmania's coastal waters have increased in temperature by around 0.8 degrees since the 1960s—more than three times the average global increase in water temperature—and we know that CSIRO models show that they will continue to warm into the future.

I say to Liberal politicians in Tasmania and to Liberal politicians in Canberra: if you cannot get your head around ecosystems working, if you cannot for the life of you understand the dangers of global warming in environmental terms, at least think about its economic impacts. It is like having to translate for someone who does not understand English or for a small child who is just learning to read—it is about jobs. The Tasmanian economy, like every other economy on the planet, is being threatened by global warming. Jobs are being lost right now.

Major industrial electricity consumers are being power rationed right now in Tasmania. The government is panicking and has brought in 200 megawatts worth of diesel generation at a cost of $44 million and a further price of $22 million per month. This is global warning happening in front of our eyes.

Senator Bernardi interjecting—

Senator McKIM: If you cannot understand the environment, Senator Bernardi, it is about jobs. Do something!

Financial Services

Senator BERNARDI (South Australia) (19:49): 10 years ago I wrote a book for children and their parents to help teach them good money habits. Entitled The Money Tree: Securing your child's financial future, it has been provided free of charge via download and also in hardcopy form to tens of thousands of Australians. The aim of The Money Tree was to take the mystery out of money. It showed how simple strategies of saving and investing could lead to wealth and a feeling of achievement and control over one's financial future. At the same time, the underlying message was that if too much emphasis was placed on money, our children may never truly comprehend important qualities such as compassion, acceptance and personal integrity.
The message to parents was that by educating their children about saving and investing, children could be free to pursue all of their dreams. Their futures would not be limited by bank balances, and they would be free to devote their time and energy to the rest of life's experiences. The booklet outlined a simple rationale of saving and investing that would literally guarantee any child of future free of financial concerns. I still consider that mastering good money habits, together with good health habits, is integral to a happy and successful life. In the book I recommended investment in the stock market.

I still subscribe to that advice, the big caveat being that the cost of transacting in the market and the quantum of funds necessary to invest efficiently are sometimes difficult for young and small investors. That is why I was delighted to discover the Acorns investing program has arrived in Australia. Acorns is a free app for smartphones that allows people to automatically invest into a diversified portfolio of exchange traded funds using their spare change. The concept is very simple: every transaction in your bank account is rounded up to the nearest dollar, with the rounding figure added to your Acorns account. It is convenient, it is effective and it is very, very simple. But best of all it is also very inexpensive. It charges fees of just $15 per year on balances under $5,000, meaning that even the smallest investor can afford to get started with a portfolio.

Acorns is the brainchild of father and son founders Jeff and Walter Cruttenden. Launched in the US in 2014, Australia is the first country outside of America to receive the app. It has already preregistered over 26,000 members in Australia. Acorns makes it easy and affordable for every Australian to save and invest. In my mind, it is the ideal way to teach children good money habits, allowing them to discover the joy of financial freedom in their later lives. Having had a long-term interest in the financial wellbeing of our future generations, I consider Acorns to be a very welcome addition to the arsenal of investment education and practice, because anything that breaks down the barriers associated with establishing financial freedom is an investment winner, and Acorns certainly appears to fit that bill.

**Schools: Safe Schools Coalition Australia**

Senator CAROL BROWN (Tasmania) (19:52): Tonight I would like to talk about the Safe Schools Coalition. I have to say at the outset that I am no longer surprised about comments that Senator Bernardi and Senator Abetz may make in this area, but I am, and many people in the Australian community may be, to think that Prime Minister Malcolm Turnbull has shown himself to be beholden to the ultraconservative element within his party.

Having said that, it takes more than words to win over a community, and what we have seen, by Mr Turnbull's actions in regard to the Safe Schools Coalition, is that his actions are left wanting. In requesting an investigation into the safe schools program—a program aimed at helping lesbian, gay, bisexual, trans and intersex school students—Mr Turnbull has shown just how weak he is. He is bowing to the most conservative members of his party. But then you have to wonder whether these actions are his very own. I hear, all the time, people saying of Mr Turnbull that they expect more. His language is different—what he is saying is different—but his actions are not, and, in respect of the Safe Schools Coalition's program, they are leaving very vulnerable students dismayed.

I was disappointed when I heard about the review, I was appalled when I heard about the review and I was angered when I heard about the review, because Mr Turnbull, apparently, is willing to sacrifice what he says are his own principles and beliefs to become Prime Minister.
Now it seems he is willing to sacrifice the wellbeing of young LGBTI Australians—people who may once have seen Mr Turnbull as a beacon of hope within the Liberal Party.

This is not simply a matter of the government being out of step and promoting an out-of-date view. It is a matter of the government perpetrating dangerous views that have the potential to have devastating impacts on the lives of young LGBTI Australians. What we are talking about here is a program that works to ensure schools are safe environments for young people who are same-sex attracted or gender diverse. The Safe Schools Coalition is supported by organisations across the nation, including the Australian Secondary Principals Association, the Australian Council of State School Organisations, the Australian Education Union, beyondblue and headspace.

It seems like a simple idea: schools should be safe and affirming environments for all students. School can be a difficult time for even the most certain and confident children and young people. For same-sex-attracted and gender-diverse students it can be even harder. Researchers has found that school based inclusion or antibullying policies can have a direct impact on same-sex-attracted students' health and wellbeing. Research has also found 61 per cent of same-sex-attracted or gender-diverse young people in Australia have experienced verbal abuse, and 18 per cent have experienced physical abuse. The same research has found that 80 per cent of homophobic and transphobic incidents take place in schools. Or perhaps we should look at the survey that found that just one in five same-sex-attracted and gender-diverse students attend a school where they feel supported.

Research also shows that same-sex-attracted and gender-diverse students who do not feel safe at school have lower self-esteem and higher rates of absenteeism. Their grades suffer and so does their mental health. Most tragically, they suffer higher rates of suicide. Beyondblue have said that 81 per cent of same-sex-attracted and gender-diverse young people who have experienced abuse or discrimination have thought about suicide and 37 per cent have made suicide attempts, and about 80 per cent have thought about self-harm and 70 per cent have harmed themselves. (Time expired)

**Workplace Relations**

**Senator URQUHART** (Tasmania—Deputy Opposition Whip in the Senate) (19:57):

Today I was absolutely appalled to learn about the bumper pay cheque secured by Caltex CEO Julian Segal, on the back of the company's terrible behaviour and shameful treatment of Australian workers over recent years. According to *The Sydney Morning Herald*, Mr Segal joined the ranks of the highest-paid executives in the country, taking home almost $14 million in salary bonuses and share payouts. And it was not just Mr Segal who shared in these high-rolling spoils. Caltex CFO Simon Hepworth also pocketed a cool $3.95 million, and another six officials took home payments in excess of $1 million.

Normally I would not presume to cast judgement on the financial decisions of an individual company. If a company does well and they are good corporate citizens then I would be the first to congratulate them, but Caltex is not any ordinary company and Caltex has been anything but a good corporate citizen of this country. No, this is a company that has put monster profits above the wellbeing of its staff. This is a country that has chosen mass lay-offs over working to find solutions that are clearly in the national interest. In 2014, Caltex closed its Kurnell refinery, and several hundred hardworking Australians were sent to the unemployment line. The closure sent a savage blow through the local economy, and many
other businesses suffered, including a nearby LPG unit which was forced to close. This was a terrible outcome for everyone but the Caltex executives.

But this was not a one-off decision. Less than a year ago, Caltex again revealed its colours with its disgraceful treatment of workers on the *Alexander Spirit*. While berthed in Devonport in my home region of north-west Tasmania, the 36 crew of the Caltex oil tanker *Alexander Spirit* learned that on their return to Singapore they would lose their jobs. At the time we were very suspicious that the crew would then be replaced by foreign workers, although at the time the company denied that this was going to happen. The community response to the plight of these workers from locals was amazing. A picket was set up beside the ship which was manned for the entire three weeks the ship was docked in Devonport. A community rally saw around 200 people from the surrounding region come together to support the workers in their plight. It was great to see. But, sadly, not one Liberal member of parliament attended to see how the workers were going.

For my part, I took every opportunity to go down to the picket line and show my support for the workers. I also boarded the ship to meet these hardworking men and women who had previously been told their jobs were safe until 2019. It was a very sad visit and my heart went out to these workers. These people have mortgages, families and plans for the future. The callously delivered news cast a terrible pall over all their hopes and obligations. All of them lost their jobs—the whole 36. Despite the company's protestations that the ship would not be filled with foreign workers, this is exactly what came to bear. Just as we had feared, by September the *Alexander Spirit* had returned to Australian waters, crewed by foreign workers.

The bad behaviour does not stop there. Only in August last year it was revealed that a Caltex chartered ship carrying fuel between Queensland and South Australia had been underpaying its foreign crew since the beginning of the year in contravention of Australian law. Let's be honest: Caltex has a kindred spirit in the Turnbull government, which has also shown a fervent desire to sell our maritime workers out to the lowest bidder. This is not just about the jobs of individual workers. It is about our national capacity, maritime security, the environment and, very importantly, fuel security.

Given these very serious risks to both our maritime capacity and our fuel security, you would expect that the government would be pulling out all the stops to find a solution to save these maritime jobs. Well, you would be absolutely 100 per cent wrong. The reality is that this government have done all they can to speed up the demise of the Australian seafarer. They tried to ram vicious legislation through this place that would see 93 per cent of seafarers out of work. When we in this place sensibly rejected their senseless attack, they vowed that they would continue. It is about time Australian jobs came before massive corporate profits. It is about time that the Turnbull government backed in Australian workers rather than trying to shut down the entire industry.

**Environment**

*Senator McALLISTER* (New South Wales) (20:02): For the past few months environmental groups have joined the farmers' lobby and other stakeholders in negotiating the shape of New South Wales's conservation laws. At the end of last week, however, the environmental groups walked. They called out the Baird government's review as a process whose outcomes were 'predetermined by a radical minority'. In many ways the Baird government's approach is unsurprising, in the same way that it was unsurprising when the
Newman government sought to wind back Labor’s land-clearing legislation in Queensland. It is part of an unsettling trend where conservative governments seek to undo Labor reforms in order to satisfy sectional interests who do not speak for most Australians.

The Baird government’s cutting of environmental legislation may be unsurprising, but it does not make it any less disturbing. The network of biodiversity and conservation protections that were legislated for by Labor state governments provide crucial safeguards for Australia’s natural environment. They also provide crucial safeguards for Australian people.

In 2000 Australia was the fifth greatest land clearer in the world, and in Australia New South Wales was second only to Queensland. The then New South Wales environment minister and my friend Bob Debus called it one of the greatest environmental challenges, and Labor state governments took action. In my state of New South Wales, for instance, we enacted a suite of legislation in the early 2000s that stopped broadscale land clearing. Since the implementation of the Native Vegetation Act in 2003, New South Wales has seen an 88-fold reduction in areas approved for clearing from 80,000 hectares per year to just 911 hectares per year.

Similar legislation was enacted in Queensland under the Beattie and Bligh governments. It was rolled back when the Liberal National Party came to power. What happened in Queensland is a startling portent for what may happen in New South Wales under the Baird government. Two hundred and ninety-six thousand hectares of bushland was cleared in 2013-14—three times as much as in 2009. Clearing in catchments that drain onto the Great Barrier Reef increased dramatically and constituted 35 per cent of total clearing in 2013-14. Land clearing like this claims the lives of hundreds of thousands of Australian animals. It destroys forests and woodlands that provide many economic benefits, such as shelter for stock and crops and pollination. It makes no sense. It produces perverse outcomes.

The federal government’s Emissions Reduction Fund is paying billions of dollars to reduce carbon emissions. However, the carbon release from Queensland’s land clearing in 2013-14 was estimated at 63 million tonnes. This is more than was purchased during the first round of the Emissions Reduction Fund at a cost of more than $660 million. That right there is the kicker. It is the reason this is an issue of national significance. One of the main reasons that Australia has been able to meet its modest emissions reduction target is because of the carbon savings achieved by halting broadscale land clearing. This will be under threat if the Baird government takes the New South Wales state back to the rates of land clearing that we have seen in Queensland under the Newman government.

The land-clearing laws in New South Wales and Queensland were the result of tireless campaigns by environmentalists who were willing to work in partnership with committed Labor state governments. We know that if you want to make a difference you have to be part of a party of governments. That is why the most important conservation reforms of the last 50 years have the word ‘Labor’ next to them—achievements like protecting the Great Barrier Reef, the Franklin, Kakadu, the Daintree and the Antarctic and ending 30 years of conflict over Tasmania’s forests and 120 years of disagreement over the Murray-Darling Basin. Policies like these and the New South Wales land-clearing laws make me proud to be Labor, and I stand with my New South Wales colleagues in opposing the Baird government’s ambitions to unwind them.
Ovarian Cancer
Tasmania: Centrelink and Medicare

Senator POLLEY (Tasmania) (20:07): I rise to speak in support of Ovarian Cancer Awareness Month. February is Ovarian Cancer Awareness Month and Ovarian Cancer Australia is urging all Australians to recognise the signs and symptoms of ovarian cancer, to know their family history and to know how to get help. Earlier this month, Senator Catryna Bilyk and I sponsored a motion regarding the importance of awareness around ovarian cancer.

There is a lot of publicity given to diseases and other forms of cancer, but, despite the fact that ovarian cancer is the seventh most common cancer in women, it often gets overlooked. Approximately 1,500 Australian women are diagnosed with ovarian cancer every year and around 1,000 daughters, mothers, sisters, aunts and friends are taken from us each year in Australia. These are shocking statistics, and it is a truly devastating disease. Ovarian cancer currently has a five-year survival rate of 43 per cent. In order to make a difference to that survival rate, we need awareness. To raise awareness, we need to keep talking about ovarian cancer.

I have spoken many times about how important it is to be familiar with the symptoms of ovarian cancer, but I am going to run through them again because, as I said, we need to keep talking about this disease. We need to ensure that the women in our community are familiar with these symptoms. Some of the most common symptoms are abdominal or pelvic pain, abdominal bloating, needing to urinate often or urgently, difficulty eating and feeling full very quickly. A huge part of the problem is that these symptoms are very common and they are not symptoms that many women associate with ovarian cancer. This is why ovarian cancer often goes unchecked. We all need to ensure that we are familiar with these symptoms so that we can detect these signs as early as possible and do everything we can before this disease is too advanced.

When you take a close look at this disease and start talking about it, you see that it really is not a silent disease—although, at times, it is referred to as such. Unfortunately, these symptoms are so common that, only too often, by the time women see their doctors it is too late and the cancer has advanced to a level where the outcomes are obviously not good. As I said, the prognosis for women diagnosed with ovarian cancer is generally poor due to the fact of its late detection. The reason is usually that women have not sought advice. There have been times when doctors have not diagnosed correctly, and that is why I always encourage women, if they are not satisfied when they see their GP, to seek a second opinion. That goes for all health matters, irrespective of whether it is a cancer like ovarian cancer or not.

Only 47 per cent of the general population is aware that ovarian cancer is symptomatic, which is why recognising the symptoms is crucial to an early diagnosis, to prevention and, most importantly, to survival. If women experience any of the symptoms over time, or if they persist for more than two weeks, they should see their doctor as quickly as possible. We must not ignore any symptoms or pass them off as discomfort or another ailment. Understanding and awareness of these symptoms are absolutely crucial to the early detection of ovarian cancer. As women, we need to improve our confidence in our ability to know about ovarian cancer and we need to recognise and act upon these symptoms and not hesitate to seek a second opinion.
A recent survey conducted by Ovarian Cancer Australia reported lower satisfaction levels when it came to patient care and early diagnosis. The survey also highlighted that women were frustrated with the number of GP and emergency room visits they had to make before finally being diagnosed. A number of women also said that their symptoms were not initially recognised by their GP as relating to ovarian cancer and that they were, therefore, seeking a second opinion. One woman was recorded as saying that she had visited her GP more than three times but he kept on insisting that she had IBS. Then she went to another GP, who discovered that she had an enlarged uterus. Another woman in the survey said that she saw one doctor four times who just kept telling her to eat more fibre but did not examine her once.

It is absolutely vital that GPs and health professionals are better trained in identifying the symptoms and that they are proactive to ensure a fast diagnosis. It is equally as important for women to have the confidence to seek a second opinion if they are not comfortable with the initial outcome of their visit to the doctor. In the absence of an early detection test, we must all know the signs and symptoms of ovarian cancer—and it is important to know your family history. We need to continually raise awareness of this deadly disease. The more we talk about it, the more research will be done so that we can—and I am hopeful that we will, in the coming years—find a way of detecting this silent killer early.

I would now like to turn to another issue which is quite different but just as important. As the shadow parliamentary secretary for aged care, the government's decision to close the Kingston Centrelink and Medicare office in my home state of Tasmania was a shock. It was devastating to the local community.

I want to place on record my thanks and the thanks of the local community in Kingston and the surrounding areas for the work of Julie Collins, the federal member for Franklin, and Senator Catryna Bilyk. They were supported by all of us Tasmanians, including Senator Urquhart and Senator Brown, who are here in the chamber tonight. This is yet another example of how out of touch and arrogant this government is—closing a Centrelink office in a community where the majority of people who use it are elderly and disadvantaged. I am sure that Senator Bilyk, either tonight or on another occasion, will make some more detailed comments on this very important issue. When the community stood up and said, 'We are not going to accept this' and they campaigned and supported Julie Collins and Senator Bilyk at a local forum, that sent a very powerful message to this government.

We know this government is in chaos. On any given day, you do not know what the Treasurer is going to do. We know that what the Prime Minister says today will not be what he will do tomorrow, just like before the election he said one thing on a range of issues and then after it he has done another. Whether you are a conservative or a progressive, the Prime Minister has been caught in the middle and he does not know which way to go. We now have the Treasurer of the country in witness protection. He has failed as Treasurer of this country. Until he took on that role, he was able to hide behind the responsibilities he had as immigration minister; he did not say anything because he could not say anything. Everything was so secretive and silent. But now he has been exposed for being weak, for being the Treasurer of a government that has no vision and no plan. Yet the government still criticise the Labor opposition and Bill Shorten because we dare to put forward to the Australian community real policies, a plan for the future. We are rolling out our costed policies. Mr Turnbull said he was going to have an intellectual, smart and agile government, but what we
have is Tony Abbott mark 2. When everything else fails, when they fail to deliver any policy, when they are exposed for wanting to increase the GST, they go back to scare, scare, scare. Next we will go back to the three-word slogans, rather than ‘Mr Waffler’, as the Prime Minister is known. (Time expired)

**Centrelink**  

Senator SIEWERT (Western Australia—Australian Greens Whip) (20:17): I rise tonight to speak once again on Centrelink and how the system is failing people in Australia who are most in need. I spoke on this matter last time the Senate met, and I will continue to speak whenever I can to try to change this system. As I said then, millions of people rely on Centrelink and the Department of Human Services. These people include, for example, those receiving the disability support pension, youth allowance, Newstart, the carers allowance, the age pension, paid parental leave and the family tax benefit. Millions of people rely on income support for their essentials so that they can pay their rent and their bills and so that they can eat. It is essential that a system that delivers those payments is as effective and as efficient as possible.

As I said last time, I have asked people to tell me of their personal experiences when they have been interacting with Centrelink and the Department of Human Services. I received hundreds and hundreds of examples of people’s lived experiences across a range of issues, including wait times; problems with the phone system and the myGov website; the frustration of being bounced between offices, websites and phone lines; failures of assessment for DSP; and many other issues. The way people on income support are treated through the Centrelink system demonstrates the government’s approach, which has been, ‘When we have to try to save money, we will save it at the expense of the most vulnerable in our community,’ and that is having real impacts.

I want to read into the record the experiences of people trying to get in contact with Centrelink and trying to access income support payments. Because I got so many responses, I am not able to cover all of them in one go. These are real experiences of people struggling in this very difficult system. Tara says:

I recently had to take an Aunt into Centrelink to get an income statement ... After spending 45 minutes getting through on the phone and another hour on hold, we hung up and drive to the office.

Sarah says:

I tried to get in touch with centrelink via the relay service as I am hearing impaired - I got through at one stage only for the person to say they could not help as it was a technical issue with my online account.

So I was transferred to another operator - was left hanging for over an hour and the relay operator was not patient to wait. So I hung up. Tried again the next week - same story - waiting too long.

Samantha says:

The minimum I have had to wait on the line is 55 minutes. I am advised something different each time I call. I have been charged over $100 of excess fees for these phone calls by Telstra as I only have a mobile phone.

This phone waiting time is something I pursued in estimates the week before last. We found out several concerning facts. If you called Centrelink in the last half of 2015, you were more likely to get a blocked signal, or to hang up after waiting in the queue, than to speak to a
person. The phone call-back service has been turned off, because it is not working. Centrelink's technology is old enough that it is making the queue longer. This is something that many people complained about. Centrelink has a limit to the music that is played in the queue. That means that the sound stops and the system sounds like it is hanging up on people, so consequently people hang up. Again, this means that people do not get to speak to a human.

The underfunding impacts on multiple areas, as the following clearly show. Cath says:
Last year I called them regarding my son, who they informed me did not exist. I was transferred from one department to another and each time was disconnected. At no stage did Centrelink call me back, each time I called back I was out on hold again and again.
In the end no one was able to resolve the technical problem for me and so I had to write a statutory declaration to them to declare my son indeed did exist.
Hannah says that she called multiple times, but could not get through:
I needed to call because online said I had an appointment with a service provider in two days time and I had never received a letter and had no idea who or where my appointment was.
Brett says:
I made two trips into Centrelink and made three phone calls that were over an hour each to get dad's pay for two weeks of paternity care.
Ree says:
We were applying for the FTB and the Centrelink website would not work for us so we went in to make the claim and we were told to try making the claim on the 'self service' computers ... Eventually it took us over 2 months to make the claim.
Jen says:
On Monday night I spent 61 minutes on the phone to Centrelink because I did not update my income estimate. My income has not changed. This is not the first time I have been asked to change it by $1 so that the system functions.

One of the frustrations is the complexity in the connection between Centrelink and the job services provider. As Callum says:
... for a job seeker, the interface between my private Job Services Provider and Centrelink is often terrible—appointments rescheduled, or scheduled without notice, Job services provider and Centrelink telling me different things. Ejected from systems without warning or notice, and only finding out when calling up.
Ruth writes of her daughter's experience:
She was told by Anglicare her service provider that she didn't need to go in for interviews, then told by Centrelink she missed an appointment with Anglicare. She went back to Anglicare and tried to resolve the issue, no luck they sent her to Centrelink who then sent her back to Anglicare. This took over a week and is still not resolved.
There is a particular story I would like to share of a single parent's experience with her job services provider. As a single parent, this lady needed to care for her children during the school holidays.
I was told by the service provider ... that I still had to attend my activity, and to put my kids in care or get a friend or relative to care for them.
When she told the provider that was not possible, she was told by the provider to take them to her activity. When she did not want to take her children into a professional kitchen, for obvious safety reasons, she was cut off. Then she spent ten hours on the phone to Centrelink, trying to have her payments restored. She was bounced between Centrelink and the service provider several times. She also had problems when her child was sick:

I got the flu, and one of my children was off sick from school. I ended up not going to my activity for two days. I called my service provider, told them I was unable to attend. I was told to get a medical certificate ... I got fined $119 for the two days I was sick and caring for my child.

One of the most concerning issues is the government's attempts to push people with a disability off the Disability Support Pension. We know that this is resulting in people suffering and that people are trying to exist on Newstart living with a disability, and that makes it harder to find work and to pay medical costs. Hayley writes:

Dealing with Centrelink has been my full time job since they cut off my Disability Support Pension in June last year ... I am disabled. I can't work. I can't afford medical bills on Newstart .... I've had to resort to emergency financial assistance from St Vincent de Paul and in between that I'm relying on meals delivered to me by my family.

Is this Australia, folks? This is the way we are treating people. I also have an account from Bob, who struggled for months to apply for DSP. Centrelink kept using an outdated assessment for an earlier sickness benefit application, rather than the information he supplied. He writes:

I heard that both my Doctor and my treating nurse had been rung—without my permission—and questioned. I heard yesterday they told my Doctor even if I was a double amputee I would be unlikely to qualify.

This is a failure of a system where the government is not adequately supporting people with income support and they are made to rely on a functioning Centrelink. They have directed people to go online without fixing the online system—without fixing the myGov site, without fixing their outdated phone system. Everybody knows, and we discussed it at length at estimates, that the computer system needs fixing, and yet they are channelling people into the dysfunctional, complex system which does not work and which does not support people. The system is inaccessible in many cases or they are directed to a phone system that simply cannot cope. In estimates they said, 'Oh, we're trying to fix it. It's going to take a while.' The fix for the computer system is years down the track and yet they are directing more and more people onto a phone system that does not work. The system is failing.

**Tasmania: Centrelink and Medicare**

**Senator BILYK** (Tasmania—Deputy Opposition Whip in the Senate) (20:27): Before I begin my speech tonight I would like to add my support to the comments made by Senator Polley in regard to ovarian cancer, which obviously is a very serious issue.

Recently I delivered an adjournment speech about the campaign that the member for Franklin, Julie Collins, and I have been running to save the Centrelink and Medicare service centre in Kingston. It has been just over a month since the now former Minister for Human Services, Stuart Robert, announced that the service centre would close in March this year. Last Sunday Julie Collins and I hosted a public forum to let the community's voice be heard on the future of the centre. It was attended by about 300 people and their message was loud and clear: they want local services in Kingston to improve, not to diminish.
The overwhelming support that we have received just goes to show how determined the local community is to have access to these vital public services. Already around 3000 Kingborough and Huon Valley residents have signed our petition calling for the centre not to be closed. This service centre currently provides the only face-to-face Centrelink services in Kingborough, a municipality of 35,000 people and the fastest growing population centre in Tasmania. It is also the only face-to-face Medicare service for 50,000 people south of Hobart, some of whom live up to 120 kilometres from the city. When the member for Franklin and I met with the former minister a few weeks ago, he argued that Kingston and the Hobart CBD were close. He did not seem to understand that the extra distance presents challenges for many Centrelink and Medicare customers.

At the Kingston service centre, it is easy to find a free and convenient car park right by the entrance. It is a struggle to access one of the metered parking spaces near the Hobart service centre entrance, and at most times of the day you would have little choice but to walk hundreds of metres from a car park, or from a bus stop should you opt to take public transport. Obviously this is inconvenient. For those on low incomes, having to fork out money for a bus fare or parking can be a significant impost—let alone the need to run in and out to pay for your parking meter, if you get one—but for the elderly or chronically ill it can be an absolute nightmare.

At the forum we heard stories of people with elderly relatives—including one who was over 90 years old with a walking frame—who visit the service centre in Kingston on a regular basis and only have to walk a few metres from a car space to the door. For them, the idea of trying to get around the Hobart CBD was terrifying. While there are phone and online services available—we have just heard from Senator Siewert how well that is working—a number of people at the forum explained that they rely on face-to-face services for in-depth advice. Many Centrelink customers are now frustrated and angry with the phone services, because they are facing astronomical wait times. During the 2013-14 financial year, Australians spent a combined total of 143 years on hold to Centrelink, and 57 million calls went unanswered. As CPSU state secretary Jess Munday told the forum, there are 5,000 fewer staff answering incoming calls at Centrelink across Australia than there were five years ago. With many people not feeling confident or safe using a computer, online services are not a viable alternative. Even for those who are happy to use a computer, it is worth noting that 40 per cent of phone calls to Centrelink result from failed attempts at using online or self-services. I should make it clear at this point that none of these criticisms are aimed at the hard-working staff at Centrelink, who do an excellent job under very difficult circumstances. In fact, I expect that those staff at the Kingston service centre are likely facing as much anxiety as the customers who are affected.

I am pleased that, only a few days ago, the new Minister for Human Services, Alan Tudge, finally backflipped on the government's decision. No doubt the government has been dragged kicking and screaming to this decision because of the strong community backlash. The events of the past few weeks would make great material for an episode of Yes, Minister. The former minister was adamant, both in a meeting with me and Ms Collins and in a letter to the editor in the Kingborough Chronicle, that his mind was made up and could not be changed. Minister Robert was surprisingly confident about the closure for someone who had had no consultation with the people affected, but it was just a matter of days after his letter appeared in the local
paper that he left his portfolio in shame and had his original decision overturned. The decision backfired on the former minister so badly he must have thought it was Guy Fawkes night. This is the kind of decision that Sir Humphrey Appleby would have described as 'courageous'—and avid watchers of Yes, Minister will understand that this is not a compliment. Perhaps if Mr Robert had focused a little more of his attention on Kingston and a bit less on China he might have made a more informed decision. But, as the saying goes, success has many fathers but failure is an orphan.

In my last speech I noted the deafening silence on this issue from Liberals, including Senators Abetz and Bushby. Now that the service centre is being retained they are falling all over themselves to take credit for it. In fact, they were so keen to take credit that the decision was tweeted by Senator Bushby and announced in a media release by the Liberal candidate for Franklin on Friday, despite the minister's media release being embargoed till 9 am the following Saturday. I think they got a bit excited. I am sure the 50,000 people in Kingborough and Huon Valley who rely on this service centre are very pleased that the Liberals worked so hard to save it from, well, themselves. The Liberals trying to take credit for this is like a mugger claiming to have saved you money because he decided not to take your wallet after all. It is refreshing to hear from the Liberal candidate for Franklin after her previous silence on the matter, but it is a bit rich for her to take credit when her entire efforts amounted to issuing a media release. Is she seriously trying to suggest that my and Julie Collins's vocal and consistent lobbying efforts, and the 3,000 people who joined our campaign, had nothing to do with the decision? While I commend Ms Collins's leadership in this campaign, credit must also go to the thousands of members of the community who spoke up for their local services. This win belongs to them, but the battle is not over yet. We are yet to see what form the Kingston service centre will take, with the service to be co-located with the Tasmanian government's Service Tasmania.

It is worth pointing out that the decision to retain the service centre was announced before the public forum on Sunday, yet it did not dampen the enthusiasm of the 300 people who attended. We know that the community are not entirely satisfied with the announcement, and they want to hear more. The strong message that was sent by the residents who spoke at the forum was that they wish to have at least the same level of service maintained in Kingston, if not better. A couple of people who had experience with co-located federal and state government services in other parts of the state said that the resulting service had been less than ideal. The current Service Tasmania office in Channel Court Shopping Centre is a very small shopfront, and many local residents are concerned about whether it can accommodate the same level of service while also allowing for the necessary privacy of clients. The last thing they want is to go to Kingston for help, only to be told they have wasted their time and have to travel to Hobart or wait on a phone for a couple of hours to get their answer—if the phone gets answered. Today, Ms Collins has written to Minister Tudge seeking further detail about the form the service will take.

This government may think that contact services for government agencies are a soft target for budget cuts, but Australians—especially those who are vulnerable and disadvantaged—must be able to deal easily and conveniently with government agencies by the methods that suit them, whether it be online, by phone or, more importantly, face-to-face. The Kingston service centre may be saved, in some form, for now. But we are not kidded; this is a symptom
of a much larger problem—that of the rapid deterioration in public services under this heartless Abbott-Turnbull government. Julie Collins, the federal member for Franklin, and I will continue fighting alongside the community not just to retain the current level of service in Kingston but to improve it. As I have said, Julie Collins has worked extremely hard to make sure that this disastrous decision by a disastrous minister is overturned. On one Facebook page it was said that that closing the Kingston service centre was a Labor decision, which we found extraordinarily funny. It was Julie Collins who in the beginning organised to have the centre put there in the first place, and it was Julie Collins who lobbied to make sure that the residents of Kingston and Huon Valley had the appropriate services. As I said, the previous minister, Mr Robert, was more concerned with what was happening in China than he was with what was happening in Kingston, and it was him and the previous government who made the decision to close the centre. Although we are pleased that the new minister, Mr Tudge, has backflipped on the decision, we are very concerned that the services are retained at least to the standard they have been of late, if not improved.

South Australia: Nuclear Energy

Senator SIMMS (South Australia) (20:38): I rise tonight to talk about the Nuclear Fuel Cycle Royal Commission, which is currently underway in my home state of South Australia. It is of great concern to me and many South Australians that we are seeing such a brazen push for South Australia to become the world's dumping ground for highly toxic nuclear waste. The royal commission was established last year to investigate all elements of the nuclear fuel cycle. With the interim findings handed down last week, it is clear there are limited benefits yet many risks for my home state should we dive into the nuclear industry, which flatlined last century. The interim report stated that nuclear power in South Australia is not commercially viable in the current electricity market. While this must surely come as a shock to nuclear advocates, who have been inspired by the fresh wind that has been blowing in their backs following the royal commission, it is clear that the economics do not stack up. Really, if this was a fast track to prosperity, why on earth is nowhere else in the world thinking about doing it? Why has no other country wanted to embrace this opportunity to become a giant nuclear waste dump? We know, of course, that all that glitters is not gold.

South Australia is already a world leader in renewable energy and currently produces about 40 per cent of its electricity from wind and sunshine. In evidence presented as part of the royal commission, SA Power Networks senior manager Mark Vincent said that forecasts predicted solar energy would be used by two-thirds of South Australian households within about 20 years. Furthermore, modelling completed by the University of New South Wales demonstrated that South Australia can be 100 per cent renewable without the requirement of baseload power from coal or nuclear. Why would we go down the path of even contemplating a nuclear power plant when it would be so financially irresponsible?

The only area that the interim report champions as having any significant potential for South Australia is waste management, and by that what it really means is turning South Australia into a giant nuclear waste dump. They keep talking about waste management. They do not want to use the term 'dump', but it is a dump. This might bring in some short-term cash for a government—it may be a short-term sugar hit for the state government, which lacks ideas on how to bring South Australia into the 21st century. In fact, it seems the only economic idea the Premier has is hiking up the GST, but one has to ask this royal
commission: what cost would turning South Australia into a nuclear waste dump have for the state of South Australia and for the community and the environment? What cost would there be to South Australia's world renowned reputation as a clean and green state? It is hard to imagine consumers appreciating our produce should it contain that glowing stamp of approval that you derive from hosting a nuclear waste dump. I would prefer South Australia to be known for producing gluten-free cake rather than yellowcake, but certainly it seems that the SA Labor Party has a different vision.

The royal commission expressed the view that South Australia could safely increase its participation in the nuclear fuel cycle. That is a bold statement indeed when we know that any involvement in the nuclear industry exposes us to significant risks that have catastrophic consequences. The claim that the nuclear industry is safe does not stack up when it is properly scrutinised. Indeed, the claim that it is safe is consistently made by people who have a vested interest in South Australia going down the nuclear path. It is based on the notion that previous accidents should just be ignored—just turn the other cheek and pretend they did not happen. We know that nuclear waste remains dangerously toxic for thousands of years, and that the current proposals are especially dangerous and involve the most toxic radioactive waste on this planet. We must not burden future generations with this waste when there is no safe disposal for it, when instead we could be leading the way with innovation and transitioning to a new economy that is powered by solar and wind energy. That is the Greens' vision for South Australia and it contrasts with the vision of the South Australian Labor Party and that of the Liberal Party.

South Australian Premier Jay Weatherill has said that this is a test of our democracy and about the long-term future of our state. I could not agree more, because the people do not want this proposal and it is bad for our future as well. It is worth reminding the Premier of South Australia of a poem that he wrote as a 16-year old that was reported in The Advertiser recently. He said of the prospect of uranium mining happening in South Australia:

A march to protect every colour and creed,
But not to sponsor the capitalists' greed,
A march to oppose a government's decision,
And settle for the sun, not nuclear fission.

I agree with the sentiment and I have to say Premier Weatherill was somewhat wiser in his younger years, because, whilst he may have backflipped and changed his position, the people of South Australia certainly do not share his nuclear conversion.

One of the key points emphasised in the royal commission's interim report is this idea that community agreement is fundamental to any increased involvement in the nuclear industry. Let me say, if the community meetings that I attended in Adelaide and in Prospect are anything to go by, the community does not support this proposal. Scores of residents have also made their views known in regional South Australia. They do not want to see South Australia turning its backyards into a nuclear waste dump. The people in regional South Australia should not have to do the heavy lifting to prop up our state's economy. They should not be asked to put their children or future generations, or their own livelihoods, at risk.

While many politicians are jumping on the nuclear bandwagon, it is a very different story for everyday South Australians who are impacted by these decisions. Communities that are
flagged as potential dump sites have resoundingly rejected the prospect of hosting the world's most toxic nuclear waste. Northern South Australia has been identified as one of three potential dump locations in the state, and the Adnyamathanha people see rich value in this land for a very different reason. They have been caring for this land for thousands of years and they do not support any expansion of a nuclear industry, including the imposition of a radioactive waste dump. They do not support that. If the royal commission and the government are serious about requiring community support, then it is clear that they should immediately abandon any recommendations in the interim report and instead turn their attention to 21st century technologies like solar power, where a huge energy spill is simply called 'a nice day'.

South Australia is facing a jobs crisis. We know that South Australia is facing a jobs crisis. But is this nuclear approach really the best that we can do? Is this the best that we have? This is an industry that is renowned for overstating its economic benefits and for downplaying its risks. Instead of opening up our borders to nuclear waste, we should be embracing an economy that is built for the 21st century by investing in things like electric cars, advanced manufacturing and sustainable agriculture. Of course, these are the policies that the Greens offer the people of South Australia.

According to Beyond Zero Emissions, the organisation that got the ball rolling on a solar thermal plan for Port Augusta, six solar thermal power towers and 95 wind turbines would replace the current coal fired power plants and provide secure, affordable electricity to South Australia and the eastern Australian grid. The development would supersede the existing 250 jobs at local power stations as well as create 1,300 construction jobs and 225 manufacturing jobs for the state. The closure of the power stations at Port Augusta, while a devastating loss of jobs, would end 60 years of a community living under a black cloud of coal dust, with locals and doctors alike linking it to people developing lung cancer despite their not having a history of smoking, bronchitis, asthma or sinus problems. That community does not deserve to be put at risk again by housing the world's nuclear waste.

Australia is perfectly positioned to take advantage of opportunities in clean energy, electric cars, advanced manufacturing and sustainable agriculture. Redirecting our efforts into these areas would reap huge economic benefits for South Australia, creating new jobs and transitioning people into new employment—and that is a critical focus for us in the Greens.

If it is such a great idea to go down this nuclear path, then why is no-one else in the world putting their hand up to become the nuclear waste dump of the world? No-one wants to do it. They know it is a bad idea. (Time expired)

Climate Change

Senator SINGH (Tasmania) (20:48): I rise to draw attention to the government's short-sighted attack on climate science at the CSIRO. In Paris just a few months ago, Malcolm Turnbull and Greg Hunt committed Australia to greater investment in climate research and innovation, yet this same government is now overseeing the slashing of about 350 climate science jobs at the CSIRO. These cuts to climate science are totally contrary to that commitment and, according to the Climate Council, may actually breach Australia's obligations under the Paris agreement on climate change.
Australia's and the world's need for comprehensive and evolving research into the effects of climate change have never been greater. In my home state of Tasmania, for example, the spring and summer months are getting increasingly hotter, with December 2015 breaking records. Bushfires recently devasted more than 22,000 hectares of precious forest in the Tasmanian Wilderness World Heritage Area—and I commend the Senate for supporting yesterday the joint motion moved by Senator Nick McKim and me that the federal and Tasmanian governments establish an independent inquiry into those fires and the impact of climate change in causing and fuelling them. Scientists have continually found that climate change is increasing the risk of wildfires, and government inaction on climate change is fuelling that risk.

Fourteen of the 15 hottest years on record have occurred since 2000 and, on current trends, the UN estimates that climate change will displace up to 200 million people by the year 2050, creating an unprecedented refugee crisis. Currently, our only major line of defence against the dangers posed by climate change is our comprehensive and rapidly evolving scientific knowledge, such as that provided by the CSIRO.

In order to help prevent, adapt and mitigate climate change, we need to know exactly how much the world is warming and how the climate will change in particular regional areas, and we need to know and understand how local rainfall will be affected over time as climate change evolves. Yet the cuts to the CSIRO are a direct assault on that very knowledge. They are a direct assault on our best asset in the fight to understand and control the effects of dangerous climate change both now and into the future.

Speaking out against the CSIRO cuts, respected scientist Dr John Church recently told the ABC that Australia would not be able to properly respond to climate change if it did not measure the changes. In light of those cuts, he asked:

How will Australia's rainfall change? How will Australia's drought-flood cycle change? This has really important implications for water supply, for food supply …

Furthermore, the President of the Australian Academy of Science, Professor Andrew Holmes, has said:

Without a nationally coordinated effort, our diminished research capacity will mean Australia lacks the local knowledge necessary to adapt to a changing climate.

A recent petition signed by 2,800 international scientists from more than 60 countries expressed outrage at the CSIRO cuts, saying:

The decision to decimate a vibrant and world-leading research program shows a lack of insight and a misunderstanding of the importance of the depth and significance of Australia's contributions to global and regional climate research.

The common excuse put forward by the Turnbull government and CSIRO Chief Executive Larry Marshall to justify the CSIRO cuts is that we now know climate change is happening and we should move on and move all our stocks into adapting to and mitigating its effects. But as Dr Church and Professor Holmes have illustrated, we have no hope of adapting to and mitigating the effects of climate change, either globally or locally, unless we fully understand what those specific effects are and go on monitoring them closely for years and decades to come.
Moreover, if Australia, through the CSIRO, does not continue that vital in-depth research, there is a very real risk that it will not happen at all, anywhere in the world. As Dr Church said:

If Australia pulls out of key activities in the southern hemisphere then that will leave significant gaps, we will be losing partnerships with key agencies all around the world.

Just this morning I met with concerned officials from the Australian Academy of Science. The academy has highlighted to me that Australia is internationally recognised for its expertise and unique position in climate and environmental research. The academy sees that there are no other countries in the Southern Hemisphere that are able to do what we do and that that role carries a great responsibility—not just for us, but for the global community. By sabotaging the CSIRO’s vital climate research, the Turnbull government is actually threatening the global community's ability to respond to and monitor the dangerous climate change that is affecting the entire Southern Hemisphere.

The harm caused by these cuts is both global and local. From my recent questioning of the Australian Antarctic Division and the Bureau of Meteorology in Senate estimates, it is clear that the CSIRO collaborates strongly with those key agencies, some of which exist in my home state of Tasmania. There is now massive uncertainty around those collaborative projects and the jobs that they support. I am very worried about the future of these important science programs, including those in my home state of Tasmania, and also the potential to lose a great deal of scientific talent and important climate research data. It will cause our local community and economy untold harm. For that reason, I have written to the Prime Minister, Mr Turnbull, urging him to rule out the possibility of any collateral damage being inflicted on other science agencies as a result of these alarming cuts to the CSIRO. But a better move by the Prime Minister would be to prevent these cuts from happening in the first place.

In some respects, one could say that these alarming cuts come as no surprise at all. This government has committed Australia to some of the weakest emissions-reduction targets in the developed world. It has tried to delist parts of the Tasmanian Wilderness World Heritage Area. Carbon emissions have actually gone up under its woeful Direct Action fraud.

Just recently, the Tasmanian Liberal Party has shown its true colours by endorsing a climate sceptic as its third Senate candidate. Jonathon Duniam, who is a protege of Senator Eric Abetz, has told The Examiner that he is yet to be convinced that climate change is man-made. At a time of great climate peril, when Australians are demanding serious action, the Liberals are still trying to put climate deniers into the federal parliament. By contrast, Labor has a serious plan to tackle dangerous climate change through ensuring 50 per cent renewable energy by 2030, a commitment to zero net emissions by 2050 and an emissions trading scheme.

I sincerely hope the Turnbull government comes to its senses and intervenes to prevent these senseless and downright stupid and dangerous cuts to the CSIRO. Our understanding of the global and local effects of dangerous climate change depends on it. Our ability to monitor and respond to our dangerously changing climate depends on it. The future work of our talented scientific community depends on it. Above all, the health of our planet and our shared humanity depends on it.
Extradition Law

Senator MADIGAN (Victoria) (20:58): I rise tonight to speak of the hijacking—and I use that word deliberately—of Australian citizens by selected foreign governments. I am talking about Australia's extradition laws and the extraordinary powers they give foreign states over our people. These laws currently have a huge impact on the lives of many Australian citizens. They will continue to impact on our lives as further extradition treaties are ratified.

For many Australians what I have to say will likely come as a surprise—even as a shock. Every one of us is beholden to our extradition laws, and any one of us can be deported at the behest of a foreign country without trial or any presumption of innocence.

We know, for example, that our government is close to finalising an extradition treaty with China. While recognising the progress made by the Chinese in recent decades in dragging hundreds of millions of their citizens out of poverty, along with the importance of the trade relationship with China to our economy, we cannot ignore the fact that China remains a totalitarian one-party state where human rights abuses are an acceptable part of the political process. China is a country that continues to impose the death penalty, while refusing to disclose how many people it puts to death. China is a country where criminal trials are initiated at the whim of the ruling party, held in secret, and where the conviction rate hovers around 100 per cent.

This complete absence of the rule of law and due process is fundamentally inconsistent with Australia's core values. Many Australians will therefore be shocked to learn that the Turnbull government is considering entering a treaty with China that would allow the extradition of Australian citizens to face the Chinese judicial system. They would be even more shocked to learn that, under Australia's current legislation, the Extradition Act 1988, there is a 'no evidence' rule, meaning that a country that is seeking extradition of a person from Australia need not produce evidence of the alleged charges—that is, there is no requirement that an Australian court consider the merit of the allegations forming the basis of the extradition request, even where it relates to an Australian citizen. This essentially removes the power invested in Australian courts and transfers it to the hands of the country that makes the request.

In 2001, the Joint Standing Committee on Treaties undertook a review of Australia's law and policy relating to extradition laws under the Extradition Act. Specifically, the committee scrutinised the balance between the need to bring criminals to justice and ensuring that citizens of this country are provided the necessary protection from false accusations. A report was commissioned by that committee in August 2001, setting out their recommendations on the current legislation. The committee noted their concerns regarding the no evidence model, the lack of protection for Australians who are accused of crimes and subject to an extradition request and the lack of power of the Australian courts to scrutinise evidence. A response to the committee's inquiry was tabled by the Australian government on 17 May 2004.

The government stated it did not accept the recommendation for an inquiry into the no evidence model. It did, however, accept that some of the issues raised by the committee warranted investigation. It undertook to review the Extradition Act and Australia's extradition practice. A discussion paper was released by the Attorney-General in 2006 and the Extradition and Mutual Assistance in Criminal Matters Legislation Amendment Bill was passed by both houses in 2012. However, the no evidence rule was upheld to keep our
extradition laws consistent with the United Nations Model Treaty on Extradition, which Australia is a party to. However, a number of other countries that are party to the same treaty have chosen not to enact a no evidence rule in their domestic law. For example, the United States has adopted a ‘probable cause’ test, meaning that any extradition request must include ‘such information as would provide a reasonable basis to believe that the person sought committed the offence for which extradition is requested’. The person subject to the extradition request is entitled to give evidence in this process.

A recent example of the impact that our current laws are having on the lives of our citizens is the case of Mr Krunoslav Bonic. Mr Bonic is a Croatian-born Australian citizen, who resides in the ACT with his wife and three young children. He was arrested in September 2014 pursuant to a warrant under an extradition request from Bosnia for allegedly engaging in war crimes during the Bosnian War in the 1990s. Correspondence sent to the Australian government on behalf of Mr Bonic detailed the torture he faced during almost 12 months as a prisoner of war. Despite this, the Australian government continued to facilitate the extradition request to the foreign state where Mr Bonic had suffered.

Mr Bonic was held in custody in the ACT for about four months over the 2014 Christmas period, during which time his legal team conducted investigations in Bosnia and presented their findings to the Bosnian prosecutors. The extradition request was withdrawn on the basis of a lack of evidence, and Australian authorities released Mr Bonic. The lack of evidence and weakness of the case against Mr Bonic was apparent from an examination of the information forwarded by the Ministry of Justice in Bosnia. When this was pointed out to the Bosnian ministry, the extradition request was promptly withdrawn. Moreover, Mr Bonic had entered Australia as a refugee, following his capture and torture by a warring faction. Simple enquiries would have revealed this. Australia took no steps that ordinary Australians would expect their country to take before jailing, by administrative order, a fellow citizen.

I am also conscious that Justice Michael Kirby, although in dissent, has described the power given to the executive to order detention as unconstitutional. Mr Bonic lost four months of his life that he cannot regain. He now suffers both mentally, having been held in custody for four months, and financially, having to fund international investigations in Bosnia and the domestic extradition proceedings. Mr Bonic has sold his house and various other assets to fund his legal battle with the Australian government. He now has to start again financially, with three young children all in school.

If Australia further reviewed its extradition laws and adopted a similar model to the United States of America, Mr Bonic would not have faced a lengthy term of imprisonment and exiled from his young family; nor would he have faced anxiety over his possible return to the foreign state where he previously suffered. I call upon the government to acknowledge Mr Bonic’s current claim for defective administration to allow Mr Bonic to be reimbursed for money that he should not have had to spend. Mr Bonic and his young family should not have to suffer at the hands of Australia's defective extradition legislation.

Safeguards must be put in place immediately to protect our citizens who are wrongfully subject to extradition requests. If we ultimately ratify a treaty with China, who will protect our citizens when they arrive in China and how will the Australian government ensure that the death penalty is not imposed upon them? An undertaking from the Chinese government that our citizens will not face a firing squad or possibly lethal injections is completely inadequate
given what we know about the Chinese legal system. I therefore call upon Attorney-General Brandis to further review the Extradition Act and Australia's extradition practice before Australia ratifies any more treaties that put our Australian citizens at risk. On a matter of such public importance, this review should be a public review. If other nations can successfully conduct their extradition processes whilst maintaining the human rights of their citizens, why can't Australia? Finally, I call on the government to amend their laws in favour of preventing the unfair detention of their own citizens.

**New South Wales: Brigid Awards**

**Senator O'NEILL** (New South Wales) (21:08): I rise tonight, in the season approaching all things Irish and green, to put on the record the celebration that happened in honour of St Brigid in the inaugural Brigid Awards, which happened in Sydney just a couple of weeks ago on 29 January. They were hosted by the Irish Friends of Labor. I am pleased that my colleague Senator Claire Moore is in the chamber this evening, because I do recall that the very first proper celebration I had of St Brigid's Day was actually with Senator Moore at the Irish Club in Brisbane, where they have established this tradition somewhat earlier. Nonetheless, we kicked it off in fine style in Sydney. I want to take the opportunity to acknowledge the contribution of Irish-Australian and Australian-Irish people throughout the history of this great nation and particularly to acknowledge Labor and union women who have made a great contribution in recent times. There were a number of recipients, who have made great contributions, and I would like to put those formally on the record.

Our youngest awardee was Siobhan Armson-Graham, who was nominated by Courtney Housses MLC. Siobhan is a Young Labor and Transport Workers' Union activist and, in her position as the convenor of the Australian Young Labor Women's Network, she has been the driving force for the party's increasing engagement with young women. She has worked tirelessly to recruit, support and promote young women in our party, and she is the youngest woman who was honoured on the evening. Just to put it on the record, the old tradition of telling Irish jokes is met in Ireland with jokes told about the differences between the counties in Ireland, and this county contest is quite an important part of your identity in Ireland. So to hail from a particular county is an important thing. I want to acknowledge that Siobhan's Irish heritage takes her back to the counties of Cork and Kerry, in the southern part of Ireland.

Jude Cooke, who was nominated by Trish Doyle, the member for the Blue Mountains, has worked as a TAFE teacher for around 15 years. Her award acknowledged her as an active member of the Australian Education Union and the Blue Mountains Unions Council. She introduced many local courses that address socioeconomic disadvantage, and she has been a very strong advocate and proponent of social justice in a very practical sense. She was born in New Zealand and is of mixed descent, including Irish on both sides.

Our third awardee of the evening was Ann Faraday, nominated by Goulburn Labor. Ann is a longstanding member of United Voice and has worked as a school cleaner in Goulburn for more than 30 years. She was a branch delegate to the Goulburn SEC and FEC for many years, and she is an active member of the Goulburn District Unions and eligible for life membership of that organisation next year. 'A passionate connection to Ireland,' is how she describes her heritage. She is second generation Irish Australian and she loves her Irish history. She is making history tonight, and I am sure that her Irish relatives would be very proud of her contribution to this, her new nation.
I also indicate that we acknowledged Kayee Griffin. Nominated by the Narrabeen-Pittwater ALP Branch, Kayee is a former New South Wales MLC, and held the positions of Mayor of Canterbury and Vice President of the Australian Services Union. A lifelong ALP and union activist with a proud family tradition of labour activism, she has been a member of the Labor Party since 1973. She was the first female Mayor of Canterbury, and she served in the New South Wales Legislative Council from 2003 to 2011. Kayee had the distinguished honour of being the first female organiser at the Municipal Employees Union, and she also served as the vice president of the ASU for the period of 1995 to 1999 and senior vice president from 1999 until her election to the Legislative Council in 2003. Her Irish heritage comes from the fine counties of Donegal, Limerick, Kilkenny and Tipperary.

The honourable Dr Tricia Marie Kavanagh was nominated by Michael Daley, the member for Maroubra. Dr Kavanagh has made rich and varied contributions to Australian society through the union movement, through the Australian Labor Party, through the law and through her many charitable works. With a commitment to women's participation within the ALP, as the Assistant Secretary of the Labor Women's Organising Committee, member of the New South Wales Labor Administrative Committee, delegate to national conference and active branch member across South-East Sydney, Dr Kavanagh has served the party and her community with distinction. She is also the deputy chair of the review tribunal of the New South Wales branch of Labor. Her significant legal record includes Justice of the Industrial Court, Deputy President of the Industrial Relations Commission and Presiding Member of the Racing Tribunal of New South Wales. She is a descendent of two Irish families and a dual Irish-Australian citizen.

Dee Madigan gave perhaps the most irreverent speech of the evening, and those who have heard her in full flight would know what a delight that is to behold. Dee is an award-winning creative director with over 20 years experience in advertising. And, as she confessed to us, her father was a leading light in her life when she was growing up, and he was, in fact, a priest—she said not a very good one, and that is how she commenced her speech on the evening. She has been a winner or a finalist of most major awards, including Cannes. She has been a creative director on seven election campaigns for the ALP, including the 2013 federal campaign and the very successful 2015 Queensland state election. She does work with unions and has developed a number of campaigns for a range of unions across the country. She has her own advertising agency, Campaign Edge. She is frequently seen as panellist on Gruen as well as a political commentator on Sky. Her mother was born in Meath and her father was from County Clare.

Karen McKeown was nominated by John Graham, assistant secretary of New South Wales Labor. She is the first female mayor of Penrith in over a decade and is an outstanding local government leader and advocate for women. She has held roles such as convenor of the New South Wales Labor councillors caucus and president of the Australian Local Government Women's Association in New South Wales, and she has served on the Joint Ministerial Advisory Council on Women in Local Government. As an Australian ambassador for women in local government, she has been active in Western Sydney in an important range of roles. She is married to an Irishman born in Belfast, and all of her children have dual Australian-Irish citizenship. Her own grandmother was Irish and hailed from County Louth.
Tara Moriarty, nominated by Kaila Murnain, the now general secretary of New South Wales Labor, has dedicated her life to the Labor movement and the Labor Party. As the senior vice-president, she is the most senior elected female officer of the Labor Party in New South Wales and had a very significant role in the fight for affirmative action rules at Labor's national conference in 2015. She is the secretary of the Liquor and Hospitality Division, United Voice in New South Wales and was a key activist and leader in the Your Rights At Work campaign in 2007. She comes from a long line of Irish heritage.

Patricia Okon, nominated by the Lithgow branch of the ALP, is a longstanding community and ALP activist. She was born on 15 January 1929 and is a pillar of the Lithgow community. She is a mother of nine children, and I am just overwhelmed at the thought of all the washing and folding that that involved. But she managed to get out of the house to all those ALP branch meetings, and she has certainly been a very active member since 1991. She has served as the Lithgow branch treasurer since 1996 and is the longest serving executive member of the Lithgow branch.

Dr Ursula Stephens—no stranger to this place—was also acknowledged on the evening. Nominated, once again, by Kaila Murnain, our general secretary for New South Wales, she served in this place for 13 years. Prior to entering the Senate, she was the first female president of the New South Wales branch of the Australian Labor Party. She has dedicated her career to serving the people of New South Wales, where she continues to do great community work in her hometown of Goulburn. In the 2015 election, she contested the state seat of Goulburn and received an extraordinary swing towards her of 20 per cent. Ursula has an extremely close Irish heritage. In fact, she was born in County Wicklow.

I would also like to acknowledge Noreen Solomon, a member of the ALP since 1980. A tireless community activist, she has stood as an ALP election candidate on several occasions in the Sutherland Shire area. She is first generation Irish. Her father, Frank, emigrated from Clones in County Monaghan at the age of 17. Noreen was nominated by the Cronulla/Caringbah ALP branch.

Our lifetime achievement award went to the Hon. Susan Ryan AO, the Australian Age Discrimination Commissioner and Disability Discrimination Commissioner. From 1975 to 1988 she was a senator for the ACT, becoming the first woman to hold a cabinet position in a federal Labor government. She served in senior portfolios in the Hawke government as Minister for Education and Youth Affairs, Minister Assisting the Prime Minister on the Status of Women and Special Minister of State. As the education minister, she saw school retention rates double and universities and TAFEs grow significantly. She pioneered extensive anti-discrimination and equal opportunity legislation, including the landmark Sex Discrimination Act 1984 and the Affirmative Action (Equal Employment Opportunity for Women) Act 1986.

These are all women of fine Irish-Australian heritage making a wonderful contribution to our civic life. It was a pleasure to share the evening with them and to acknowledge their achievements.
Centre for Peace and Conflict Studies
International Development Assistance
Work Health and Safety

Senator RHIANNON (New South Wales) (21:18): I speak in support of the Centre for Peace and Conflict Studies—or CPACS, as it is sometimes known—at the University of Sydney. The centre has a distinguished record of teaching and research, maintained over nearly 30 years. As Australia's only university peace centre, it represents a national resource and an important contribution to the intellectual life of the Australian community. CPACS runs a program of postgraduate coursework, preparing students to make professional-level contributions to peace. Many of its graduates get master's degrees. They go on to make successful careers in challenging contexts, including in agencies of the United Nations, non-governmental organisations, official agencies and departments with responsibility for aid and development, and many other settings of vital public interest. I have visited the centre on a number of occasions and know many CPACS students. Their achievements and those of the centre are most impressive.

The centre's research includes a consistent supply of major outputs on peace journalism, a field in which its scholarship is recognised as world leading. Former students and trainees have gone on to set up news organisations or media reform groups in many countries directly affected by conflict, including Indonesia, the Philippines and Lebanon. Unlike too many in our universities, the staff, associates and students at CPACS do not only look inwards. Instead, they share their learning and their insights with the community at large.

The centre is home to several specialist projects which have created resources of expertise that have been presented many times to members of this parliament and to the community via the centre's programs of advocacy and outreach. These include the struggle for human rights in West Papua, the prospects for global nuclear disarmament and how to achieve it, and important perspectives on conflicts affecting the peoples of Sri Lanka, Palestine and Israel. Through the work of its refugee language program, CPACS provides a vital public service, plugging a gap in the official provision for some of the most vulnerable people of our community as they struggle to gain a foothold in Australian society.

Yet, despite this record of success and these commendable contributions to our community, CPACS's future is now in jeopardy. University of Sydney management has threatened to wind up the centre. This threat stems from the financial pressures of working in a university environment that imposes ever-increasing emphasis on revenue-raising activities. For some reason, universities in Australia are much more expensive to run than their counterparts in many other countries. The costs of back office functions, such as management and accountancy, legal services and insurance, have to be met before a dollar is spent on actually teaching students. To this, at the University of Sydney, is now added the cost of an ambitious building program. It means that a so-called 'university tax' is levied, which amounts, on some calculations, to as much as 73 per cent. I note that the university branch of the National Tertiary Education Union has called instead for this university to invest more in its staff, their development and their wellbeing at work. But that debate is for another day.

CPACS is the smallest unit in the university's School of Social and Political Sciences, which is part of the Faculty of Arts and Social Sciences. In the school there are several
specialised programs of postgraduate coursework. Students can do a masters in development studies, human rights, international security or political economy. All of these programs do important work, but none of them enjoys the success of CPACS. Every year for the past five years the peace and conflict studies program has consistently outperformed all of these other programs. Every year there are more students studying peace and conflict studies than any of these other specialised degrees. Every year CPACS has more unit of study enrolments—which includes students on other programs who add the centre's units to their degree—than any of the others. Figures just released for this stage of the new academic year show a further increase of as much as 40 per cent in the centre's enrolments compared with 2015.

Why then is CPACS under threat? Across the School of Social and Political Sciences it is possible to subsidise the highly specialised activity of postgraduate coursework with teaching in undergraduate degrees, where student numbers are much higher. However, the Centre for Peace and Conflict Studies is alone in not being part of a larger department, so this is not possible for CPACS. The apparent financial losses at CPACS, then, have nothing to do with the intrinsic viability of its program. Instead, they arise purely from where the University of Sydney chooses to put up its bureaucratic barriers and from the ever-increasing corporate costs loaded on to revenue raising activities in the form of the so-called university tax.

Cost-cutting at the centre is well underway. This time last year, it entered the 2015 semester with three full-time members of academic staff. Now there are two. The centre's director, Associate Professor Jake Lynch, is putting forward proposals to reform the way it operates in order to cut costs further without compromising the service to students and the public. I congratulate Professor Lynch on how he is managing CPACS under very difficult external circumstances. I urge Sydney university's vice-chancellor and senior management to accept these proposals and withdraw the threat to wind up the centre.

By any reasonable measure, this centre is highly successful. Some of the centre's supporters will believe that the threat to wind up the centre is based not on reasonable measures but on a hidden political motive to silence CPACS. It is in the nature of the centre's work and its commitment to the values of peace and justice that its messages and perspectives are not always palatable to those in positions of power.

If CPACS closed then it would undermine the principle of intellectual freedom that our universities surely should uphold. The centre should be supported as an important research centre and an important voice. The University of Sydney authorities should be assured that their treatment of CPACS is being closely watched both in this parliament and across Australian communities.

One in five of the world's poorest people are living with a disability. Surely that should mean that Australian aid has a particular responsibility to provide effective programs. Tackling blindness in the Indo-Pacific region has had a relatively successful track record. The challenge is to maintain and improve this record. Since 1999, blindness prevalence has actually significantly decreased in the Indo-Pacific region, with a 38.5 per cent reduction in the Pacific and a 43 per cent reduction in South-East Asia. These figures become even more significant when we understand that there has been a 23 per cent increase in the population across that region in the same period.

These results highlight the significance of Australian investment to coordinate global engagement in blindness prevention. I do congratulate Vision 2020 Australia Global
Consortium for the work that they are doing in this area. Vision 2020 Australia members and the International Agency for the Prevention of Blindness are working hard to improve stakeholder collaboration in these countries, and working to adjust to the Turnbull cuts to overseas aid. They are working together to maintain momentum towards achieving the global targets, particularly in the Indo-Pacific region.

Vision 2020 Australia is working in low-income countries to ensure people of disability contribute to and benefit from all development programs. One aspect of the work of Vision 2020 that is very inspiring is how they involve people with disabilities directly in the work and in addressing the programs that are being delivered. This approach is critical to breaking the cycle of poverty and disability.

The Greens do support Vision 2020 Australia in their call on the Australian government to continue its leadership role in disability inclusion, and, further, we support their call for an annual funding commitment of at least equal to the 2015-16 allocation of $12.9 million, and this should also be extended for the life of the Development for All strategy until 2020.

Vision 2020 also advocates for five per cent of the aid budget to be invested in mainstreaming disability inclusion across all aid investments. When you consider the figure that I commenced with, that one in five of the world's poorest people are living with a disability, clearly we should be supporting that call for the mainstreaming of disability inclusion across all aid investments.

Vision 2020 Australia has also estimated that $45.2 million over four years from 2015 to 2019 is required to maintain the momentum towards achieving the global action plan across 10 countries in the Indo-Pacific region.

This aim is under pressure because of the Australian government's cuts to its aid budget. Vision 2020 Australia had plans to manage, channel and maintain momentum in three countries. I again very much congratulate Vision 2020 on how they have responded to the cuts in working out how the aid dollar can be most effective—surely work that the government itself should undertake.

I will share how Vision 2020 is managing this. This is a quote from their publication called Towards 2020: a shared vision of working in partnership for eye health and vision care. They state:

All three countries—and they are Cambodia, Papua New Guinea and Vietnam—have benefited from Australian investment in eye health, have a strong stakeholder base and potential for significant impact through collaborative actions, despite receiving reduced resources from the Australian Government.

So this is a real-life example of how Australian dollars are being stretched—and stretched in effective ways. But clearly it also highlights how money, particularly to non-government organisations, can go so far in really making a difference to people's lives in low-income countries.

The Greens also support Vision 2020 Australia's call for the government to allocate investments to support sector-wide eye health coordination and strategic health system strengthening initiatives in Cambodia, Papua New Guinea and Vietnam. They are calling for
an investment of $18.5 million over four years to achieve that. Again, these are programs that would go a long way to making a big difference to the lives of so many.

The offshore mining industry is inherently dangerous. The dangers are exacerbated through a failure of the Liberal-National government to ensure top occupational health and safety conditions for offshore workers. What the Turnbull government needs to urgently address is the fact that the safety of offshore oil and gas workers is treated differently to that of their onshore colleagues. Why that is so is a question that should be answered, and it should be answered in a way that ensures that health and safety is a top priority and that there is consistency.

The Greens support the call by the ACTU to the Australian government, the Council of Australian Governments and relevant authorities to embrace world’s best practice for offshore occupational health and safety legislation by adopting specific provisions of the model act and harmonising occupational health and safety laws governing offshore industries with those governing onshore industries.

The principle of tripartism should also be seen as a way to advance the solution to this problem. Tripartism is when we have government workers and employers optimising workplace health and safety through collaborative regulation. This should be a given. It is 2016. For all the carry-on that we hear from the minister in quite an insulting way to workers and unions day after day, this is how workplaces can and should operate. This is what is happening in so many other countries. The fact that it is not happening here reflects very poorly on the Turnbull government. Tripartism should be the foundation of the occupational health and safety approach for offshore workers.

Workers are familiar with their workplaces. Workers in the offshore industry are clearly well acquainted with the conditions and responsibilities that they have to manage every day. This makes their input on occupational health and safety matters invaluable. Again, this should be common sense. But, again, what we are seeing from this government is worker safety so often being downgraded, and this is another example of it.

The Australian offshore oil and gas industry is lagging behind international best practice benchmarks in occupational health and safety systems. A critical issue in on-the-job safety is right of entry. Again, this is something that the federal Turnbull government disputes at every turn. Why do they do that? Why do they want to limit right of entry? It is because it will make it easier for the employer. It will make it easier for the employer to downgrade conditions. When you cut corners, when you do not address occupational health and safety with the detail that it requires, the company will make more profits. That is where there is a major contradiction here. That is why there is a clear role for government to step in and get the right regulations in place and not sit on their hands or sit on the sidelines, as was the style of the Howard and Abbott governments and is now the style of the Turnbull government.

It should be remembered that the International Labour Organization actually highlights the crucial role of unions in securing safer and healthier workplaces. They strongly advocate—and this is from the ILO—‘a strengthening of collective voice as the primary means of improving workers’ conditions and protecting workers’ health’. So right of entry and the collective actions of unions is recognised internationally. It is time the Turnbull government recognise that this is the best way for industry and for corporations to operate rather than having occupational health and safety becoming a controversial issue, undermining worker
safety, resulting too often in deaths and injuries at work. Working on offshore mining platforms would obviously be incredibly dangerous. Everything should be undertaken to bring consistency to offshore and onshore working conditions and to ensure that workers are part of a tripartism arrangement between industry, government and workers' representatives to achieve that.

**Small Business**

**Senator XENOPHON** (South Australia) (21:36): In years gone by, you would have been hard-pressed to find anyone in Australia who did not know and love Wendys ice cream. The iconic franchise made its mark in Australia in 1979 when entrepreneurs Geoff Davis and Phil Rogers opened the doors of the first Wendys store in a South Australian shopping centre. The brand's popularity quickly spread, with some 300 stores operating in Australia and New Zealand by the late 1990s. Wendys became a regular fixture in shopping centres, with its bright pink store fit-outs catching the eye of young and old alike.

Over the years, thousands of mum and dad investors signed up to Wendys franchise agreements. They saw the business as an opportunity that rewarded hard work with fair and reasonable returns—and, for a while, that was the case. These franchises, at their peak, employed approximately 3,000 people in total, many of whom were young people working at their first after-school jobs.

For a period of time, life was sweet, but the good times were not to last. Wendy's business model was in trouble as a result of McDonald's entering the soft serve market and being able to undercut Wendys products as loss leaders. In January last year, SmartCompany reported of horror stories involving Wendys franchisees, with as many as 116 stores having either collapsed or been taken over by management from 2006 to 2014. Many stores saw their value plummet, leaving people out of pocket and unable to pay their debts.

One Wendys franchisee, Peter Coventry, has told me that he and his wife had locks changed on their Alice Springs stores during a dispute with the company and received letters saying their contracts would not be renewed after they spoke out about sharp practices involving Wendys management, including price gouging of franchisees by charging exorbitant fees for their supplies. The SmartCompany report of January last year stated that these incidents of sharp and unfair practices appeared to have taken place between 2006 and 2014, when Wendys was owned by Malaysian private equity firm Navis Capital.

A case reported by SmartCompany involved Jenny Bruce and her husband, Graham, who were previously the franchisees of Wendys's stores at Charlestown and Maitland on the New South Wales coast. Despite having won a retailer of the year award for the Charlestown shopping centre, the profitability of the business was dwindling—but they struggled on. The Bruces found their circumstances took a downward spiral when Wendys's put another two stores in nearby shopping centres, which went bad for those other franchisees and the Bruces were convinced by Wendys's to take them over. Those stores bled the Bruces because of the undertakings given by Wendys's management. The final nail in the coffin came when the then management of Wendys's invoked a clause in their franchise agreement to take over the finances for the stores. The Bruces ended up losing their house, financially unable to have their day in court.
After the nightmare of the management of Navis, along came a seeming saviour for the Wendy's franchisees. In September 2014, along came Singapore based businessman Stanley Tan. His Singapore registered company, Global Food Retail Group Pte Ltd, acquired the Australian Retail Franchise Group Pty Ltd for $10 million. Mr Tan is well known in Asia as Chief Executive of Global Yellow Pages. The Australian Retail Franchise Group had two subsidiaries. The first was Wendy's Supa Sundaes Pty Ltd, the master franchisor for Wendy's stores, and the second was Innovation Ice Cream Pty Ltd, the ice cream manufacturer and supplier to Wendy's Supa Sundaes.

At that time, Wendy's Supa Sundaes was the lessee for around 170 retail sites across the country. This included leasing a building at 209 Fullarton Road, Eastwood in Adelaide as Wendy's corporate headquarters. After tough times for so many of these small businesses, Mr Tan promised better support, better returns and a better future for the franchisees—but it seems the only thing Mr Tan had in mind was better profits for his companies. That came at the expense of the franchisees, who trusted him to keep their businesses going. This trust would soon be betrayed by a series of cold, calculating moves that would destroy the livelihoods of so many small family businesses.

The main asset involved in the purchase of the Australian Retail Franchise Group was the intellectual property behind the iconic Wendy's brand. After purchasing Wendy's Super Sundaes and its ice cream supplier, Mr Tan established three new companies, each using the name Supatreats Australia. Mr Tan handpicked his associates and his family members to run these Supatreats companies. Then, in March 2015, Mr Tan convinced hardworking franchisees to move their businesses from the old Wendy's Super Sundaes company to his new Supatreats Australia company.

When promoting his new Supatreats company, Mr Tan told franchisees that no-one would be worse off if they moved over to his new company. He also promised that, if franchisees chose to stick to their existing franchise agreement, they would not be worse off either. However, it seems that some franchisees were singled out by Mr Tan in this offer to move across to his new company. It is unclear exactly how many franchisees signed up to Mr Tan's new deal, but what is clear is the utter devastation Mr Tan wrought on Wendy's franchisees in Australia.

As a sign of things to come, in December 2014 Supatreats failed to pay outstanding rental dues on their Wendy's headquarters in Adelaide. They did so deliberately. Repeated attempts by post, email and phone to Wendy's staff Jane Foo and Ming Lau, the CFO, failed to get any response at all. The landlord, Bam (209) Investments Pty Ltd, applied to the District Court at Adelaide to distrain the premises, forcing Wendy's Supa Sundaes to pay one month's rent in cash to avoid a lockout. However, despite unqualified assurances at a meeting from their Australia representative, Ms Jane Foo, Wendy's Supa Sundaes paid no further money to Bam.

Wendy's Supa Sundaes abandoned the premises just before Christmas 2014, leaving the property with a clean-up bill exceeding $50,000. When they did this, they broke a long-term lease. No effort was made to leave the office in a reasonable state. Wendy's merchandise, including the sign on the outside of the building, remained in place. They scurried off. It was run by Mr Stanley Tan, a global CEO, a man who owns iconic brands, who is incredibly wealthy and who is based in Singapore, and they just abandoned the premises. Most seriously, in my view, Wendy's head office employees—in excess of 25 people, many with mortgages
and families to support—were told just days before Christmas in 2014 that they no longer had a job.

In early 2015, Bam undertook proceedings to wind up Wendy's Supa Sundae through the Federal Court. This took several months and many thousands of dollars to materialise. Bam's solicitors filed an application to wind up Wendy's Supa Sundae in the Federal Court in Adelaide on the morning of 30 June 2015. In total, the landlords are owed more than $550,000. Whether the landlords will ever see this money remains to be seen, because Wendy's Supa Sundae went into voluntary administration on the 2 July 2015. Ferrier Hodgson have been appointed as administrators. They have left behind a trail of creditors exceeding $30 million, much of it affecting small family businesses. This appeared to be part of a calculated strategy to avoid the implications that would have come with liquidation rather than voluntary administration.

Tan's business is still trading profitably today and is apparently about to expand throughout Asia, leaving behind a wreckage of small family businesses around the country. There are also allegations that he has intentionally sought to avoid GST in many of his transactions, and also that he has engaged in tax transference—in other words, that he has not properly paid taxes due under Australian law.

So why did things go so wrong for this iconic brand? It has been alleged that, starting in March 2015, weekly royalty payments automatically deducted from franchisees' bank accounts stopped being paid into the accounts of Wendy's Supa Sundae. Instead, they were paid into the coffers of Mr Tan's new company, Supatreats Australia. I am told there are questions around the legality of this change to the payment structure. The practical effect of this change was to deprive Wendy's Supa Sundae of revenue and push it closer to the brink of insolvency.

Not only was Wendy's Supa Sundae being starved of funds by Mr Tan; its own accounts were also being raided. Wendy's Supa Sundae had a marketing fund. All franchisees would pay four per cent of their weekly gross turnover into it. The marketing fund was crucial for supporting marketing activities for the company—marketing activities that are crucial to driving business to the brand and for bringing customers to the counter. I am told this marketing fund was raided just months before Wendy's Supa Sundae was placed into voluntary administration. And, as if starving Wendy's Supa Sundae of funds while also draining its existing accounts at the same time was not bad enough, Mr Tan also had his sights set on other so-called cost-saving measures. It is worth mentioning that the amount of money in that fund was in the many hundreds of thousands of dollars. On one account, up to $2 million could have been in the marketing fund that was raided. That was not enough for Mr Tan.

Throughout the first half of 2015, Mr Tan and his senior executives allegedly failed to pay the entitlements owed to the employees who lost their jobs in December 2014 when Supatreats Australia abandoned their Adelaide headquarters. These are individuals that have mortgages, that have homes to support. Yet an incredibly wealthy man, Mr Tan, appears to have avoided paying the liabilities of the companies that he controls, to have avoided paying these people what they were due.

Reports last week in the Adelaide Advertiser of a dispute between On The Run convenience stores—a large, very successful family business in Adelaide—and Mr Tan's
Global Food Retail Group indicate, via court documents, that the Singapore based company formed a so-called strategy to break a contract entered into in 2013 for On the Run to open Wendy's franchises at 50 of its sites by 2020. On The Run has claimed Mr Tan's company has breached Australian Consumer Law by behaving unconscionably. The allegation includes Mr Tan's company selling franchises and at the same time shifting the IP to another company. Surely that is unconscionable behaviour in its sheer sneakiness and audacity.

When you put all of this together, what does it add up to? Quite simply, it looks a lot like a phoenix scheme. This is an issue I have raised with directly with ASIC. I believe the evidence provided to ASIC supports this contention. The information I provided to ASIC, after extensive discussions with franchisees that have been devastated by the actions of Mr Tan, support the conclusion that, in my view, Mr Tan and his Australian based executives, including family members, deliberately established Supatreats Australia Holdings Pty Ltd as part of an elaborate phoenix scheme. There is strong evidence of deliberation, improper intention by Mr Tan and Australian directors to avoid legal duties of directors, lack of disclosure of destination of weekly royalty payments, avoidance of payment of retrenched employee entitlements, placing of family members in influential positions, and avoidance of liabilities and debts, including entitlements of retrenched employees, retail lease liabilities and liabilities stemming from breaking the lease for the commercial headquarters in Adelaide. Further, there is strong evidence of starving of Wendy's Supa Sundaes of revenue sources by redirection of royalty revenues from franchisees' bank accounts without prior authorisation. Instead of payments going to Wendy's Supa Sundaes, they were instead paid to the new entity, Supatreats Australia Holdings Pty Ltd. There is strong evidence of unexplained and possibly improper payments made from the Wendy's Supa Sundaes marketing fund in the amount of $1.3 million in the week before entering voluntary administration, and of transfer of assets of intellectual property to foreign ownership.

Documents I have obtained indicate that the royalty payments were withdrawn on 3 March 2015 and paid to Wendy's Supa Sundaes, as they were previously, but on 10 March 2015 the invoices generated for the payments showed the money went to another entity, with a different name and bank account details. This entity was Supatreats Australia Pty Ltd. I question the legality of that. There is no indication that neither Mr Tan nor any of his executives in Supatreats or Australian Retail Franchise Group Pty Ltd obtained proper legal authority to effect this change for this lucrative stream of revenue.

Further evidence of the alleged phoenix scheme can be found in the apparent emptying of the Wendy's Supa Sundaes' marketing fund bank account in the weeks prior to the company being placed into administration. The fund was a crucial account for supporting marketing activity, as I indicated, and it just hastened the demise of many of these small family businesses. The misuse of and emptying out of the marketing fund just prior to administration adds further weight to the claims of an alleged phoenix scheme operated by Mr Tan and his senior executives. The positioning of Mr Tan's close, trusted family members into positions of influence from the start I believe shows that Mr Tan improperly relied upon family ties and loyalties in a corporate context, which is one of the key indicators of an alleged phoenix scheme.

This has been an appalling breach of trust by Mr Tan and his companies. I believe that this man has operated like a corporate cannibal. I believe that this man has caused enormous
damage to many family businesses around the country. He has left in his wake a trail of financial devastation of many battlers. Peter Coventry initially thought, along with so many other hopeful franchisees, that Stanley Tan, with his experience as Chief Executive of Global Yellow Pages, would do the right thing. In fact, the very opposite occurred. Just last week, Peter and his wife lost their battle to keep their home in Perth, which was repossessed. I have no doubt that, had Peter been treated fairly, decently and honestly by Mr Tan, his home could have been saved. Despite all that Peter has gone through, I pay tribute to him, because he is still advocating for fellow franchisees who are struggling and battling at this great injustice.

I call on Mr Stanley Tan to come back to Australia, to face his creditors, to look his victims in the eye and to be accountable for his actions. I hope that our regulators, ASIC, the ACCC and the ATO, can ensure the full weight of the law is applied against Mr Tan and the companies he has controlled for the chaos and mayhem he has caused to so many.

**Senate adjourned at 21:53**

**DOCUMENTS**

**Tabling**

The following documents were tabled by the Clerk pursuant to statute:

[Legislative instruments are identified by a Federal Register of Legislative Instruments (FRLI) number. An explanatory statement is tabled with an instrument unless otherwise indicated by an asterisk.]

**Civil Aviation Act 1988**—Civil Aviation Safety Regulations 1998—Exemption—solo flight training using ultralight aeroplanes registered with the RAA at Camden Aerodrome—CASA EX04/16 [F2016L00132].

**Excise Act 1901**—

Excise (Mass of CNG) Determination 2016 (No. 1) [F2016L00131].
Excise (Volume of LPG—Temperature and Pressure Correction) Determination 2016 (No. 1) [F2016L00130].

**Food Standards Australia New Zealand Act 1991**—Food Standards (Application A1100—Maximum Permitted Level of Acesulphame Potassium in Chewing Gum) Variation [F2016L00127].

**Legislative Instruments Act 2003**—

Legislative Instruments (Deferral of Sunsetting—Legal Services Directions) Certificate 2016 [F2016L00124].
Legislative Instruments (Fuel Standards Instruments) Sunset-altering Declaration 2016 [F2016L00125].
Legislative Instruments (Medical Indemnity Instruments) Sunset-altering Declaration 2016 [F2016L00126].

**Low Aromatic Fuel Act 2013**—

Low Aromatic Fuel (Designated Areas) (Daly Region) Instrument 2016 [F2016L00123].
Low Aromatic Fuel (Designated Areas) (Katherine Region) Instrument 2016 [F2016L00122].

**Motor Vehicle Standards Act 1989**—

Tabling

The following document was tabled pursuant to standing order 61(1)(b):

Tabling

The following documents were tabled by the Clerk pursuant to order:

Indexed lists of departmental and agency files for the period 1 July to 31 December 2015—Statement of compliance pursuant to the order of the Senate of 30 May 1996, as amended—Agriculture portfolio.