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SITTING DAYS—2016

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FORTY-FOURTH PARLIAMENT
SECOND SESSION—FIRST PERIOD

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

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

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

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

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(1) Chosen by the Parliament of New South Wales to fill a casual vacancy (vice R. Carr), pursuant to section 15 of the Constitution.
(2) Chosen by the Parliament of New South Wales to fill a casual vacancy (vice J Faulkner), pursuant to section 15 of the Constitution.
(3) Chosen by the Australian Capital Territory Legislative Assembly to fill a casual vacancy (vice K. Lundy), pursuant to section 15 of the Constitution.
(4) Chosen by the Parliament of Queensland to fill a casual vacancy (vice B. Mason), pursuant to section 15 of the Constitution.
(5) Chosen by the Parliament of Tasmania to fill a casual vacancy (vice C. Milne), pursuant to section 15 of the Constitution.
(6) Chosen by the Parliament of South Australia to fill a casual vacancy (vice P Wright), pursuant to section 15 of the Constitution.
(7) Chosen by the Parliament of Victoria to fill a casual vacancy (vice M Ronaldson), pursuant to section 15 of the Constitution.
(8) Chosen by the Parliament of Western Australia to fill a casual vacancy (vice J Bullock), pursuant to section 15 of the Constitution.

PARTY ABBREVIATIONS
AG—Australian Greens; ALP—Australian Labor Party;
AMEP—Australian Motoring Enthusiast Party; CLP—Country Liberal Party;
FFP—Family First Party; IND—Independent, LDP—Liberal Democratic Party;
LNP—Liberal National Party; LP—Liberal Party of Australia;
NATS—The Nationals; PUP—Palmer United Party

Heads of Parliamentary Departments
Clerk of the Senate—R Laing
Clerk of the House of Representatives—D Elder
Secretary, Department of Parliamentary Services—R Stefanic
Parliamentary Budget Officer—P Bowen
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<td>Prime Minister</td>
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<tr>
<td>Minister for Indigenous Affairs</td>
<td>Senator the Hon Nigel Scullion</td>
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<tr>
<td>Minister for Women</td>
<td>The Hon Michaelia Cash</td>
</tr>
<tr>
<td>Cabinet Secretary</td>
<td>The Hon Michaelia Cash</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for the Public Service</td>
<td>The Hon Michaelia Cash</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for Counter-Terrorism</td>
<td>The Hon Michael Keenan MP</td>
</tr>
<tr>
<td>Assistant Minister to the Prime Minister</td>
<td>Senator the Hon James McGrath</td>
</tr>
<tr>
<td>Assistant Minister for Cities and Digital Transformation</td>
<td>The Hon Angus Taylor MP</td>
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<tr>
<td>Assistant Cabinet Secretary</td>
<td>The Hon Dr Peter Hendy MP</td>
</tr>
<tr>
<td>Deputy Prime Minister and Minister for Agriculture and Water Resources</td>
<td>The Hon Barnaby Joyce MP</td>
</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>Minister for Foreign Affairs</td>
<td>The Hon Julie Bishop MP</td>
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<tr>
<td>Minister for Trade and Investment</td>
<td>The Hon Steve Ciobo MP</td>
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<tr>
<td>Minister for International Development and the Pacific</td>
<td>Senator the Hon Concetta Fierravanti-Wells</td>
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<tr>
<td>Minister for Tourism and International Education</td>
<td>Senator the Hon Richard Colbeck</td>
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<tr>
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<tr>
<td>Attorney-General</td>
<td>The Hon George Brandis QC</td>
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<tr>
<td>(Vice-President of the Executive Council)</td>
<td>The Hon Michael Keenan MP</td>
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<tr>
<td>(Leader of the Government in the Senate)</td>
<td>The Hon Michael Keenan MP</td>
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<td>Minister for Justice</td>
<td>The Hon Michael Keenan MP</td>
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<tr>
<td>Treasurer</td>
<td>The Hon Scott Morrison MP</td>
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<tr>
<td>Minister for Small Business</td>
<td>The Hon Kelly O’Dwyer MP</td>
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<tr>
<td>Assistant Treasurer</td>
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<tr>
<td>Assistant Minister to the Treasurer</td>
<td>The Hon Alex Hawke MP</td>
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<td>Minister for Finance</td>
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<td>The Hon Dr Peter Hendy MP</td>
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<td>Senator the Hon Fiona Nash</td>
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<td>Minister for Infrastructure and Transport</td>
<td>The Hon Darren Chester MP</td>
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<tr>
<td>(Deputy Leader of the House)</td>
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<tr>
<td>Minister for Major Projects, Territories and Local Government</td>
<td>The Hon Paul Fletcher MP</td>
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<tr>
<td>Minister for Industry, Innovation and Science (Leader of the House)</td>
<td>The Hon Christopher Pyne MP</td>
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<tr>
<td>Minister for Resources, Energy and Northern Australia</td>
<td>The Hon Josh Frydenberg MP</td>
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<tr>
<td>Minister for Northern Australia</td>
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<tr>
<td>Minister for Health</td>
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<tr>
<td>Minister for Sport</td>
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* 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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The PRESIDENT (Senator the Hon. Stephen Parry) took the chair at 09:30, read prayers and made an acknowledgement of country.

DOCUMENTS
Tabling
The Clerk: I table documents pursuant to statute and returns to order. Details will be recorded in the Journals of the Senate and on the Dynamic Red.

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

COMMITTEES
Finance and Public Administration Legislation Committee
Meeting
The Clerk: A proposal has been lodged by the Finance and Public Administration Legislation Committee for a private meeting today from 11.15 am.

The PRESIDENT (09:31): Does any senator wish to have that question put? There being none, we will proceed to business.

BILLS
Tax Laws Amendment (Tax Incentives for Innovation) Bill 2016
Second Reading

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

Senator McKIM (Tasmania) (09:31): When we were debating the Tax Laws Amendment (Tax Incentives for Innovation) Bill 2016 yesterday, I was just reflecting on the baby steps taken by the Australian Labor Party in relation to negative gearing and the capital gains tax discount. While we welcome Labor crab walking towards the Greens' position on these matters, we do want to be clear that we have led this debate strongly and proudly. It is based on our very firm view that having a situation in Australia where property investors and property speculators receive more financial assistance from government than do a young couple trying to buy their first home is not an acceptable position for this country, particularly given the growing gap between the haves and the have-nots in Australia.

Of course, as I said yesterday, the Greens welcome steps taken by the government in this legislation to encourage the innovation ecosystem in Australia. Developments in ICT allow for an unprecedented matching of supply and demand over the internet, and there are many, many young and, at times, not so young companies that are taking advantage of the opportunities in this space. We very much support the measures that the government are bringing down today in this legislation.

As I said yesterday, we will propose an amendment to this legislation in the committee stage. I want to now run through the purpose and the intent of the Greens' amendment. As the bill now stands, an Australian incorporated company will qualify as an early-stage innovation
company if it meets the tests of being at an early stage of its development—that is known as the early-stage limb—and it is developing new or significantly improved innovations with the purpose of commercialisation to generate an economic return. That is the innovation limb.

The government is proposing that a company must pass four tests to satisfy the early-stage limb of the qualifying early-stage innovation company test. These include that the company must have been incorporated in Australia within the last three income years; the company and any of its wholly owned subsidiaries must not have incurred total expenses of more than $1 million in the previous income year; the company and any of its wholly owned subsidiaries must have derived assessable income of no more than $200,000 in the previous income year; and the company must not be listed on any stock exchange.

The innovation limb proposed by the government in this legislation requires that a company must also qualify by satisfying either the 100-point innovation test or the activity based criteria. The activity based criteria is designed to provide enough legislative flexibility to accommodate both existing and future forms of innovations while specifically targeting high-growth potential companies based on the innovation company's focus and potential business capabilities.

The Greens amendment proposes to add a third limb relating to social innovation. As I said yesterday, there are many companies being established in Australia with the public good as their primary reason for existence—that is, they are being established as a company to meet a social or environmental need and to deliver a social or environmental benefit. The people who are establishing these companies have as their motivation to make Australia and the world a better place, to make us socially more equitable, to deliver social outcomes or to make us environmentally sustainable and deliver environmental outcomes. These are absolutely laudable aims and the Greens believe that companies which are established or which may be established, in this space, ought to receive the same kinds of tax breaks as this legislation proposes to establish for companies that satisfy the two limbs I mentioned earlier.

The Greens amendment adds a third limb relating to social innovation. This amendment would require a social enterprise company to satisfy both the early-stage limb that already exists in this legislation as well as the social innovation limb that the Greens are proposing. A social enterprise is a company that has a social, cultural, environmental or economic mission consistent with a public or community benefit and reinvests the majority of its profit to fulfil that mission. This would mean, under the Greens amendments, that a company would need to satisfy the early-stage and innovation requirements or satisfy the early-stage and social innovation requirements.

Social enterprises are recognised as an increasingly important sector to deliver social change in communities. They have capacity to generate employment, generate income, threaten local communities, make us a more socially just country and make us a more environmentally sustainable country. Many social entrepreneurs—and I have met many of them since being elected to the Senate—are seeking opportunities to invest, to generate social and environmental returns, rather than simply having as their priority the maximisation of the financial returns to their companies.

More investors are seeking to invest in social enterprise in Australia, and tax incentives such as these would encourage further investment in this important area. Mr David Brookes, the managing director of Social Traders, has said that social enterprises could employ over
half a million Australians and contribute three to four per cent of GDP by 2025. It is worth the Senate noting that incentives for investment in social enterprises are well established in countries like the United Kingdom and Canada.

We unashamedly believe that we need to do more to incentivise investment into companies that are established with the primary aim of increasing the public good in Australia by helping transition Australia to a more equitable, more socially just and more environmentally sustainable economy and, therefore, into a more equitable socially just and environmentally sustainable country.

We would ask the Senate to approach our amendments with an open mind and give consideration to the fact that so many young people—many but not all of the people in the social enterprise space are young people—want to be part of making our world a better place. They, unashamedly, establish their companies, their start-ups, with the primary intention of doing that—not with the primary intention of making a lot of money for themselves and, one day, listing their company on the stock market, which is the goal of so many other start-ups.

We do not reflect negatively on those who establish their start-ups with the goal of one day potentially being a publicly listed company. We do not reflect negatively on that at all. In fact, that is why we are supporting these tax incentives for innovation that the government is proposing in this legislation.

But we urge the government to broaden their minds in this area, to recognise that innovation is not just limited to people who want to make a lot of money and that in fact, in the context of government support and the way the government defines innovation, innovation should include those start-ups, those innovative companies, who are using developments in information and communications technology to match supply and demand in such a way that they will deliver social and environmental benefit in Australia.

There are start-ups already in existence that do things like match up recent humanitarian entrants with training opportunities. There are start-ups already underway that do things like match up surplus food production with hungry disadvantaged people in Australia. These start-ups are designed to help make Australia a better place, and we ought to provide them with the same level of tax incentive as we are proposing to do for start-ups that are designed primarily with a financial return in mind.

We all need to broaden our minds about what innovation actually is in Australia. There is a lot to like about the government's innovation package. It is quite well known, of course, because there is $28 million of taxpayer money being invested in an advertising campaign about innovation right now. But innovation ought not to be confined in anybody's mind to companies that are designed and have been created primarily to make a profit. It ought to be broadened to include those companies that are primarily established to deliver a social and public good in Australia.

That is a real core for the Greens. It is something that we are passionate about. It is something that we have engaged with numerous stakeholders on. The message coming back to us is that currently the government's framing of innovation is too narrow, and it does not consider those companies that are established with the primary intention of delivering a public benefit, a social justice benefit or an environmental benefit. That is the reasoning behind our amendment.
I have explained in detail the way our amendment would work. It was circulated through the chamber, as I understand it, yesterday. I give notice that, once we move into the Committee of the Whole, I will be moving that amendment. But in general terms we will support this legislation because it fits with our view on encouraging innovation in Australia, notwithstanding the fact that we believe it defines innovation too narrowly.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (09:43): I thank Senator McKim for his contribution to the debate. The measures in the Tax Laws Amendment (Tax Incentives for Innovation) Bill 2016 will help encourage innovation, risk-taking and an entrepreneurial culture in Australia. The government is delivering on two commitments that form part of the National Innovation and Science Agenda.

The measure for tax incentives for early-stage investors will support investment in these early stages by attracting investors who can offer funding and business expertise that will assist with the development and commercialisation of innovative ideas. The tax incentives for eligible investors include a 20 per cent carry-forward, non-refundable offset on investments capped at $200,000 a year. There will also be a 10-year exemption on capital gains tax for investments held in the form of shares in the early-stage innovation company for at least 12 months, provided that the shares held do not constitute more than a 30 per cent interest in the early-stage innovation company.

The bill also provides tax incentives for funding provided through venture capital limited partnerships, including early-stage venture capital limited partnerships to attract investments at the growth stage of development. We are also introducing new arrangements for venture capital limited partnerships and early-stage venture capital limited partnerships. Notably, there will be a non-refundable tax offset of 10 per cent of the value of new capital invested into early-stage venture capital limited partnerships during the incoming year and an increase in the maximum fund size, of early-stage venture capital limited partnerships, from $100 million to $200 million. The tax incentives will apply for the 2016-17 incoming year, once the bill receives royal assent.

We are setting up an environment to reward our innovators and entrepreneurs who have the concepts and ideas to benefit jobs and growth. This is another example of how this government is acting to support the positive transition in our economy from the mining boom to the ideas boom. I commend the bill to my colleagues.

Question agreed to.

Bill read a second time.

In Committee

Bill—by leave—taken as a whole.

Senator McKIM (Tasmania) (09:46): by leave—I move:

(1) Schedule 1, item 1, page 9 (lines 10 to 25), omit paragraph 360-40(1)(e), substitute:

(e) at the test time:

(i) the company has at least 100 points under section 360-45;

or

(ii) all of the following apply to the company:
(A) the company is genuinely focussed on developing for commercialisation one or more new, or significantly improved, products, processes, services or marketing or organisational methods;

(B) the business relating to those products, processes, services or methods has a high growth potential;

(C) the company can demonstrate that it has the potential to be able to successfully scale that business;

(D) the company can demonstrate that it has the potential to be able to address a broader than local market, including global markets, through that business;

(E) the company can demonstrate that it has the potential to be able to have competitive advantages for that business; or

(iii) all of the following apply to the company:

(A) the company can demonstrate that it has an economic, social, cultural or environmental mission that is consistent with a public or community benefit;

(B) the company reinvests the majority of the profit it makes to fulfil that mission.

(2) Schedule 1, item 1, page 9 (line 29), omit "Subparagraphs (1)(e)(i) to (v)", substitute "Subparagraphs (1)(e)(ii)(A) to (E)".

I will give a very brief explanation. As I indicated and as the minister has indicated in the second reading, the bill currently proposes two limbs of tests, the early-stage limb and the innovation limb. We are proposing a third limb, the social innovation limb. Just for clarity, this would mean that should this amendment be accepted a company would still need to satisfy the early-stage limb, but it could qualify for the tax incentives contained in this legislation if it satisfied the early-stage limb and the social innovation limb.

The social innovation limb the Greens are proposing makes it clear that if the company can demonstrate it has a social, economic, cultural or environmental mission that is consistent with a public or community benefit and that the company can demonstrate that it will reinvest the majority of the profit it makes to fulfil that mission, the company would qualify for the Greens proposed social innovation limb. I do commend the amendments to the chamber.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (09:48): I should indicate to Senator McKim that the government will not be supporting his amendment. I will briefly indicate why.

The proposed amendments are attempting to make two systems overlap when they were never designed to work in combination. The tax incentives in the bill are aimed at innovators who are seeking a commercial return from innovation. The proposed amendments refer to entities that are carrying out projects for public benefit with no expectation of financial return and no element of innovation involved.

The proposed amendments, in our view, duplicate and could put at risk not-for-profit regimes that are already in place to support people carrying out activities with a community and public benefit. Our pre-existing regimes and government support in this area has the benefit of registration, reporting and requirements for endorsement from the ATO. The proposed amendments could encourage companies to operate outside the not-for-profit framework and open up the possibility of abuse through tax-planning schemes.

For these reasons, the proposed amendments are seen as unattractive to potential stakeholders and unworkable. The extensive support for social, cultural and environmental
activities, under entirely separate tax exemption regimes, will remain the focus of the
government in providing support to people who do work, tirelessly, for public and community
benefit.

Senator DASTYARI (New South Wales) (09:49): The opposition is not able to support
these amendments. We note that the core aims of this bill are to encourage innovation and
collaboration and provide access to capital for entrepreneurs. We note the concerns that have
been raised that the proposed amendments are contrary to the core purpose of the bill. In
addition, as noted in our speech on the second reading, consultation has been an important
element of developing Labor’s policy in this area. We would be concerned that agreeing to
amendments that have not had the benefit of wider discussion and scrutiny would derail the
bill, which would bring about a number of negative consequences.

However, as we have indicated, it would be our intention to review some of these elements
of the bill if we win government. This may provide an opportunity to revisit the issues that
Senator McKim has raised, in a more considered way. The opposition believes that all parties
can work together constructively to benefit the start-up community. This includes on-review
of the operation of this legislation. However, because we want to see support flow through to
our early-stage innovators as quickly as possible, and considering the time remaining in this
parliamentary term, the opposition will support this bill without amendment.

Senator McKIM (Tasmania) (09:50): I thank Senator Fifield and Senator Dastyari for
their contributions. Just to wrap up on our amendment and respond to a couple of issues that
were raised by the two previous speakers: firstly, we do not believe that these amendments
place at risk the intent of this legislation, because the framework that this legislation creates
would still be able to be accessed by companies that have as their primary reason for
existence making a profit. We do not accept the argument that this would in any way risk
derailing the legislation.

In relation to comments made about the government’s current framework of support for
non-government organisations, we certainly accept the important role that non-government
organisations play in our social framework, but the disruptive nature of the internet and the
opportunities that it provides mean that, over time, our public frameworks, our legislative
frameworks, will need to change. There is significant change underway in what is happening
on the ground in relation to people who have a desire to deliver social and environmental
benefit, and we believe that that change needs to be acknowledged by government and needs
to be acknowledged by the parliament. We believe that accepting our amendments would be a
first step on the way.

I acknowledge Senator Dastyari’s comments that Labor would intend to review some
elements of innovation support should it win government. I can indicate to Senator Dastyari
that the Greens would be very prepared to work constructively with a future Labor
government on those issues.

The CHAIRMAN: The question is that amendments (1) and (2) on sheet 7916 be agreed
to.

The committee divided. [09:57]
(The Chairman—Senator Marshall)

Ayes ......................10

CHAMBER
Noes ..................41
Majority ..............31

AYES
Di Natale, R
Ludlam, S
Rhiannon, L
Siewert, R (teller)
Waters, LJ

Hanson-Young, SC
McKim, NJ
Rice, J
Simms, RA
Whish-Wilson, PS

NOES

Aberz, E
Bilyk, CL
Bushby, DC
Canavan, MJ
Collins, JMA
Dodson, P
Fawcett, DJ
Gallacher, AM
Lambie, J
Lindgren, JM
Ludwig, JW
Madigan, JJ
McAllister, J
McKenzie, B
Moore, CM
O’Neill, DM
Paterson, J
Polley, H
Singh, LM
Sterle, G
Williams, JR

Back, CJ
Brown, CL
Cameron, DN
Cash, MC
Dastyari, S
Edwards, S
Fifield, MP
Ketter, CR
Lazarus, GP
Lines, S
Macdonald, ID
Marshall, GM
McEwen, A (teller)
McLucas, J
Muir, R
O’Sullivan, B
Peris, N
Reynolds, L
Smith, D
Urquhart, AE

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

Third Reading

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (10:00): I move:

That this bill be now read a third time.
Question agreed to.
Bill read a third time.
I move: That the 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—

TAX LAWS AMENDMENT (NEW TAX SYSTEM FOR MANAGED INVESTMENT TRUSTS) BILL 2015

This Bill is part of a broader package of Bills that amend various taxation laws to introduce a new system for taxing managed investment trusts (MITs).

The new rules will modernise the tax rules applying to eligible MITs, increase certainty for MITs and their investors, and reduce complexity. It will reduce compliance costs by $30 million per year for MITs and their investors. These reforms will enhance the competitiveness of Australia's funds management industry.

Our managed funds industry is one of the largest and most sophisticated in the world. As of 30 June 2015, Australia had $2.6 trillion in funds under management, larger than Australia's gross domestic product and the capitalisation of the Australian Stock Exchange. It is one of the largest pools of managed funds in the world, and contributes jobs to the broader financial and insurance services industry, which employs over 400,000 people in Australia. We need to ensure that this industry continues to support Australian jobs, and remains efficient and internationally competitive.

Managed investment trusts are used by many Australians. Most of us are investors in MITs, either directly or indirectly through our superannuation funds. MITs are used to invest in a diverse range of assets, including shares, property, bonds and cash.

The current taxation arrangements applying to trusts are complex and uncertain. This is unacceptable for an industry so significant to the economy and the financial security of Australians. This Bill will ensure that the funds management industry is able to operate more effectively through trust structures.

This new tax system will also provide an opportunity for Australia's managed funds industry to grow by exporting more of its expertise and attracting additional international investment. This will in turn increase growth and jobs.

The Government's new tax rules for eligible MITs follows recommendations made by the Board of Taxation in its Report on the Review of the Tax Arrangements Applying to Managed Investment Trusts.

In its review, the Board found that current tax arrangements applying to trusts create undue complexity and uncertainty for MITs. Specifically, trust tax rules have not kept pace with the growing use of trusts as collective investment vehicles. The Board recommended the creation of new tax rules for eligible MITs.

The new tax system has been actively sought by the funds management industry. Key stakeholders have been extensively consulted during the development of the new tax system.
The new rules will apply from 1 July 2016. However, trustees can choose to opt in earlier and apply the rules for income years starting on or after 1 July 2015.

The new tax system will apply where the members of the trust have clearly defined interests in relation to income and capital of the trust and the trustee of the MIT makes a choice to apply the new rules.

Trusts that are not eligible or choose not to apply the new tax system will continue to apply the general trust tax rules.

The Bill will provide for taxation at the investor level, rather than at the entity level. Investors will generally be taxed on amounts as if they had derived the income directly.

Members will be taxed only on amounts ‘attributed’ to them. This amount is determined by the trustee according to the member’s interest as set out in the constituent documents of the trust. The tax characteristics applying to that income will flow through to members.

The introduction of the attribution model will provide greater certainty for trustees and members, by more closely aligning the commercial and tax consequences of activities of a managed investment trust.

Under the new rules, trustees will continue to provide statements to their members shortly after the end of each income year to assist members to complete their tax returns. However, trustees may not have final information from entities that they invest in by the time they have to report to members. This means they often need to make estimates in the statements issued to members and then make adjustments at a later point in time when more information is available.

This can be administratively onerous. Because of this these Bills will give the trustee a choice to reconcile the variance in the income year it is discovered, or to reissue statements to members for the income year to which the variance relates. If the trustee reconciles the variance in the discovery year, members will not have to seek amendments to their income tax assessments. This will reduce compliance costs for MITs and their members, as well as administrative costs for the ATO. This approach is consistent with current industry practice. Associated integrity rules will encourage MITs to bring income to account in a timely way.

These Bills also introduce a new rule so that multi-class MITs will be able to elect to treat each class as a separate trust for the purposes of the new MITs tax system. The effect is that gains and losses within a class will be quarantined to those members. Currently, gains and losses relating to one class can affect another class of interests within the same trust. This amendment means that fund managers will be able to offer a range of different investment options through a single trust, rather than incurring higher costs from establishing multiple trusts to achieve the same outcome.

These Bills also remove the incidence of double tax for members of attribution MITs that currently arises under the capital gains tax rules. Where amounts distributed to members differ to the taxable income of the MIT, members will now be able to adjust the cost base of their investments so that they are not taxed twice. The current law required reductions in cost base where amount received by the member exceeds the taxable component of the distribution. However, there is no corresponding upwards adjustment to the cost base if the amount received is less than the taxable component of the distribution. The amendments will now allow upwards adjustments to the cost base in certain situations.

The Government will also introduce transitional provisions and consequential amendments as part of this package of Bills relating to the new tax system for MITs. This includes consequential amendments to ensure the MIT withholding tax rules apply appropriately under the new attribution model of taxation.

In addition, this package contains an arm’s length rule that was recommended by the Board of Taxation. This rule will discourage MITs from shifting profits from an active business of a related party to the attribution MIT. The Commissioner of Taxation will be given powers to make a determination where a MIT has derived non-arm’s length income. The trustee of a MIT will be liable to pay tax at the
corporate rate on this income and other administrative penalties may apply. This will protect the integrity of the corporate tax base.

The 20 per cent tracing rule applying to certain unit trusts will also be amended so that superannuation funds and certain other exempt entities will be excluded. This will reduce compliance costs and allow trusts to avoid being taxed as a company simply because certain entities, such as superannuation funds, own more than 20 per cent interest in the trust.

Further, rules that tax corporate unit trusts as companies will be repealed. These rules were introduced when Australia had a classical tax system to discourage companies from restructuring as trusts. Companies had an incentive to restructure as shareholders faced the prospect of double taxation, due to the lack of imputation. Since the introduction of imputation, the integrity rules for corporate unit trusts are considered to be no longer necessary and will be repealed.

Together, the measures contained in this package of Bills will reduce complexity, increase certainty and minimise compliance costs.

In conclusion, this package of Bills recognises the commercial needs of the industry and the growing use of trusts as commercial investment vehicles. Greater certainty will benefit investors and the managed fund industry.

It will improve the attractiveness of Australian MITs to international investors. It will assist our managed funds industry to develop and export more of their services. This should increase growth and jobs.

The new tax system for MITs has been actively sought by the managed investment funds industry. The Government has listened to this. The Government has undertaken extensive consultation with industry representatives and other key stakeholders in the development of this new MITs tax system.

The new rules will ensure that the managed funds industry is able to continue to operate through trust structures having regard to the commercial needs of industry, the needs of investors, and the need to ensure appropriate integrity, and minimise compliance and administrative costs.

As a result, the Government is confident that these new amendments will modernise the tax law applying to MITs. The measures contained in these Bills are vital to ensuring that Australians have the best opportunity to grow their income. The measures will also enhance Australia's managed funds industry and promote the greater export of Australia's funds management expertise.

Full details of the new tax system for MITs are contained in the explanatory memorandum.

INCOME TAX RATES AMENDMENT (MANAGED INVESTMENT TRUSTS) BILL 2015

The Income Tax Rates Amendment (Managed Investment Trusts) Bill 2015 forms part of a package of Bills to introduce a new system for taxing managed investment trusts (MITs).

This Bill specifies the rate of tax payable by trustees of attribution MITs in some circumstances. Under the new tax system, investors are generally taxed on amounts attributed to them by the trustee of a MIT, as if they had invested directly. In limited circumstances, tax may occur at the trustee level to ensure that correct tax outcomes occur. This primarily occurs if the trustee does not attribute all income to members. In this case, the trustee is taxed on the unattributed income, to ensure that this income does not escape taxation. The unattributed income is generally taxed in the hands of the trustee at the highest individual marginal tax rate, plus Medicare Levy.

Further details of the Bill and the new tax system applying to MITs are set out in the explanatory memorandum for the Tax Laws Amendment (New Tax System for Managed Investment Trusts) Bill 2015.

MEDICARE LEVY AMENDMENT (ATTRIBUTION MANAGED INVESTMENT TRUSTS) BILL 2015

CHAMBER
The Medicare Levy Amendment (Attribution Managed Investment Trusts) Bill 2015 forms part of a package of Bills to introduce a new system for taxing managed investment trusts (MITs).

This Bill amends the Medicare Levy Act 1986 to impose the two per cent Medicare Levy on trustees of attribution MITs in some circumstances. Under the new tax system, tax is generally applied at the investor level. However, tax may be applied at the trustee level to ensure that correct tax outcomes occur. This primarily occurs if the trustee does not attribute all income to members. Where this is the case, the trustee will be taxed on the unattributed income at the highest individual marginal tax rate plus the Medicare Levy in certain circumstances. This operates to ensure that income does not escape taxation.

Further details of the Bill and the new tax system applying to MITs are set out in the explanatory memorandum for the Tax Laws Amendment (New Tax System for Managed Investment Trusts) Bill 2015.

INCOME TAX (ATTRIBUTION MANAGED INVESTMENT TRUSTS—OFFSETS) BILL 2015

The Income Tax Rates Amendment (Attribution Managed Investment Trusts-Offsets) Bill 2015 forms part of a package of bills to introduce a new system for taxing managed investment trusts (MITs).

This bill imposes income tax on trustees of attribution MITs where they attribute excess tax offsets to members in some circumstances. This can happen if the trustee overestimates the amount of offsets it has available to attribute to members in an income year. This means that members are able to reduce their tax liability more than they otherwise would, had they not been attributed excess offsets.

Tax will be payable by trustees of attribution MITs on the amount of the excess tax offsets at a rate of 100 per cent. This has the effect of clawing back excess tax offsets and neutralising the impact on tax revenue. This is consistent with outcomes that arise when a company passes out excess franking credits.

Further details of the bill and the new tax system applying to MITs are set out in the explanatory memorandum for the Tax Laws Amendment (New Tax System for Managed Investment Trusts) Bill 2015.

Senator DASTYARI (New South Wales) (10:01): I rise to speak on Tax Laws Amendment (New Tax System for Managed Investment Trusts) Bill 2015 and the three related bills on behalf the opposition. At the outset and following the report of the inquiry by the Senate Economics Legislation Committee I am pleased to indicate that the opposition will be supporting this bill.

Labor announced its intention for a new tax regime for managed investment trusts in 2010, and with the Tax Laws Amendment (New Tax System for Managed Investment Trusts) Bill 2015, the Abbott-Turnbull government is proceeding with work started under Labor. Because this bill advances work that was commenced under the Labor government, we support its intent and many aspects of it. However, we had concerns about a number of specific provisions following our consultations with stakeholders since the bill was first tabled in the other place. We, therefore, referred the bill to the Senate Economics Legislation Committee for further scrutiny. The opposition reserved its final position on this package until the committee reported. As a consequence of the committee report, I can now inform the chamber that we will be supporting this bill without amendment.

The committee report states that while submissions were generally supportive of the new tax system for AMITs, a few stakeholders raised significant concerns, in relation to the effect of the reforms on custodians and the feasibility of the commencement date. Having noted the concerns of some stakeholders, the committee was satisfied that any unforeseen or unintended consequences that may arise during the implementation process will dealt with by the
government quickly. The opposition regards this as welcome news and particularly endorses the recommendation of the committee that there be a review of the new tax system within 24 months of commencement, in order to provide an avenue through which stakeholders can also express concerns. The Committee recommended:

That a comprehensive and formal post-implementation review of the legislation and operation of the tax system for attribution managed investment trusts be undertaken by Treasury and completed by 1 July 2018.

I understand the government has agreed with this recommendation.

Managed investment trusts are an important part of Australia’s financial services landscape. The introduction of a new tax system for certain managed investment trusts follows the recommendations made by the Board of Taxation in its report on the Review of the taxation arrangements applying to managed investment trusts in August 2009. The underlying taxation legislation that currently applies to managed investment trusts relates to trusts more generally. The Board of Taxation was tasked with providing options for introducing a specific tax regime for managed investment trusts, MITs, which would enable Australia to become the financial services hub of Asia.

The board concluded that the current taxation arrangements applying to trusts create a level of complexity and uncertainty for managed investment trusts that is unacceptable for an industry of its significance to the economy. This is, primarily, the result of the current trust taxation provision in division 6 of part III of the Income Tax Assessment Act 1936 (ITAA 1936) being largely developed at a time before trusts were used in Australia as widely-held, commercially operated, collective investment vehicles.

A key element of the bills before the Senate is that managed investment trusts that choose to apply the new tax system will be known as attribution managed investment trusts, or AMITs. This has important consequences for managed investment trusts where trustees choose to apply the new system, as the choice is irrevocable and will therefore apply in future income years.

The opposition welcomes the potential for changes in the tax treatment of managed investment trusts that can help grow the managed funds sector. Appropriate changes could make Australian trusts more attractive for both local investors and foreign investors. As a capital-importing nation, this is absolutely critical for Australia. The Australian finance and insurance sector employs in excess of 400,000 people. To put it in perspective, that is around twice as many people as the mining industry employs. The value of the funds managed in Australia is about $2.6 trillion. Within that pool, approximately $92 billion is managed by Australian fund managers on behalf of overseas investors. The proportion of foreign funds being managed may appear small, given the sheer scale of funds managed under our compulsory superannuation scheme, but nonetheless it is an area that has significant room for growth.

Managed investment trusts pool funds to generate financial returns for investors who do not have day-to-day control over the trust. That means that typical investors are superannuation funds, life insurance companies and sovereign wealth funds. In 2010, when former Assistant Treasurer Nick Sherry was originally proposing the changes that we are considering in this bill, he said:
Many millions of Australians are investors in MITs, either directly or indirectly through their retirement savings.

In 2010, the Labor government introduced an amendment to expand the definition of a 'managed investment trust' in relation to withholding-tax rules. In the subsequent three years, the funds flowing into the managed investment trust sector increased by nearly 78 per cent, demonstrating that clear and well-developed policy can have excellent results. Two-thirds of the funds flowing in came from the Asia-Pacific region, yet another reminder of the role that the region plays in Australia's success, as epitomized in the former government's *Australia in the Asian century* white paper.

Former Assistant Treasurer Sherry knew from extensive discussions that Australia's tax rules around managed investment trusts were 'complex, uncertain and unsustainable in the modern economy'. Currently, managed investment trust income is allocated and taxed in aggregate. At the end of the financial year, members of a trust receive an allocation of the net income a trust earns relative to their stake in the trust. This amount is then added to their individual taxable income. The trustee of a trust is then taxed on any remaining net income that has not been distributed to members.

In essence, the package we are considering provides flow-through tax treatment for different types of income in a way that means investors in a trust receive broadly the same benefits they would have if they held the trust assets directly. It is a good example of an area in which government can simplify rules in a way that benefits industry, investors and the economy.

That is certainly the intention of the bill, but we have to get the detail right to make sure that the intent becomes a reality and does not create unintended consequences. According to some stakeholders consulted by the opposition, there is a risk that the current drafting of provisions relating to the treatment of trusts with different classes of membership interests creates scope for abuse of the managed investment trust withholding-tax regime by large foreign investors. The explanatory memorandum for the bill acknowledges that this is a possibility, stating:

An attribution MIT may have more than one class of membership interests if, for example, different members have exposure to different groups of assets of the attribution MIT. As a result, the tax attributes of a particular class of assets can effectively be ring-fenced to a particular class of membership interests. In this regard, it is possible for a class to have just one member.

When it comes to tax, the opposition has a strong record of closing loopholes. We introduced measures to plug loopholes in Australia's transfer-pricing rules and anti-avoidance provisions. The Liberals, by contrast, voted against the Tax Laws Amendment (Countering Tax Avoidance and Multinational Profit Shifting) Bill 2013. When the current Leader of the Opposition, Bill Shorten, was Minister for Financial Services and Superannuation, he championed the Tax Laws Amendment (Cross-Border Transfer Pricing) Bill (No. 1) 2012. The Liberals, by contrast, tried to block the measure, which was designed to crack down on companies that overvalued assets in international transactions.

One of the Abbott-Turnbull government's first actions upon returning to office was to set about dismantling the good work that Labor had done to improve the offshore banking unit regime and tackle excessive debt loading. By ditching Labor's proposals, in effect one of the first acts of the Abbott-Turnbull government was to hand $1.1 billion back to giant
multinational firms. On this side of the house, we are determined to make sure that we reduce the number of loopholes and that we do not create new ones.

Stakeholders have also raised concerns about the obligations this package places on custodians to pay withholding-tax liabilities when no actual cash distributions have taken place. It is another issue that deserves a second look. There is no requirement in the draft bill for AMIT trustees to distribute enough cash to cover tax liabilities arising from attributed income. Stakeholders have asserted that this can create unacceptable risk for custodians, as they may be faced with tax liabilities which they cannot later recover from their clients and which may inadvertently lead to fewer custodians engaging with the AMIT regime. As we started the process to create attributed managed investment trusts, we are all too aware of how keen the financial services sector is to have this new regime running. On this side of the chamber, the opposition also understands that it would be hasty and irresponsible to proceed without ensuring that this new regime has the necessary integrity and functions that are intended. That is what good tax reform requires.

Australia has come to a time when we need good economic leadership. One of the promises of Prime Minister Turnbull when he deposed Prime Minister Abbott was that he would put in place economic leadership. If you look at the economic challenges that Australia faces, you can see the need for that. Consumer sentiment has fallen; we have seen downgrades on growth since the last election; unemployment is up; and public sector construction has fallen every quarter since the election and is now near an all-time low. We have per capita Australian income down two per cent since 2013. This is not a widely recognised fact, because we tend to use GDP to measure living standards. But GDP does not divide by population and, for the country with the most rapid population growth in the advanced world, that means GDP can be a misleading measure of living standards. Simply look at disposable per capita income: it is lower now than when the Abbott government won office. We look across the ASX and we see dividend payout ratios in excess of 60 per cent—well above the ratios that you see in similar advanced countries. Only six per cent of ASX 300 firms believe Australia is a 'highly innovative' nation.

Looking globally, we face challenges such as the one of what happens when interest rates begin to rise from their 5,000-year lows. We have unprecedented levels of instability in certain parts of the world. Geopolitical instability and economic fragility demand a government with a long-term vision for tax reform, but instead we have seen the junking of the tax reform process by this government. The 'Re:think' discussion paper, brought down last year, called on community groups, regular Australians and business groups to put in their submissions. More than 800 did so, costing thousands of hours of time and millions of dollars—the secretariat alone cost over $600,000—and yet the Prime Minister has now junked all of that process. The promised tax white paper, which was supposed to be delivered within the first two years of the Abbott-Turnbull government, now looks as though it will not be delivered at all. We do not even know when the green paper—which is supposed to precede a white paper—is coming.

In place of careful and consistent tax reforms, we are instead getting ad hoc thought bubbles. The latest one, yesterday, comes from the Assistant Treasurer—the third Assistant Treasurer in just two years. Instead of cracking down on multinational tax, the Assistant Treasurer has suggested that perhaps employees should snitch on their bosses in return for a
cut of the tax take. A government which has cut 4,700 jobs out of the tax office, which rejects
the opposition's multinational tax plan and which does not believe in tax transparency instead
suggests that we are going to garner more tax by encouraging employees to snitch on their
bosses. It is indeed bizarre that a government which voted for less tax transparency last year
now has plans for employees to spill tax secrets in exchange for cash.

Getting tough on multinational taxation requires robust tax laws—tax laws such as the
proposal produced by the opposition, informed by work from the OECD, costed by the
Parliamentary Budget Office, adding $7.2 billion to the budget bottom line over the course of
the decade and grounded in good economic intuition. If you are deducting debt, you should do
it based on sound economics, rather than ad hoc thresholds. That is what good multinational
tax reform requires, rather than a dibber-dobber plan.

On this side of the chamber we are deeply committed to tax reform. But, as with all tax
legislation that is debated in this parliament, it is absolutely incumbent on the government to
be transparent about the ramifications these changes to the managed investment trust regime
will have. The last thing the opposition wants is another tax loophole that can be exploited to
deny the Australian community a fair share of tax.

Following the report of the Senate Economics Legislation Committee, the opposition
agrees with the view of the committee that the new tax system for attribution managed
investment trusts is long overdue and will modernise the tax treatment of managed investment
trusts. These reforms will make Australia more competitive in the funds management industry
and allow Australian funds to participate in the Asia Region Funds Passport.

I reiterate that, having noted the concerns of some stakeholders, the committee was
satisfied that any unforeseen or unintended consequences that may arise during the
implementation process will be dealt with by the government quickly. The opposition regards
this as welcome news and particularly endorses the recommendation of the committee that
there be a review of the new tax system within 24 months of commencement in order to
provide an avenue through which stakeholders can also express their concerns.

With this, the opposition supports the bill.

**Senator CANAVAN** (Queensland—Minister for Northern Australia) (10:14): I have here
that I should thank all those senators who have contributed to this debate, but I think I only
need to thank Senator Dastyari for his considered, enthusiastic and passionate contribution to
this debate and particularly for his support for these very important bills to do with managed
investment trusts. The package of bills before us amends various taxation laws to introduce a
new tax system for eligible managed investment trusts. Passing these bills is critical, as noted
in the submissions to the committee.

As at 30 June 2015, the managed investment trusts industry had grown to $2.6 trillion and,
given its size, Australia's funds management industry is significant to our economy and the
financial security of many Australians. In its report, the committee recognised that the new
tax system is long overdue and will modernise the tax treatment of managed investment
trusts. These amendments update the trust regime so that it meets the commercial needs of
fund managers and millions of Australian investors who invest in them directly or through
their superannuation funds and enhance the competitiveness of the funds management
industry.
This package of bills introduces an attribution model of taxation, which taxes members as if they had derived the income directly. The new rules recognise the use of trusts as collective investment vehicles and replace the general trust rules that are uncertain. The new tax system will reduce the compliance burden on trustees and investors by $30 million per year. Trustees will now have the option to recognise variances in income attributed to members in the year it is discovered. This is easier than reissuing statements to affected members. In addition, changes to the treatment of multiclass managed investment trusts will give trustees greater flexibility and reduce the costs associated with offering additional investment options through the one trust. The bills further contain an arms-length rule to prevent profit shifting from related parties to strengthen the integrity of the new regime.

These amendments have been actively sought by the funds management industry. The industry has also been actively involved in the development of the new law, which was noted by industry in submissions to the committee. As these changes are significant, Treasury will also complete a post-implementation review of this new tax system by 1 July 2018, consistent with the recommendation of the committee, to ensure that the new rules operate as intended. The committee only made two recommendations—the other that the Senate should pass this package of bills.

The bills bring the managed investment trust regime into the modern era and will reduce complexity, increase certainty and minimise compliance costs for managed investment trusts and their investors. The rules will also enhance the competitiveness of Australia's fund management industry. With that, I commend this package of bills to the Senate.

Question agreed to.

Bills read a second time.

Third Reading

The ACTING DEPUTY PRESIDENT (Senator Sterle) (10:18): As no amendments to the bills have been circulated, I shall call the minister to move the third reading unless any senator requires that the bills be considered in Committee of the Whole.

Senator CANAVAN (Queensland—Minister for Northern Australia) (10:18): I move:

That these bills be now read a third time.

Question agreed to.

Bills read a third time.

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

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.


Honourable senators interjecting—
The ACTING DEPUTY PRESIDENT (Senator Sterle): Senator Dastyari, ignore the interjections.

Senator DASTYARI: They keep interjecting, Mr Acting Deputy President. This is an important bill and I want to have a serious discussion here. I thank the chamber for this opportunity to outline Labor's position on the Financial System Legislation Amendment (Resilience and Collateral Protection) Bill 2016, which we will be supporting.

In a week that will be dominated and has been dominated by some fairly willing and high-profile debates on economic policy, the very technical changes in this bill are unlikely to attract the same attention, but that does not mean that they are not very important for the stability of our financial system. Though we may find much to disagree on in this place and beyond in the final week of parliament and in the next two months if we head into an election campaign, I think it is important to mark that, when it comes to this bill and when it comes to financial resilience and living up to our international obligations, all sides of the chamber do agree in this instance.

The bill makes changes to the regulation of over-the-counter derivatives that come out of international agreements made after the global financial crisis. Clearly the global financial crisis made us re-think a whole host of regulatory measures in our financial system. The legislation being discussed today relating to over-the-counter derivatives is one such example.

Labor has always played a productive role in supporting the development and improvement of Australia's financial regulation. The float of the dollar, the sale of the Commonwealth Bank, deregulation of the banking system, ending centralised wage fixing, and the beginnings of Reserve Bank independence—all were key features of the legacy of the Hawke and Keating governments.

Of course the last Labor government took decisive action to keep Australia on the path of growth during the last financial crisis. It is extraordinary that we have had a quarter century of uninterrupted economic growth in this country when you consider that within that period there was the sharpest synchronised downturn in the global economy since the Great Depression of the 1930s. This is something we should all be proud of. Our decisive action during the global financial crisis included being instrumental in the development and elevation of the G20, which was key to the international responses to the crisis. I got to work on some of these issues in a previous staff role and I think that the part played by Australia is something that Australians should be very proud of. Certainly both sides of the parliament, the business community and all Australians have cause to be proud of what Australians achieved together during the global financial crisis, including the role that this nation played in the big international forums and principally the G20.

We are pleased now to be supporting this bill, which comes out of those international agreements—in this case, the one on margin requirements for derivatives. It was part of a process kicked off by the G20. The effect of this bill will be to improve the stability of the financial system and to bring Australia's derivative-trading sector into line with internationally agreed standards. It is expected that these measures will ease the financial burden of compliance with international standards by $3.9 million annually.

This bill implements the agreement between the Basel Committee on Banking Supervision and the board of the International Organization of Securities Commissions on margin...
requirements, which are being phased in internationally from 1 September this year. The agreement came out of several major pieces of work by the G20 and goes back to about 2009. With input from the then Treasurer, Mr Swan, the G20 committed to improving transparency, mitigating system risk and protecting against market abuse in derivatives markets.

By 2011 it was recognised that not all derivatives are suitable for central clearing, so the G20 called for uniform margin requirements for over-the-counter derivatives. Australia has already indicated its support for this international agreement, and that is a good thing. In November 2015 our own Council of Financial Regulators announced its intention to implement the Basel and International Organization of Securities Commissions framework for margining. Further, in February this year the Australian Prudential Regulation Authority released its proposed margining requirements, which will become effective by 1 September 2016 and be phased in over several years.

Participants in non-cleared derivatives markets have traditionally transferred margin, otherwise described as collateral or credit support, by way of absolute transfer rather than by way of security. The new requirements will mean that most participants transfer margin by way of security instead. The Australian Prudential Regulation Authority's margin requirements will only apply to institutions with significant activity in over-the-counter derivatives where the institution or the group it is a part of has average month-end notional outstanding over-the-counter derivatives of greater than A$3 billion. The Council of Financial Regulators has indicated that it will consider the approach for non Australian Prudential Regulation Authority regulated institutions this year. Several other developed countries, including the United Kingdom and European Union members, have enacted similar legislation to clarify their own securities laws.

Labor supports measures to improve the stability of the financial system, noting the negative impact that unsecured derivative contracts had on the deepening of the global financial crisis. That is why we support this bill and why we support reasonable steps to bring our derivative trading sector into line with internationally agreed standards.

**Senator CANAVAN** (Queensland—Minister for Northern Australia) (10:25): Once again, thanks to Senator Dastyari for his contribution and his support for the Financial System Legislation Amendment (Resilience and Collateral Protection) Bill 2016. It reminds us all and the public that, for the vast majority of legislation that goes through this place, we work together. This is an important piece of legislation. It has been in train since the global financial crisis in 2007 and 2008, and there has been a concerted international effort since then to reform international financial markets, including over-the-counter derivatives markets.

The Financial System Legislation Amendment (Resilience and Collateral Protection) Bill 2016 builds on progress already made in Australia and overseas to better regulate derivatives markets and facilitate the effective participation of Australian financial institutions in those markets. Specifically, it supports an international move to impose margin requirements for non-centrally-cleared derivatives. Margining is the process of exchanging collateral to protect against counterparty credit risk in financial contracts. It is intended to reduce the potential for contagion and spillover effects by ensuring that there is sufficient collateral available to offset losses associated when a counterparty to a derivatives arrangement defaults. In domestic and international over-the-counter derivatives markets, margin requirements are the next substantial wave of regulatory reform. Several other G20 nations either have already adopted
final margin rules or are currently undergoing consultation to confirm them ahead of international margin requirements which come into effect in September of this year.

This bill amends the Payment Systems and Netting Act 1998 to enable entities subject to Australian law to give and enforce rights in respect of margin provided by way of security in connection with certain financial market transactions. It creates a facilitative regime that will enable financial institutions to comply with international margining requirements and any corresponding prudential standards set by the Australian Prudential Regulation Authority. This will ensure that institutions can continue to trade effectively and efficiently in domestic and international markets.

This bill also clarifies an inconsistency in Australian financial markets law. The bill does this by clarifying the way in which certain rights, known as close-out rights or as early termination rights, may be exercised by counterparties against Australian regulated financial institutions when those institutions become subject to resolution measures such as statutory management or judicial management. The clarification is made in a manner which is broadly consistent with international developments as set out in the Financial Stability Board's Key Attributes of Resolution Regimes for Financial Institutions and the International Swaps and Derivatives Association Inc.'s ISDA 2015 Universal Resolution Stay Protocol.

Finally, this bill will enhance financial system stability by providing legal certainty for the operation of approved real-time gross settlement systems, approved netting arrangements and netting markets—more specifically, market netting contracts—in all market conditions. These markets, systems and arrangements are fundamentally important to the stability of the Australian financial system. It is essential that the operation of these markets, systems and arrangements is protected even in difficult market conditions. The proposed amendments will ensure that participants in and the operators of these markets, systems and arrangements have cooperation in their operation.

The bill is a result of consultation with the Council of Financial Regulators, industry bodies, market participants and their advisers. All submissions received during the consultation process supported the bill's intent. With that, I commend the bill to the Senate.

Question agreed to.

Bill read a second time.

Third Reading

The ACTING DEPUTY PRESIDENT (Senator Sterle) (10:29): As no amendments to the bill have been circulated, I shall call the minister to move the third reading unless any senator requires that the bill be considered in Committee of the Whole.

Senator CANAVAN (Queensland—Minister for Northern Australia) (10:29): I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.
Social Services Legislation Amendment (Miscellaneous Measures) Bill 2015
Second Reading

Senator CANAVAN (Queensland—Minister for Northern Australia) (10:29): I move:
That this bill be now read a first time.

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

Leave granted.

The speech read as follows—

This bill introduces a number of minor 'housekeeping' amendments in the Social Services portfolio—contributing to general maintenance of the substantial suite of legislation administered by the portfolio.

In this case, amendments will be made to the social security law and family assistance law. The amendments will correct technical errors and clarify intended policy by removing minor ambiguities and anomalies.

The measures in this bill are technical in nature. These amendments are an important part of the ongoing management of these legislative frameworks.

One of the amendments in this bill will clarify that people serving an Income Maintenance Period for a mainstream income support payment, such as Newstart Allowance, cannot access special benefit during that period.

An Income Maintenance Period is a period of time during which payments, for example, redundancy or leave payments, are apportioned and treated as income for certain social security payments.

The effect of the Income Maintenance Period is to either reduce the person's payment rate, or fully preclude them from receiving a social security payment for the period that the termination or leave payment represents. During this period the person is expected to draw on the resources provided by their other payment.

A single person without children would be fully precluded from receiving Newstart Allowance if their termination payment is equivalent to at least $1014 per fortnight. This amount is higher if the person is paying rent.

In addition to Newstart Allowance, the Income Maintenance Period applies to Youth Allowance, Partner Allowance, Austudy Payment, Widow Allowance, Parenting Payment, Disability Support Pension and Sickness Allowance.

A person who is required to serve an Income Maintenance Period may have it reduced or waived if he or she is in severe financial hardship due to unavoidable or reasonable expenditure. You

Unavoidable or reasonable expenditure includes, but is not limited to, things such as the reasonable costs of living such as food, rent and utilities bills, as well as school and funeral expenses, essential repairs to the home, whitegoods and car, insurance premiums, medical expenses and any other costs that are considered unavoidable or reasonable taking into account the individual circumstances of the person.

Special Benefit is a discretionary income support payment available to people in severe financial hardship who are unable to earn a sufficient livelihood for themselves, due to reasons beyond their control. Special Benefit is generally paid at the same rate as Newstart Allowance but is not subject to an Income Maintenance Period.

However, it has been longstanding policy that a person who is unable to have an Income Maintenance Period for another income support payment waived or reduced, because the expenditure of their funds is neither unavoidable nor reasonable, should not be paid Special Benefit instead, as this
circumvents the purpose of the Income Maintenance Period and may encourage people to spend their termination payments too quickly.

This amendment confirms this policy position – people should use their own resources before drawing on taxpayer-funded support.

A further amendment in this bill will realign the time period for income reconciliation for certain Family Tax Benefit recipients. That is, for families who are not required to lodge a tax return, or have types of income not included in a tax return, the bill will introduce a one year timeframe for individuals to notify their non-lodger status or provide income details. This is consistent with the equivalent timeframe currently applying to families who are required to lodge a tax return.

The reduction to the timeframe from two years to one year is also consistent with the intent of the family assistance programme, which is to deliver financial assistance to families to help with the cost of raising children when it is needed.

One year is considered a reasonable amount of time for families to notify Centrelink that they are not required to lodge and/or provide details of types of income not included in a tax return in order for reconciliation of their Family Tax Benefit entitlement to occur.

It is also important to note that this amendment will have very little practical effect on families, as the one year timeframe for to provide income details or notify of non-lodger status has been communicated to recipients since the implementation of the broader realignment of time periods amendments in 2013.

As such, these amendments will not result in any unexpected or unforeseen outcomes for families, as they have been familiar with the rules for some time. However, the amendments will ensure it is clear that all Family Tax Benefit recipients have the same time period to meet the reconciliation conditions to receive supplements and top-up payments.

This bill will also make several amendments to the administration of certain student payments.

Firstly, the student payment eligibility criteria will be changed to remove the current requirement for new apprentices to have a Commonwealth Registration Number. The amendment alters payment eligibility criteria so that the requirements for new apprentice can be determined by the Minister in a legislative instrument.

This administrative detail has proved to cause delays in accessing and cancelling payments for apprentices. For example, an apprentice who is receiving Austudy payment ceases his apprenticeship and leaves his employer, but there is a delay in cancelling his Commonwealth Registration Number which means he continues to be paid Austudy. There can be delays of weeks or even months before a Commonwealth Registration Number is cancelled, which means when his Austudy payment is cancelled, he may have been overpaid and incur a debt. The change in definition of new apprentice removes any link to the person having a Commonwealth Registration Number which removes the delay in cancelling payment and avoids incurring a social security debt.

Removing the requirement is a sensible improvement. This change ensures payments are not unduly delayed to new apprentices needing financial support and that payments cease promptly when they cease to be apprentices so debts do not occur. This is expected to benefit all new apprentices seeking financial support through Youth Allowance or Austudy payments.

The change is also needed in light of Commonwealth Registration Numbers being replaced from 1 July 2016 as part of the Department of Education and Training's apprenticeship reforms.

The second student payment amendment is to clarify that only one course of education is taken into account in assessing 'undertaking full-time study' or 'undertaking qualifying study' for student payments at the same institution or across multiple institutions.
This measure aims to prevent students from being supported financially to undertake multiple unrelated courses of education that do not contribute to their employment or career prospects. It is estimated that this measure will affect only a small number of individuals.

It has always been the intention that students are only assessed against one course of education under the full-time study requirements of Youth Allowance (Student) and the qualifying study requirements of Austudy. The amendment will make the law clearer in this area, so that students are not assessed as undertaking full-time study on the basis of more than one course of education during a single study period.

The third amendment relating to student payments is to clarify exemptions from the Austudy assets test for people with a partner receiving a relevant payment.

A person is intended to be exempt from the Austudy assets test if their partner is receiving a relevant pension, benefit, allowance or compensation payment. The exemption is not intended to apply if the partner has received the relevant payment at any time in the past, unless the payment relates to lump sum compensation received as an armed services widow or widower under the Military Rehabilitation Compensation Act 2004, which has been received in the past.

This will ensure the appropriate application of the assets test to the assets of partners of individuals receiving financial support through Austudy payments.

The bill will also make a series of other minor amendments, clarifying and simplifying matters such as the indexation of Pharmaceutical Allowance, the allowable income limits for the Health Care Card, and certain decision-making and delegation framework provisions.

In the case of Pharmaceutical Allowance, the bill will make some small corrections and additions to cross-referencing in the indexation tables to ensure the legislation accurately reflects long-standing indexation policy. Pharmaceutical Allowance, which is added into the rate of some social security payments, or may in some circumstances be paid as a separate payment, is indexed or adjusted each year under Part 3.16 of the Social Security Act 1991. No change is proposed to current policy and practice.

The Social Security Act 1991 does not currently specify exactly what components of Newstart Allowance are to be included in the calculation of allowable income limits for the Health Care Card but current and past policy and practice is, and has been, to include only the maximum basic rate and energy supplement.

The amendment contained in this bill seeks to clarify the components of Newstart Allowance to be included in the calculation of allowable income in a way which gives undoubted legislative support to the current and past practice of calculating allowable income. That is, the amendment seeks to make it clear that the Pension Supplement, Pharmaceutical Allowance and Rent Assistance are all to be excluded from that calculation.

Nobody currently holding the Health Care Card will lose it because of this amendment. This is because the amendment contained in the bill does nothing more than provide clearer legislative support for the current practice of calculating allowable income. Furthermore, nobody acquiring the card in the future will be prevented from doing so because of the same amendment. This is because in the future the law will be applied as it is currently.

The amendments regarding the delegation framework will remove the requirement for the Secretary of the Department to seek the agreement of the Secretary of the Department of Human Services to the delegation of the Secretary's powers to officers of the 'Human Services Department' under the family assistance law. Departmental officers would continue to consult closely to ensure delegation instruments drafted are in line with the Human Services Department requirements.

These amendments will reduce the administrative burden and the time taken in the making of instruments of delegation under the family assistance law. It will also bring the relevant delegation
provisions in the family assistance law into line with those in the Social Security (Administration) Act 1999.

Lastly, there are a small number of technical amendments. These technical amendments include amending paragraph 8(8) (z) of the Social Security Act 1991 to change incorrect references in the note of the paragraph and repealing clause 49 of Schedule 1A of the Social Security Act 1991. These technical amendments will allow for corrections to cross-references, which will make the law easier to understand for individuals, and will repeal a spent clause from the legislation which is no longer used.

While these amendments are minor in nature, they are worth bringing forward to minimise confusion for payment recipients and stakeholder groups contending with legislative provisions that are sometimes unclear.

Such amendments are also an important part of ongoing responsible management of this important core legislative framework, and within the established policy to ensure consistency and clarity.

Senator MOORE (Queensland) (10:30): This very cleverly titled bill, the Social Services Legislation Amendment (Miscellaneous Measures) Bill 2015, was introduced by Minister Porter in the other place as a bill to fix up anomalies and to bring into line some changes that needed to be made, making the social services legislation clearer. We totally support that aim.

A community affairs committee consideration of this particular piece of legislation led to one major change. But what I thought I would do is put in place the intent of the bill in the first place, seeing that we have had the second reading speech tabled by the government, in terms of understanding exactly what this bill does.

The bill will make a number of changes. The first one is to clarify that people serving an income maintenance waiting period for a mainstream income support payment cannot access special benefit. This is the part of the bill where I believe the government is going to be moving an amendment to remove this from the legislation. In our Senate inquiry, this element of the bill was the one that engaged a large number of responses from people within the welfare system and also from individuals who felt that this component of the bill was actually unfair. I will identify exactly what the proponent was.

Special benefit is a payment for people in financial hardship due to circumstances beyond their control. I think it was National Welfare Rights Network, an organisation that is always interested in these issues and that has a strong record of understanding the social security system, that called special benefit the payment of last resort. When I worked in the department, this was the payment that people got when they could not get anything else. Special benefit is for people in financial hardship due to circumstances beyond their control. The proposal in the original legislation was the longstanding intent that it should not be paid to a person who is serving an income maintenance waiting period for a mainstream income payment due to receiving a termination payment or leave payment. The intent of the original legislation was that there would be an absolute preclusion in legislation for anyone who was serving the income maintenance waiting period to receive special benefit. We expect the amendment put forward by the government will change that.

The other elements of the bill are really in terms of a number of tidy-up processes. One of the other elements of the bill is to align time frames for meeting the family tax benefit reconciliation conditions and related amendments. Also, it passed the proposal that we alter student payment eligibility criteria so that the requirements for new apprentices can be
determined by the minister in a legislative instrument. The bill will amend the definition of
the new apprentice in the Social Security Act to remove the requirement for a Commonwealth
Registration Number. It alters requirements for that definition so it can be determined by the
minister in a legislative instrument.

I have spoken many times in this place about my concerns about essential elements of
consideration of legislation not being in the core legislation, but rather being put into
regulation. In fact, I think there is hardly a bill that comes forward in this area where I do not
make comments of that kind. However, in consideration of this particular proposal about
having the definition of an apprentice and the details of that put into legislation, we support
that. We think it is the most effective and most flexible way to ensure that the proposals can
be considered by the department and that changes around definitions can be defined more
quickly and in a more appropriate way in regulation. We are supporting it in this way, but I
could not miss the chance to put my normal opposition to having large chunks of detail put
into regulation rather than legislation.

In the student area, this confirms that students are only assessed against one course of
education under the full-time study requirements of youth allowance as a student and the
qualifying study requirements of Austudy and not against more than one course of part-time
study during a single study period. This is a matter of clarification and ensures that the
claimants fully understand the basis on which they are claiming Austudy and receiving that
payment, so having that assessment of only one course of education makes that clearer and
people are able to work through that in the claimant process.

The explanatory memorandum also states that the bill will:
Clarify the policy intention relating to a person's exemption from the Austudy payment assets test if their
partner is receiving or has received a relevant pension, benefit, allowance, compensation or has received
lump sum compensation as an armed services widow or widower under the Military Rehabilitation
Compensation Act 2004 in the past.

Even reading it out indicates how complex these areas are. The proposal in this bill is to
clarify the proposal on which someone can receive Austudy.

The next point is to simplify, consolidate, and remove inconsistencies and redundant
provisions in relation to the indexation of pharmaceutical allowance. This is actually a clean-
up clause, again clarifying and simplifying exactly how that pharmaceutical allowance is
defined in the legislation. The second last point is:

• clarify which components of Newstart allowance are taken into account under the allowable
income limits for the health care card;

Again, this is a clarification element, and we totally support that so that both the people who
are claiming payment and the people who are determining the payment are clear about exactly
what components of Newstart allowance are available to be taken into account under the
limits of the health care card. The bill will also:

• remove an administrative restriction in the family assistance delegation provisions;

This is again a clarification. It will also:

• correct cross-references and similar technical errors.

This is always important but, because of the way legislation is put together and the way that
the process operates, when some of these errors are found, the only way that they can be
clarified is to bring them back through the process here in parliament, identify them and make sure they are fixed. It is a natural part of what we do.

That is what the bill does. I think it is relevant in the discussion here to look at some of the issues that were raised around the original bill when the Committee Affairs Legislation Committee considered this bill. The issues that caused the most concern were around the payment of special benefit while someone is serving a waiting period. That caused a great deal of correspondence around concerns about the impact that the simple and complete removal of that option in legislation would have on people who are in hardship in the community. In terms of concern about the proposal that the government had put forward, it is worthwhile quoting some of the evidence that was put forward about. People with Disabilities Australia, an organisation that looks at a range of community members who have disabilities and their carers:

… expressed concern that the proposed amendments to the rules governing IMPs and special benefit will have a disproportionate impact on people with disability and may result in potential harm to people with disability:

They said:

People with disability who receive large payouts, for example as compensation for an injury, may not have, or may no longer have the skills to manage such a large amount of money, nor be sufficiently informed about the IMP duration, given they are unlikely to know about IMP until they apply for Centrelink support. Their IMP—

which is that waiting period for payment—

may continue for years, whether their payout has been sufficient to cover their expenses during this time.

I have already mentioned the valuable work that the National Welfare Rights Organisation do and continue to do looking at the issues of social security and welfare in our community. They Community Affairs Committee report stated that they:

… submitted that a review of IMP laws, policy and administration is necessary to addresses poverty traps before access to special benefit is removed.

They suggested a number of ways that that could be done, but it focussed on the fact that there needs to be this constant review about exactly how the system interacts and impacts on the community.

The way the social security system operates is very much a result of personal impact on people who are seeking support, often when they are in serious trouble or unsure of their rights within the system. That is very important particularly when we are talking about the payment of special benefit. The National Welfare Rights Organisation highlighted the impacts of financial hardship. We talked about the impact on people with disabilities who received a large payout for their disability in a compensation process. They had to tell that to Centrelink, or the Department of Human Services, when they were looking at ongoing pension requirements but the people receiving the income may not have been able to understand how the two systems interacted. The National Welfare Rights Organisation said:

The consequences of running out of money cannot be understated. It can lead to homelessness, social isolation, exacerbation of mental and physical illnesses, economic and social exclusion. Being without money can be a barrier to participation in the paid work force.

The focus must always be on the impact on the person.
Another submission to the inquiry that talked about the impact of payment of special benefit during IMPs was from Professor Whiteford and Ms Regan, who do research in this area. They put forward the proposition that people could experience financial difficulty while serving an IMP as a result of a lack of awareness of IMPs, spending behaviour and adverse life events and ongoing problems. The system as it now operates, and the way that the minister presented the original legislation, is that it is current practice within the social welfare system, within the Centrelink process, that people cannot receive special benefit while they are serving this waiting period. On the basis of that current practice the department and the minister indicated that they would change the legislation to confirm that practice. Our community affairs investigation found that, whilst it could be current practice, there had been a number of cases put through the appeal process which highlighted that there should not be an absolute preclusion of payment of special benefit during the waiting period, but that individual circumstances must be taken into account so that any decision would reflect the individual circumstances of the person. On that basis, when we did consider the proposals that were put forward to us, we rejected the application from the minister to say that they should confirm current practice. We felt that it should do the reverse and remain the same—individual circumstances must always be taken into account by decision makers when they are looking at decisions on people's social welfare. So we rejected the proposition that people should be unable to receive the special benefit while they were in the waiting period.

The other issue—I really want to talk about this in a more general way—is making sure that people understand and know their rights. As I just said, Professor Whiteford and Ms Regan suggested that one of the issues around this special benefit process was a feeling that people just did not understand how the waiting periods operated. Whilst you can never actually enforce understanding, I think there must be ongoing consideration by the department of putting in place as best they can ways of ensuring that people truly understand the way the system operates. That is particularly clear with the waiting period.

With respect to another part of the legislation, regarding student payments and Austudy, again it was put forward by the National Union of Students and other contributors to the committee that one of the concerns could be that people were confused—they did not really understand their own circumstances and how the system operated. I think it is worthwhile ensuring that this issue of understanding the system is considered, as this was raised in a number of ways during this committee inquiry and is a consistent element of community discussion when we have discussions in our own electorates about issues around social welfare, as it has been in previous community affairs committee hearings. This element of understanding the system comes out very regularly. This particular bill is a mechanics bill, and we support it to make sure that we are moving towards clarification. It is most important that all of us here get the message to the department that the issue of communication, the issue of awareness-raising, and the issue of personal understanding—all of those together are absolutely critical for any way of working with government in terms of social welfare.

The other thing that is very clear again in this piece of legislation, and in the way that the community affairs committee operates, is the knowledge and the engagement of organisations such as the National Welfare Rights Network, People With Disability, and ACOSS. These organisations work closely with a range of community members, many of whom are closely involved with the social welfare system—sometimes through decisions that they have made in
their lives; sometimes through things over which they have no control, such as injury or illness. I think it is an essential element of the way the Senate operates that we have this interaction with community organisations, so that we can best understand their needs and also best understand the impact of legislation on them.

One of the other things that came out in the discussions around this piece of legislation was ongoing concern about other pieces of legislation that are currently before the Senate. They have been rejected by the Senate, but we know from the budget last night that these measures are still in the minds of the government. People giving evidence to this inquiry talked about their concerns about their family payments—Family Tax Benefit A, Family Tax Benefit A, and payments that have been cut by the government. One of the witnesses talked about the paid parental leave process, and said that their opportunities to be involved in their work and also in their community would be impacted by those cuts. When we talk about any element of social welfare, naturally people come forward with their own experiences generally; with what is happening to them. We saw again last night in the budget that there was no change to the circumstances of people who are reliant on social welfare, except the cut for people who are newly going onto payments, who will have lower payments because of the reduction of the allowance that was in place to cover the carbon reduction scheme compensation.

In relation to people in the community, people who will be affected by some of the changes we are putting forward in this piece of legislation will continue to be the most disadvantaged, and they will not see much benefit from what happened in the budget that we heard last night—nor in the raft of legislation that continues to be unresolved, which contains payment cuts from previous budgets that have come before this place.

Labor supports the legislation, provided that the government brings forward the amendment to remove schedule 1. We support the need to ensure that every effort continues to simplify and consolidate the very complex system under which we operate. We also reaffirm the importance, when there are legislative changes being put forward, of going through the Senate community affairs committee process because, consistently, the work that the committee does, including the interactions with the community organisations, improves the legislation that finally comes forward to the Senate. I cannot remember—and I am looking at Senator Siewert—where we have had recommendations come forward which do not actually reflect the impact on the community; recommendations which we as the Senate can then consider. We will not agree with everything, but at least we will have fulfilled the expectation of the community that the Senate is there—and the community affairs committee and the committee process is there—to ensure that community members who will be impacted by legislation will have the opportunity to have their say. It is also there to clarify any issues which may come forward in future bills which look at miscellaneous measures in social services.

Senator SIEWERT (Western Australia—Australian Greens Whip) (10:49): I rise to also make a contribution in the debate on the second reading of the Social Services Legislation Amendment (Miscellaneous Measures) Bill 2015. We cannot support this bill in its current form, and that is why I have amendments that I have circulated and will discuss in the committee stage. This bill, on the surface, looks like it is about fixing up technical things in the act, but there are some schedules here that are, once again, a continuation of the government's approach to the most vulnerable members of our community: people living on
income support. Either the government are purposely making life more difficult for people trying to survive on income support or they just do not get it and do not understand that making even small changes to people's payments means that people fall below the poverty line or, if they are already there, fall even further below the poverty line. They simply do not get it.

We see that again in the budget last night, which I am aware we will be talking about again this afternoon, because it is the subject of a matter of public importance that we will be talking about. But it is quite clear that this is a continuation of what really started under the Howard government, most significantly, when people were dropped onto Welfare to Work and single mothers were transferred off parenting payment single onto Newstart. That was continued by the Gillard government, who also dropped those single parents that were grandfathered onto Newstart, significantly dropping their income and therefore dropping them into poverty. Since then, the Abbott government made a number of harsh budget cuts that are still on the books. They did change the policy of dropping young people off income support for six months; they changed that to a month—or, when you add the normal waiting period, five weeks. That is still on the books. All those other cuts to people with disabilities and to students are still on the books, and that was confirmed in the budget last night.

In this particular bill, there are a number of changes that we are deeply concerned about. In particular, we are opposed to the changes to the special benefit. Schedule 1 of this bill would make changes to the special benefit. It would mean that people who are serving an income maintenance period for another payment cannot receive special benefit. I would like to quote comments that the National Welfare Rights Network made in their submission to the inquiry into this bill:

This is a bill that would give effect to a policy that has, in our opinion, been illegally applied for some time. It is not "minor housekeeping" but rather a decision to close of the "last resort" payment in our safety net which catches a very small number of deeply disadvantaged people.

Again, this is ripping into our safety net in this country, which unfortunately is being ripped and ripped and ripped so that is in fact no longer a safety net. This is a small but critical part of our safety net. The National Welfare Rights Network tells us that there are a small group who depend on this payment. They are people who are serving an income maintenance period, often a very long one, when, for whatever reason, something goes wrong.

Two academics, Susan Regan and Professor Whiteford, have examined the reasons why people fall through the system during an income maintenance period. These include lack of awareness of income maintenance periods; spending behaviour; and adverse life events and ongoing problems. Some examples of these were given to us during the inquiry. We believe we need a safety net that supports people in need. The safety net is meant to deal with situations where something goes terribly wrong. For the few people who need to use this, that is in fact what happens. Some people do not understand the restrictions that relate to income maintenance periods. Some people may not have the ability to manage large sums of money, and again something may go terribly wrong. Most of all, life happens. Things happen that have adverse impacts on your life: an illness, a divorce, a separation, a mental illness or an accident. These are things that can and do happen to all of us—challenges that we all encounter or have the potential to encounter. For people who are serving an IMP, an income maintenance period, this can be a devastating incident. Support networks can fall apart, or, for
some people, they may have been non-existent in the first place. Who do people turn to then? That is why we have a safety net in this country. That is why we have systems in place—so that people do have a last resort to turn to. Basically, what this says is that people are going to be left out in the cold, and we do not agree that in this country we should be allowing that. If we can afford to give tax breaks to the rich we can afford to look after the most vulnerable—the very few people who actually need this as a last resort. We can afford that if we can afford those tax breaks for the wealthy in this country.

I will now read from one of the case studies that was provided by the National Welfare Rights Network:

Ron received a termination payment of around $230,000 in July 2013. Although he had been granted a disability support pension it was not payable as he was required to serve an IMP to February 2017.

In March 2015, two years into his IMP, he lodged a claim for special benefit with the assistance of a welfare rights advocate. His claim was rejected by DHS—the Department of Human Services—one week later. Four months later an Authorised Review Officer affirmed the rejection and the next day he lodged an appeal against the decision with the Administrative Appeals Tribunal (the tribunal).

At the time of the hearing Ron was living in Liverpool Hospital, unable to be discharged because he was homeless and could not be placed in assisted housing without an income support payment. He had a range of health issues, which met the medical criteria for DSP and had been admitted with suicidal ideation …

He had worked for his employer for 28 years when he was made redundant in July 2013. At that time, he was still grieving the loss of his mother. He was unaware of the IMP. He invested in online businesses which failed. He did not have the skills to manage large sums of money. His occupational therapist assessed him as partially dependent for personal care and basic activities of daily living, medication management, shopping and housework and fully dependent for money management … In March 2015 he was forcibly evicted. His occupational therapist explained that crisis accommodation was not suitable as it was not set up to support his physical needs.

The tribunal was satisfied that he had no reasonable means of support and was unable to earn a sufficient livelihood due to his health and homelessness. It noted his homelessness, isolation, unresolved grief and ongoing vulnerability to self-harm. While his spending had been unwise it needed to be considered in the context of his whole circumstances: his lack of awareness of the IMP, his impaired decision making capacity, his ongoing attempts to find work and absence of money management skills.

What would this government have happen to Ron if we got rid of this part of this legislation? What would they do? We oppose schedule 1 of the bill. It is ill thought out and an undisguised move to again reduce funding and our safety net for the most vulnerable in our community. It would cut away a small but important part of the safety net. It would stop people in need receiving the support that they need.

We also oppose schedule 3 of this bill. Under the current legislation, students can qualify for income support by studying a full-time load between two different courses. The change in the bill would mean that only one course of education would be considered. This legislation would allow for combined courses like an arts-science double degree. While the change only
affects a small number of students, it would reduce the support for a small group. The National Union of Students wrote that the changes might:

… restrict student choice and undermine the rhetoric of student centred learning that has dominated higher education policy considerations over the last decade.

We are concerned about the impact this will have. Again, it might affect a smaller group of people than some of the other changes and policy approaches this government has taken with people who are trying to survive on some form of income support. These people are important. Again, in a nation as wealthy as Australia, where we can afford to give tax cuts to the well off, we can afford to support students who have a more complicated study schedule than others. We oppose this schedule, the same as we oppose schedule 1. We cannot support this legislation unless these changes are made.

Senator CAROL BROWN (Tasmania) (11:00): The Social Services Legislation (Miscellaneous Measures) Bill introduces a number of minor amendments in the social services portfolio. Largely the amendments correct technical errors and clarify intended policy by removing minor ambiguities and anomalies. The uncontroversial elements of this bill: align timeframes for meeting the family tax benefit reconciliation conditions and related amendments; alter student payment eligibility criteria so that the requirements for 'new apprentice' can be determined by the minister in a legislative instrument, and the bill will amend the definition of new apprentice in the Social Security Act to remove the requirement for a Commonwealth registration number and alter the requirements for that definition so it can be determined by the minister in a legislative instrument; confirm that students are only assessed against one course of education under the full-time study requirements of youth allowance (student) and the qualifying study requirements of Austudy, and not against more than one course of part-time study during a single study period; clarify the policy intention relating to a person's exemption from the Austudy payment assets test if their partner is receiving or has received a relevant pension, benefit, allowance, compensation or has received lump sum compensation as an armed services widow or widower under the Military Rehabilitation Compensation Act 2004 in the past; simplify, consolidate, and remove inconsistencies and redundant provisions in relation to the indexation of pharmaceutical allowance; clarify which components of Newstart allowance are taken into account under the allowable income limits for the health care card; remove an administrative restriction in the family assistance delegation provisions; and correct cross-references and similar technical errors.

However the remaining elements of the bill, contained in schedule 1, are of significant concern as they have the potential to have a devastating impact on a small number of people, leaving them without any support. This bill was considered by the Community Affairs Legislation Committee. In the course of that inquiry, it became clear that there is significant concern about schedule 1 of the bill. Schedule 1 of the bill has the effect of excluding people serving an income maintenance period from receiving special benefit. Special benefit is a payment intended for people experiencing financial hardship. According to the government, it is current Centrelink policy to reject applications for special benefit for people on an income maintenance period. The government have therefore argued that this legislation simply clarifies and implements the current policy.
However, evidence provided to the Senate committee inquiry into this bill, from various welfare agencies, illustrated that there have been a number of successful appeals of decisions of Centrelink in relation to this policy. In these decisions, the Administrative Appeals Tribunal has found that access to special benefit is warranted for people on an income maintenance period if they are in severe financial hardship due to circumstances beyond their control. This might occur due to costs associated with illness, disability or other circumstances.

A significant number of the submissions to the inquiry expressed concern that by removing the discretion of Centrelink and the AAT to grant special benefit, this bill has the potential to leave a group of people without a social safety net. While this is only expected to be a very small group of people, it is distressing that these changes would leave them without any assistance at all. For this reason, Labor senators on the Community Affairs Legislation Committee recommended that the bill be amended to remove schedule 1.

The impact of an income maintenance period is to reduce a person's rate of income support or to preclude them from receipt of any payment for a period following receipt of a payment for retrenchment. The Social Security Act provides that an income maintenance period can be reduced or waived if a person is in 'severe financial hardship' as a result of 'unavoidable or reasonable expenditure'. The special benefit can be granted to people in severe financial hardship due to circumstances beyond their control who are unable to earn enough income to support themselves and their dependants and who are not able to receive any other income support payment. It is a discretionary payment. The circumstances under which the payment is granted and the amount paid are determined by a delegate of the secretary of the Department of Social Services.

In their submission to the Community Affairs Legislation Committee inquiry into the bill, the National Welfare Rights Network rightly described the payment as a payment of 'last resort'. The evidence of the National Welfare Rights Network and their concerns about this schedule was based on their experience of advocating for clients seeking payment of the special benefit. The National Welfare Rights Network specifically cited two complaints that they had made to the Commonwealth Ombudsman in relation to the practice of automatically rejecting special benefit claims. These complaints led to the Ombudsman's examination of the policy instructions provided by the Department of Social Services to the Department of Human Services.

A report by the Ombudsman, *Income Maintenance Periods and Special Benefit*, was released on 7 March 2016. The Ombudsman's report stated that, for many people, the size of the termination payment will mean they must serve an income maintenance period, which may extend for some months, as an income maintenance period applies for the equivalent number of weeks that the employment related termination payment represents. The report also noted that there is no obligation on employers to advise employees about income maintenance periods and other waiting periods and that employers are only required to notify the DHS if 15 or more employees are being made redundant. Further to this, the Ombudsman stated that it is not uncommon for people to spend all of their termination payment before they contact the DHS to apply for income support, some having found themselves in severe financial hardship. The Ombudsman's report noted:
The Act does not currently apply IMPs to Special Benefit and there is nothing in the Act that says Special Benefit cannot be paid while a person is serving an IMP for another payment. Contrary to this, DSS had issued a policy instruction that Special Benefit should not be paid to a person who is serving an IMP in relation to another income support payment. Due to this instruction, DHS could not grant Special Benefit to someone serving an IMP. However, if the person sought review of that decision before an external tribunal, it was and remains possible that Special Benefit would be granted.

The Ombudsman's report recommended that DSS amend the policy instruction for IMP reduction so that it takes account of each person's circumstances, including the portion of the termination payment that was spent on non-permitted items in relation to the actual size of the payment and the length of the IMP. It also recommended that it amend its instruction about the grant of special benefit during an IMP so that the Department of Human Services is permitted to properly consider and, where appropriate, grant claims in that situation. The Ombudsman's report also recommended that DSS raise community awareness of the impact of employment termination upon income support non-payment and waiting periods—which anyone here should agree is obviously a very sensible thing to do.

Based on the findings of the Ombudsman's report it is clear that this schedule of the bill does not 'correct technical errors and clarify intended policy by removing minor ambiguities and anomalies'; rather, it gives effect to the policy that has been applied by the department contrary to the current act. It is quite clear. This will have the effect of removing the final safety net, Special Benefit, which supports people in rare cases of extreme hardship that cannot be remedied by existing IMP waivers.

Submissions to the inquiry highlighted the types of financial hardships that can be experienced by someone serving an IMP that may not satisfy the waiver conditions, and identified a number of common factors that lead to this financial hardship. The common factors identified in the Welfare Rights Network submission were ill health or disability impacting capacity to make rational decisions; inability to re-enter the workforce, for example due to lack of skills diversity, health, disability and age discrimination; financial exploitation; poor financial literacy and/or inexperience in managing large sums of money; pre-existing debt; lack of English or low educational attainment; difficulty adjusting to unemployment, sometimes coinciding with adjustment to new disability, both emotionally and financially; addictions; incorrect advice affecting decision making; failed investments; strong personal and cultural obligations to financially provide for extended family; emotional issues such as depression and anxiety; and social isolation. This was, again, in the submission by Professor Peter Whiteford and Ms Sue Regan of the Social Policy Institute, Crawford School of Public Policy, Australian National University, who had been commissioned by the National Welfare Rights Network to undertake research relating to people excluded from income support because they are serving an IMP who are in financial difficulty.

The three main factors that were identified by Professor Whiteford and Ms Regan in their preliminary research as contributing to people experiencing financial difficulty while serving an IMP are lack of awareness of IMPs; spending behaviour; and adverse life events and ongoing problems. The submission from the National Welfare Rights Network highlighted the impacts of the resulting financial hardship. Their submission states:

The consequences of running out of money cannot be understated. It can lead to homelessness, social isolation, exacerbation of mental and physical illness, economic and social exclusion. Being without money can be a barrier to participation in the paid workforce.

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CHAMBER
So, while the Social Security Act does set out circumstances under which an IMP can be reduced or waived to respond to cases of 'severe financial hardships', submitters to the inquiry argued that these provisions are insufficiently flexible. In considering the adequacy of the current IMP waivers, the National Welfare Rights Network stated:

While we agree that ordinarily relief from an IMP should be assessed under the IMP waiver rules, the existence of those rules is not inconsistent with the policy intent behind special benefit which recognises that from time to time there are special circumstances under which a person should be paid income support despite not meeting the usual requirements or exemptions contained under the Act.

Also, the National Union of Students or NUS in their submission raised concerns about removing the safety net provided by special benefit. The NUS submission recommended that the committee:

... should confirm that alternative safety net provisions are in place to deal with exceptional circumstances that the Special Benefit was designed to deal with and that the alternative processes can be accessed in a timely manner.

The bill and the supporting documents provide no assurances or indication that there is any alternative assistance to be made available to people who, in exceptional circumstances, find themselves in financial hardship which does not meet the criteria for an IMP waiver.

It is clear that retaining special benefit for people serving an IMP is not inconsistent with the policy intention of the payment. Special benefit is designed to recognise that, in some rare instances, there are circumstances that should give rise to income support payments, even where a person does not meet the usual requirements. As People with Disabilities Australia stated in its submission:

Special benefit is designed to ensure that when all other income support payments are excluded, and if a person is in a dire financial position with no other prospect of supporting themselves, they are able to access this payment.

Their submission also went on to say:

This benefit recognises that there are some instances where the discretion to assist ensures that people with no support are not further financially disadvantaged.

It is clearly appropriate that the current arrangements remain in place with the broad discretion remaining with the delegate of the secretary of the department to grant special benefit to alleviate financial hardship experienced by somebody unable to qualify for another income support payment as they are serving an IMP. While Labor broadly supports this bill, we seek to have the bill amended to remove the schedule containing this measure. This might occur due to costs associated with illness, disability or other circumstances.

Of course, Labor continues to oppose other social service legislation that the government has tried to get through the parliament. We oppose the government's attempts to cut family payments from 1.6 million families and three million children. We oppose their unfair cuts to Paid Parental Leave which will leave thousands of new mothers worse off. We oppose the government's cuts to the pension and the proposal to force Australians to keep working until they are 70.

The government's record on supporting families, older people and vulnerable Australians is atrocious. Labor will continue to stand up for them and protect the fair go—unlike those opposite, who handed down a budget which prioritises businesses over battlers. The Turnbull government is giving tax cuts to millionaires and multinationals while cutting the household
budgets of families and pensioners and, in the case of this bill, removing the last remaining safety net for people.

The budget that we saw handed down last night only adds to the cuts and unfairness of the Abbott budget. Under the Liberal government, it is clear that Australian families and pensioners really are the biggest losers. Even after Mr Turnbull's $6 tax cut, some families will still be as much as $4½ thousand a year worse off per child. We have seen Mr Turnbull break the Liberals' pre-election promises not to touch the clean energy supplement, for example. So what have they done? By abolishing the clean energy supplement for new entrants, families receiving family tax benefit A will be $116 a year worse off per child. Families receiving family tax benefit B will lose up to $73 a year. Single pensioners will lose $366 a year and couple pensioners will be $550 a year worse off per child. These new cuts are on top of the existing cuts Mr Turnbull is determined to inflict on low- and middle-income families. I say that— (Time expired)

Senator SIMMS (South Australia) (11:20): I rise to speak on the Social Services Legislation Amendment (Miscellaneous Measures) Bill 2015. Further to the comments made by my colleague Senator Siewert, I seek to look at the implications of what is being proposed here for students. In particular, I look at schedule 3 of this bill, which amends the determination of the full-time study requirement for a student to be eligible for Commonwealth income support through youth allowance and Austudy. The legislation would change this structure so that full-time enrolment loads can only be from one course of education. I acknowledge that that does not include combined degrees—there are some exemptions there—but, as has been noted by the National Union of Students, this does significantly restrict choices available to students. It does not recognise the reality of the experience for many students who are engaged at university who may be juggling a range of different employment obligations due to the inadequacy of this government's youth allowance arrangements. Therefore, this will impact on a potentially small but significant cohort of students. It is really important that we consider the implications of this.

We know that the Liberals have form in this regard when it comes to ignoring the plight of students and making life more difficult for people at university. We know they have form in this regard. To see that we need only look at last night's budget flop. To much fanfare, the Liberals have been out saying that they are abandoning their push for deregulation. But let us be clear: that is nothing more than a smoke-and-mirrors ploy to try to cover over what they really have in store. From 2017 to 2018, there will be a 20 per cent cut to the university sector. That is the forward estimates. That is $200 billion being ripped away from universities.

How do the Liberals propose to make up the difference? They have an options paper, a discussions paper, out there where they are going to talk about all these ideas. Everything is on the table, of course. They want to talk about these flagship degrees where universities can charge sky-high fees. But we know that they want to increase the fees for students as well. Of course that is part of the mix, because that is the only solution that they know. It is interesting that, after Prime Minister Turnbull plunged the knife into the back of Tony Abbott, he is now wielding a razor at students and universities. They head into this election campaign with a sword of Damocles hanging above them as the Liberals try to string them out and pretend that they have some alternative to increasing fees. But that is all they have on the table, and the
reality is that that is going to impact on students, particularly those from low socioeconomic backgrounds, those from low-income families.

In addition to the changes being proposed in this legislation, which target some of the most vulnerable members of our community, we saw in the higher education announcements in last night's budget $150 million being ripped away from the Higher Education Participation and Partnerships Program. That is $150 million being torn away from a program that aims to ensure that that Australians from low socioeconomic backgrounds who have the ability to study at university have the opportunity to do so. We know that costs to attend university have continued to rise. They are going to continue to rise even further if the Liberals get back into government. Now the government are attacking those who need assistance the most by gutting more than $150 million from this critical program—a program that would help students from lower socioeconomic backgrounds get into university and support them in their study at university.

Of course, we know that the Liberals do not like that. They want to shut the door on those from lower socioeconomic backgrounds going to university. They want universities to be the domain of the rich, as we see in the United States, and that is what their deregulation agenda is all about. That is what their approach to higher education has been about—universities for the elites but shutting out everyday Australians.

Isn't it interesting that we see bills like the one before us today—the Social Services Legislation Amendment (Miscellaneous Measures) Bill—really targeting those most vulnerable members of our community. They tend to do so on the basis of trying to save taxpayer dollars—that is the guise under which these changes are all so often proposed. Yet when, as my colleague Senator Siewert has said, it comes to finding money for the big end of town the Liberals can always find it. We have even seen in this federal budget $160 million being squirreled away in a special contingency fund so that they can hold their costly and divisive plebiscite, a plebiscite that so many in the Liberal and National parties will ignore the outcome of.

So, we are seeing $160 million being squirreled away to ask a question that we already know the answer to. Here is a newsflash for the Turnbull government: Australians support marriage equality. They want to see the government deliver on marriage equality, and we do not need a costly and divisive plebiscite to get us there. We do not need a taxpayer-funded hate campaign to be levelled at the gay and lesbian community. All we need is a free vote in the parliament, and Mr Turnbull has the power to deliver that. Mr Turnbull has the power to do that, but for some reason he will not do it because he is wedded to the conservative Abbott era. He is wedded to the toxic policies of Tony Abbott. Of course, we saw the fingerprints of Mr Abbott all over last night's budget, not only with respect to higher education but with respect to a range of other measures as well.

But let's go back to consider the implications of what the Liberals are proposing for higher education in this budget. Of course, we have in the Social Services Legislation Amendment (Miscellaneous Measures) Bill before us today measures that are going to make things more difficult for students. But let's consider the measures in this bill in a broader context: let's look at the experience of students across the board. The reality is that the Liberals are also now going to reduce the HECS repayment threshold, so that if you are earning $45,000 a year you are going to have to start paying back your HECS. They are doing that at a time when the cost
of living is increasing and when the ability to get ahead is becoming more and more difficult for Australians—particularly for graduates. We know that there is record unemployment for young Australians and those who are leaving university.

What is the Liberal’s solution? It is to hike up fees and it is to start reducing the threshold so that people start paying back their fees earlier. So we are going to see students being burdened with more and more debt and we are going to see less flexibility as a result of this Social Services Legislation Amendment (Miscellaneous Measures) Bill, and that is a bad thing for the university sector in this country and it is a bad thing for students.

I know that when last night's budget was announced, a shiver would have run down the spine of every vice-chancellor in this country. They know what is coming; the Liberal Party razor gang have got them in their sights! They are going to slash 20 per cent off university funding and they are going to start that from 2017. And, of course, the Liberals are using their smoke-and-mirrors campaign to disguise that fact. They are trying to pretend that that is not happening, but hidden away in this budget is the ugly reality. The ugly reality is that the Liberals need to make up a 20 per cent funding cut—they need to make up $2 billion for the university sector and the only solution they know is to hike up fees. The only solution they know is deregulation, and that is what they have got on the agenda. That is what they are taking to the Australian people for this federal election.

The bill before us today does have an adverse impact on students. The proposal in schedule 3 would adversely impact on those who are studying full time and doing a diverse range of courses. It is an unfair policy and it compounds the stress that students are already under as a result of the toxic policies of the Labor and Liberal parties.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (11:30): In light of the fact that there is still a reasonable amount of government business to transact and that we do not have much government business time left, I suspect, for the parliament, I might simply thank colleagues for their contributions and commend the bill to the Senate.

Question agreed to.

Bill read a second time.

In Committee

Bill—by leave—taken as a whole.

Senator SIEWERT (Western Australia—Australian Greens Whip) (11:31): The Australian Greens oppose schedule 1 in the following terms, noting that it is the same as the opposition's amendment:

(1) Schedule 1, page 3 (lines 1 to 13), to be opposed.

The opposition and the Greens have the same amendment about special benefit and we have both signalled that we do not support schedule 1.

Senator MOORE (Queensland) (11:31): As it is the same amendment, as long as that segment comes out of it, we do not care who owns the amendment.

Senator SIEWERT (Western Australia—Australian Greens Whip) (11:32): Just to be clear on this, this is the schedule that I spoke about during my second reading contribution, which is why I am not going to revisit the issues. This is about the income maintenance
period, and I articulated why people are so concerned about that and the adverse impact on people if they cannot access this as a last resort safety net payment.

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

Question negatived.

**Senator SIEWERT** (Western Australia—Australian Greens Whip) (11:33): The Australian Greens oppose schedule 3 in the following terms:

(2) Schedule 3, page 9 (line 1) to page 10 (line 22), **to be opposed.**

As I articulated in my second reading contribution, the Greens do not support schedule 3, which we think unfairly impacts on students. Again, I indicated during my second reading contribution that the National Union of Students had concerns about this particular amendment. It impacts on students who need to take a different number of subjects and apparently different courses. My colleague Senator Simms very clearly articulated his concerns about the impact that this may have on students. Greens amendment (2) takes out schedule 3, which changes the requirements for study for social security payments.

**The CHAIRMAN:** The question is that schedule 3 stand as printed.

The committee divided. [11:38]

(The Chairman—Senator Marshall)

Ayes ...................... 31
Noes ...................... 12
Majority ................. 19

**AYES**

Abetz, E
Bernardi, C
Cameron, DN
Dodson, P
Fawcett, DJ (teller)
Gallacher, AM
Johnston, D
Lambie, J
Lindgren, JM
Ludwig, JW
McAllister, J
McLucas, J
O'Sullivan, B
Reynolds, L
Smith, D
Williams, JR

**NOES**

Di Natale, R
Ludlam, S
McKim, NJ
Rhiannon, L
Siewert, R (teller)
Waters, LJ

**Hanson-Young, SC**
**Madigan, JJ**
**Muir, R**
**Rice, J**
**Simms, RA**
**Whish-Wilson, PS**
Question agreed to.
Bill, as amended, agreed to.
Bill reported with an amendment; report adopted.

Third Reading

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (11:42): I move:
That this bill now be read a third time.
Question agreed to.

Senator SIEWERT (Western Australia—Australian Greens Whip) (11:42): Mr Deputy President, could I just have the Greens opposition noted in the Hansard? Thank you.

Bill read a third time.

National Disability Insurance Scheme Amendment Bill 2016

Second Reading

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

Senator MOORE (Queensland) (11:42): Labor will be supporting the National Disability Insurance Scheme Amendment Bill 2016. It is a very important time for all of us as we look towards the future of the NDIS in our nation.

Naturally, when we are looking at the make-up of the board of the NDIS, it is timely that we acknowledge the work that has gone before, in terms of the board that was originally part of the NDIS program. I think it is important at this stage that we give acknowledgement of the strong and committed leadership of that board, as it put in place, I think, one of the most important pieces of legislation we have ever had in our parliament.

As Ms Macklin, in the other place, said of the chair of the board, Mr Bruce Bonyhady: 'For Bruce, the design and the delivery of the NDIS is more than a profession; it's a life mission.' In terms of the work that he and his other board members did, when we are talking about the future of the NDIS we need to acknowledge and respect the work of the original board.

The legislation in front of us this morning is simply a proposal to expand the size of the board of the National Disability Insurance Agency from nine to 12. We believe, as the government has put forward, that having a larger board will give the board more stability during the ongoing rollout of the National Disability Insurance Scheme. In terms of the status of the NDIS currently in the country, we have gone through the first series of trials. Through those series of trials we have been able to see that the process, interaction and completion of the work of the NDIS has been completed in full and on time. We hear that phrase a lot in this place, 'in full and on time'.

Each of the reports that has come to this place, the updates of what has happened in the NDIS across the trial period, has shown that progress has been made and the budget has been in place. We have very clearly wanted to make sure that this scheme—which was so important to ensure that people with disabilities would be respected and that those people could be assured that they would be the leaders of their own destiny—its care programs and
the support that it provides are there. We are talking about people who need significant support. The NDIS was introduced to ensure that it was completely people centred so that the supports that wrap around a person were determined in their best interests, which is what they wanted. That was the scheme. We talked about it when we had the debate in this place to introduce the scheme, where there was cross-party commitment to ensure that we would have an effective NDIS.

That is in place. We are now moving into the next stage of the rollout, which is the expansion of the original trial sites into a wider area of implementation across the nation. I am really pleased that part of the new expansion of the trial will be the original process in Queensland. Certainly from my perspective as a Queensland senator, the fact that we will now have a site in place in north Queensland, in Townsville, is a really important part of the expansion of the scheme across the nation. In that case, the necessity of having an expanded board is obvious. To handle the new responsibilities, to handle the expansion, we must have the best possible expertise in place to make the important decisions will be made to ensure that the operations of the NDIS will be as effective as possible.

As part of the process we need to ensure that the consultation has been effective and that the work of bringing it forward—bringing into the process all states and territories with the Commonwealth—is done so that the interaction is solid. That is the way that the process must operate. We work with all of the states and territories, and the decision that the parliament is considering today is the result of extensive consultation with all the states and territories to bring forward a recommendation to this place. That is critical and it must occur for this process to be successful.

It is important to note that there have been concerns along the way about the way that the government had originally talked about the changes to the board process. I remember when the minister on duty today, who was the then Minister for Social Services, was at the last Senate estimates—as you would remember, Minister Fifield, through you, Mr Deputy President—and there was a lot of discussion around the process that at that stage we had had the unedifying process of seeing the advertisements for a proposed new board structure running across the nation. These advertisements were calling for applications for the NDIS board, while the current members of the board had not actually been given the courtesy of being advised that this process was going to happen. On record, we had the minister's response about the fact that it was an administrative process; it is all in Hansard from those Senate estimates. But in terms of the respect that should be shown when we are going through a transitioning process, a change process, that was not a good look. The ongoing nature of how we would expect that the interaction between the government and whoever the board members will be—we would not have such a situation where there would not be effective communication with people who are involved, who are committed, who have a proven record of dedication and effectiveness. That is something that should not happen in the future. I wanted to put that on the record while we are discussing the make-up of the new board to reinforce the kind of pain that that causes people who are involved in the process. I trust that is something that will not happen in the future.

It is also important to note that there have been, over the past few months, comments made by the government that have called into question the effect of budgeting that had been put in
place by the previous government around the introduction of the NDIS. We reject totally some of the comments that have been made about the lack of financial planning for the future of the rollout of the NDIS. It is clear that Labor did make effective provision for the introduction of the NDIS. It was an important element of legislation, and we made a commitment to the community that we would effectively introduce a national disability insurance scheme to our nation. When we brought that forward, part of the commitment that the Labor government gave to this parliament was that there would be effective financial planning into the future. On record, it is clear that there was effective financial provision made into the future. We had savings processes put there that would match up so that, to the best of our knowledge, to the best of the knowledge of Treasury—and in Treasury documents that have been brought forward through the parliament—we had an effective provision for the future of the NDIS. This message must be consistently placed on record in this place, and in the community.

The introduction of the NDIS was a cross-party introduction. There was agreement together that we would introduce this scheme, and there was an agreement that it would be effectively resourced. If you remember, in the lead-up to the national disability insurance legislation that came to this place, there was considerable discussion and argument about how it would be resourced. We understood, as a parliament, that it would need a significant injection of funding because we acknowledged that across our nation effective disability services had been under-resourced. That was a given. The information that came to us—we had an extensive community affairs legislation committee inquiry as the legislation was being rolled out into this place for discussion—and the evidence that came forward from across the board was that at state and territory level, and at federal level, there was a lack of effective resourcing for people with disabilities in our nation. That led to a situation where people were not receiving the services that they deserved and, indeed, that they needed.

One of the elements in the whole production of this legislation was to make a commitment that the NDIS would be well resourced and well managed and that it would be based on effective communication and consultation across the board. That was part of the legislation that we brought forward. We need to reaffirm that because, in this place on a number of occasions, ministers have made comment about the ongoing economic viability of the NDIS. It is important that we reaffirm that that is a solid commitment because in the community an expectation was built up that, finally, people with disabilities would receive the services they deserved. But at the same time—because of years of lack of response and years of promises that were not able to be fulfilled for various reasons—there is a genuine vulnerability in the community in people with disabilities. They do not want to see this scheme—in which they have committed, in which they are engaged and which has been the result of promises from governments—fail. When questions are raised and when comments are made in this place and outside that effective economic provision had not been made, that causes real fear and great concern. It is really important that we understand that there has been an effective economic plan around the NDIS and that there is commitment across the board to ensuring that that continues.

Part of that process is to ensure that we have the most effective board in place, which is the focus of this legislation. We are happy to support the legislation as we know that the people who will be on this board will provide the commitment that is necessary to ensure that the
process operates. We understand that the arrangements around which this board is developed include consultation with states and territories, and we understand that the financial expectations and the administrative expectations of these people are great. We also know that there is a commitment to ensuring that people with disabilities are part of the process and that among the current board we have a number of people who have experience with disability as family members and who themselves have identifiable disabilities. That is part of the ongoing process and, as you well know, there is a longstanding statement in the consumer movement which says: 'nothing about us without us' and, in the area of disability, this is certainly a very strong demand. In terms of the appointment of the board it is important that, when that process is in place, there is an understanding that the people who are on that board have knowledge of disability and, where appropriate, that people who themselves have identified disabilities can be part of the management of the scheme that has been developed to provide services.

This is an important piece of legislation because it is part of the ongoing commitment we have to the National Disability Insurance Scheme. We know that there is an understanding of this process and that there is an ownership of this process. We expect that the board, as it will now be presented with the larger group, will be able to reflect the divergent needs that there are across the nation. One of the things that have been most clear in the trial sites is that, whilst there is the oversight and the basic expectation that services will be available and able to be accessed, the particular way this works varies enormously across the country. With the trial sites in Newcastle, the trial sites in Victoria, the specialist children's sites in South Australia, the young people's sites in Tasmania and also the remote site that was set up to look at the issues around introducing the NDIS to remote areas of Australia, the knowledge that has been built up through that process reaffirms the fact that one size never fits all. We need to understand that we have to ensure that services are tailored effectively and are available, no matter where you live.

One of the things with the NDIS is that we expect that, whether you live in the cities or you live in regional Australia, you will still get the best possible support that you can have. That is not only an element of the combined knowledge but also the way that we can have best possible practice in providing services to people with disabilities. I did acknowledge the work of the current board of NDIS, and I also think it is important to acknowledge the people who work within the system. The people who are working in the system have brought an enormous sense of commitment and skill to their jobs, and that will continue to occur. Another element that must always be taken into account is providing support for the workers in the system so that they have all the background, knowledge and resources they need to do the best possible job.

We support the legislation that is here today, which is to increase the board, and we also look forward to ensuring that the NDIS will have a strong, well resourced future and that this parliament will consistently have feedback as to what is going on in the system and will be able to ensure we have ongoing oversight so that the parliament continues its active role in the way the NDIS is rolled out across the country.

Senator SIEWERT (Western Australia—Australian Greens Whip) (11:58): I rise to make a contribution to the second reading debate on the National Disability Insurance Scheme Amendment Bill 2016. We know that the scheme has now been in place for a number of years
with trial launch sites, pilot sites and trial sites again. Given the size of the scheme, we always knew that there was going to be a need to look very closely at how the scheme was being rolled out, because it is such a fundamental change. It was so broadly supported. I do not say that support was bipartisan; I will say it was tripartisan, because I remember I was a very active participant in the debate and, in fact, managed to get some amendments made to the legislation when we were debating it in this place not so long ago. In actual fact, it was three years ago. At the time, it was acknowledged this was a fundamental change and that we were in a process of learning how this would roll out. We have seen that in some of the changes that are being made through this particular piece of legislation. I will come to the other piece of legislation that is before the chamber a bit later in terms of the savings fund, for which we will be taking a very different approach than that which I am taking to this particular piece of legislation.

It is very fair to say that, although there have been some bumps along the way, the participants I have spoken to who were on the NDIS and are now participants of this scheme are overwhelmingly supportive of the process. I acknowledge that there have been some concerns about plans, costs of services and supports, needing to change some of the plans and those sorts of things, but people talk to me about the fundamental difference that this scheme has made to their lives. It just reminds me yet again how this place makes some very important decisions that do fundamentally affect people's lives, and this was certainly one of them. The way this parliament ultimately came together to support this vital social change in our community was one of the good things that this place does. This scheme is one of the good things this country has done for people who need and should have support to live quality lives. That is why we have been so strongly supportive of this scheme. People talk to me about the fact that they can now get the sorts of supports and services that mean they can be included in the community, that they can participate in activities they were once denied access to.

That is not to say that this scheme is the be all and end all for people with disability, and it deeply concerns me that we have seen budget announcements yesterday that will take money off some people with disability to put into a fund to help other people with disability. That is not the way this country should be operating and it is not what we ever envisaged when we were supporting and campaigning for such a scheme. I will talk more of that if and when we get to that bill.

However, when it comes to the broad work of the NDIS, I would like to particularly congratulate the progress that the NDIA has made. Again, I do not always see eye to eye with the NDIA, but I do think that they have very genuinely worked to achieve this scheme against very many obstacles and issues that had been brought up along the way—and there are still many things that need to be addressed. So many things come to mind in terms of the availability of housing, availability of affordable housing, the way we seem to be moving in some of the planning processes, the costs that do not seem to be properly recognised in some instances, some of the numbers—particularly underestimates—for some cohorts, how we are dealing with intellectual disability, how we are dealing with mental illness, how my particular home state still seems to be struggling with the concept of a national scheme, and the provision of some of the supports and services rollout that occurred originally for Aboriginal and Torres Strait Islander peoples and which I am pleased to say seem to have been learned in
the rollout of the scheme on Palm Island, which I visited as part of the Joint Standing Committee on the NDIS. I was extremely pleased to see that some of the very vital lessons from some of the early issues with the rollout of the scheme in Tennant Creek have been addressed. It is good to see that we have a learning process here.

There are a number of other issues that still need to be addressed. There are very definitely issues around bringing some of the broader government agencies—what we call the mainstream agencies—to realise that a lot of what people expect the NDIS to deliver is actually the responsibility of other agencies. We still have to get that right. We still have concerns around issues of advocacy. We need to make sure there is funding of both individual and systemic advocacy. Those are still issues for which we cannot just pretend, 'Oh great, we've got an NDIS now; it is a fundamental reform, and we can now proceed and start looking at other things,' when we actually need to make sure we are addressing these particular issues.

When it comes to the issues around the board, it seems to us that the coalition has always had a problem with the current NDIS board. The Abbott government moved to replace the board of the national disability scheme by placing that ad for the board's jobs in the newspapers without informing the current directors. It was just poor judgement and at the time sent a really strong message to the community that the government was not actually prepared to talk to or consult with the sector. The qualifications that were listed for the positions at the time, despite the insistence of government that the current board will not be able to be reappointed, were a shock to people in the sector. I know I got many emails and phone calls about the way the ad appeared to position the government on this particular issue. I am pleased to see that there were changes subsequently made to that. If the process was a mistake, it was a bad mistake that they made at the time.

The government is also trying to argue that this scheme is not fully funded, and I will come back to that issue whenever the next bill comes back on. I want to go back to the issues of the board. While we are not going to oppose this legislation, we are concerned that not enough is done in the act as it stands and also in this particular amendment bill to require board members to make sure that we have proper representation. I know that people do not represent a particular sector on the board, but I have spoken with people with disability and in various peak organisations, and they are concerned that there is not enough done to make sure that people actually with disability or who could become participants in the scheme are members of the board. They feel very strongly that, with the best will in the world, people on the board, if they are not living with a disability, simply do not understand what the issues are—not fully. The current wording of the act talks about people with experience with disability. Sometimes you see people that are carers, for example, for somebody with a disability. Again, their involvement is absolutely critical, but it does not address the issue that people with disability need to be an active part of the disability decision-making process.

I appreciate that the issues need further discussion around the inclusion of people with disability who are participants or who could become participants in the NDIS. They should be members of the board. I understand that, if I were to try to make an amendment, in fact that would cause some problems because of the need to consult states and territories about such an amendment, because of the nature of the scheme. So I will not be moving amendments on that today, but be prepared: sometime in the future I will be. But I urge the government to commit.
People are saying to me they want a commitment that a third of people on the board, particularly with the increase in numbers, will be people with a disability who are actual participants or who could be eligible to be participants in the scheme. I am asking the government—regardless of what this legislation says and the fact that we cannot amend it at this stage—to commit that at least a third of board members, or as many as possible, will be people with a disability.

The Greens will be supporting this bill, with some reservations, because we are concerned that there is not enough commitment to make sure people with disability are actually on the board of the scheme that is about delivering their supports and services, ultimately leading to their better quality of life and inclusion and participation in our community.

**Senator POLLEY** (Tasmania) (12:10): I am pleased to speak on the National Disability Insurance Scheme Amendment Bill 2016. This bill amends the National Disability Insurance Scheme Act to increase the number of board members of the National Disability Insurance Agency from nine to 12, including the chair. The bill also clarifies the quorum arrangements for board meetings to make it clear that meetings must have a majority of board members in attendance. Labor is pleased to support the bill and hopes that it ends the government's disgraceful attacks on the NDIS board and its members.

The National Disability Insurance Scheme, which was designed, funded and introduced by Labor, is already transforming the lives of thousands of Australians with disabilities, their families and their carers. The NDIS is being delivered on time, satisfaction amongst participants is very high, and the scheme is running on budget. We are incredibly proud of the NDIS. Just like Medicare, which was also created by Labor, the NDIS is one of Australia's biggest social reforms.

Once it is fully rolled out, the National Disability Insurance Scheme will support 460,000 people living with profound disabilities. That is 460,000 individuals, their families and their carers who are going to benefit from this scheme. This proposed legislation reflects an agreement reached by the Disability Reform Council earlier this year to increase the number of board members and extend existing board terms. This is a sensible decision and will give the board more stability during the full rollout of the National Disability Insurance Scheme.

Hopefully, this ends the government's disgraceful attacks on the NDIS board and its members. The board and the agency should be congratulated on the successful rollout of the scheme thus far. They do a difficult job and they do it well. The agency's staff and board deserve respect from the government, but unfortunately, on too many occasions, this has been in short supply. Imagine if you woke up one morning, opened the newspaper and saw an advertisement for your own job. This is what happened to the current members of the board. This is what they were subjected to by this government. The government put advertisements in newspapers asking for applications for board positions without even telling the current board members about it. There was no phone call from the minister, no consultation and no prior warning—just a none-too-subtle hint that this government considers them entirely expendable.

And we know that, if they had the chance, they would replace the board with people of like mind to the coalition government. They would appoint people from the big end of town. We know they like to look after their mates, and this board would not have been immune to that sort of appointment. They do not care about making sure their board members actually have
lived experience of disabilities—which, as Senator Siewert has already said, is so integral to ensuring that this board represents the people that it is designed to serve. From the interactions that I and my colleagues Senator Urquhart, Senator Bilyk and Senator Brown have had with the disability sector, we know all too well the difference that it makes when there is an understanding of what people living with disabilities go through day by day. It is so essentially important to their families that the government of the day understand their roles in caring for their family members with disabilities and, of course, the roles of the carers who work in this field.

This is effectively what fired the starter’s gun on a series of attacks on the governance of the NDIS, and it is just part of the mantra of the Liberal Party on anything that they do not like. Those that are most disadvantaged in this country have been the target over the three budgets that they have now brought down, and last night was no exception. But in March it was revealed that the Turnbull government were pressuring the states and territories into sweeping changes to the NDIS. These changes would have allowed the Turnbull government to decide who is eligible for the scheme and what support people would receive. It would have given the Turnbull government the power to ignore the needs of people with disabilities, sideline the states and territories, sack board members and put their own conservative cronies in charge for—just all part of their DNA. Thankfully this plan was rejected by the states and territories. The government have tried every trick in the book to mislead Australians about the NDIS and to undermine its future. They have constantly fibbed, saying that Labor did not fund the NDIS. Well, I could tell you, Labor most certainly did fund the rollout of the NDIS. The government must end their war on the NDIS and dump its plans for a federal takeover of the scheme.

Labor supports the legislation before the parliament today but we will continue to fiercely oppose any attempts by the government to undermine the future of the National Disability Insurance Scheme. I cannot be more clear than that. The message back to the government is those on this side of the chamber will always fiercely oppose any attempts by the government to undermine the future of the NDIS. If anyone opposite in this place tries to cut, cap and delay the National Disability Insurance Scheme or attempts another federal takeover to make more baseless claims about funding, Labor will stand with the people with disabilities and defend the National Disability Insurance Scheme against any of these cynical attacks.

People with disabilities, their families and their carers have waited their whole lives for the National Disability Insurance Scheme. I think sometimes, now that we are going through the process of rolling this out, some in the community and obviously those on the government benches have already forgotten that this was landmark. This was something that people had been waiting their entire lives for. And if you had been on any of the Senate Standing Committees on Community Affairs inquiries over the decade that I have been in this place, you would know it was something that unified people within our communities and that ensured that the National Disability Insurance Scheme saw the light of day. As a government we ensured that that funding was there, that it was budgeted for and that it was going to be delivered because we know how important it is every single day for people with disabilities to know that their government is doing the utmost to support them to live as independent and fulfilled life as possible. It is actually unforgivable for the government to keep trying to mislead and frighten the Australian community about the future of the National Disability
Insurance Scheme. People with disabilities, their families and carers will not accept being
used as political playthings of the Turnbull government. Mr Turnbull and his Liberal
government need to remember that people with disabilities are not political playthings. They
are not there to play their political games. Australians will not accept more cruel cuts from
this government under the guise of funding the NDIS.

The National Disability Insurance Scheme is already funded. We made sure of this when
we were in government. Labor's 2013 budget set out a 10-year funding plan for the National
Disability Insurance Scheme. The coalition know that the National Disability Insurance
Scheme is funded because they actually voted for most of the measures. Not only did they
vote for all but one of them but some of the measures even passed the parliament after the
election, when the Liberals were in government. Those opposite know that we did the plan,
they know that it was budgeted for and they supported the majority of those measures so they
are just playing political games and they are lying to the community. To now say, as the
government do, that the National Disability Insurance Scheme is not funded amounts to an
effective theft that of money that was always intended for people with disabilities. But we
know this is not the only policy area where those opposite do that, where they bend and twist
the budget figures for their own benefit.

We are entering a really crucial period for the National Disability Insurance Scheme and
there are plenty of unanswered questions. The government needs to focus on the unanswered
questions, not on trying to complete control of the scheme, picking fights with states and
territories, fibbing about the funding or trying to sack the board—enough is enough, no more.
People with disabilities know that Labor will always stand with them. Labor built the
National Disability Insurance Scheme after much consultation with the sector and with
individuals. We most certainly will not stand by and watch the Turnbull government tear it
down.

I would like to talk about the NDIS workforce issues, which I have spoken about many
times in this place—that is, the workforce for the disability sector as well as for aging and
aged care in this country. Unlike the government, which just last night put the big end of town
over older Australians, Labor is unashamedly pro-ageing. Mr Turnbull's budget offered
nothing for older Australians and what was even more telling was what it did not say. True to
form, for the third time in a row, this Liberal government and the Abbott government—the
Abbott-Turnbull government as it is now—has ignored the crucial issues facing older
Australians and the sector. There is no direction in the future for aged care reform.

Also introduced by Labor when we were last in government was the 'Living Longer. Living
Better' rollout of major changes to the aged care sector. It was major reform, once again a 10-
year plan, that was then going to be built upon. Even though that plan was there in black and
white for them, those opposite have been unable to roll that scheme out.

I will give some credit to Senator Fifield, who is in the chamber today. At least when he
was the assistant minister responsible for aged care he had an interest in the area. What we are
seeing with the new minister is somebody who quite obviously—from all indications and then
again last night in the budget—has no interest in aging or aged care in this country. There is
no vision or leadership when it comes to the workforce in either the disability sector or the
aged-care sector. It is in everything that they do, whether it is their desire to cut penalty rates
or the cuts that they have made to the sector over the last three years. What is the figure that
we now have? What have the cuts amounted to now under this government in just three years? Some $3 billion out of the aged-care responsibility that this government has in this country.

We all know—and various people from that side, around the chamber and the crossbenches always acknowledge this fact—that we have an enormous challenge before us with an ageing population. What have the government done over the previous two budgets and again last night? They have cut, cut and cut. Today they are trying to hose down the sector by saying: ‘They are not really cuts. It is not really a cut. Things are blowing out.’ The reality is the sector will not buy that argument because there is no justification for the lines that they are running. The people working in the sector and the people who have family members who are having care at home or are already in residential care know that they have been neglected and they have been a target of an unfair and callous government when it comes to aged care in this country.

Instead they should see aged care and ageing as a positive and an economic key for the future. The biggest growth area in jobs going forward in this country will be in the aged-care and disability sectors. No-one from the government has ever come into this chamber or the other place to dispute what I have said previously. We talk about the mining boom and tourism. We have seen the manufacturing industry go in this country. The growth areas are going to be in the service sector—in the disability sector and the aged-care sector. There has been no leadership shown by this government at any stage of the last 2½ years, or almost three years, in terms of having a vision or any policy. They have not demonstrated any leadership when it comes to resolving the workforce issues that we are confronted with.

Let us look at the last estimates. We may not have time on Friday, because there is always a threat that Mr Turnbull can go to the Governor-General on Friday and we may not even have estimates on Friday. Even if we do there will be so little time that we will not be able to drill down to find out exactly the real impacts that the $1.2 billion cuts announced last night will have on the aged-care sector. You cannot keep taking money out of the aged-care budget and expect to have the same care and services. It is absolutely impossible.

It is the mantra of this government to attack and cut services to those who need our help and support the most. It is those people who are ageing and want to stay at home while having home care support, which is a good thing. We all want to as we age be able to stay in our own homes as long as possible. Every government, including this government, needs to recognise that when people go into residential care it is going to be the most expensive time that any government has had to see. People will be going in with very complex health issues. They will still need to have the care that they are having today. People are in residential care now getting care, physio and the support that they need but under this government with the cuts that they have made they will not have that next year, the year after or the year after that. The Australian people will have a very clear choice when they go to the ballot box on 2 July. It is a very clear choice between electing a government that is basing it policies on what is fair or electing a government that continues to support the big end of town.

*Senator O'Sullivan interjecting—*

**Senator POLLEY:** I know, Senator, you may never need to go into residential care. You are wealthy enough to be able to support yourself, but there are an awful lot of Australians who do not have that support. They do not have the financial backing to be able to do that.
Once again—and it does not matter whether you are talking health generally, disabilities or aged care—your level of care in Australia should not depend on the size of your bank balance or your credit card. The type of care that you get really should not come down to what you can afford.

The government have failed on every front when it comes to rolling out the aged-care reforms. They have cut the funding now to a total of $3 billion—not $3 million. Some $3 billion has been taken out of an area of policy that affects so many Australians. It is right. I just came from a meeting. It is right. Most people do not think about aged care until they are confronted with somebody in their family who is ageing and will need that support. I say time and time again that we all—every Australian—need to consider as part of planning for our retirement and transitioning from work to retirement what support we will have and what options we will have as we age.

As I said, there will be a very clear choice at the election between a Labor government that developed the policy plans for the National Disability Scheme and rolled out the Living Longer Living Better aged-care reforms and a government that has tried to dismantle the NDIS and put its own mates in charge of it and that has cut $3 billion out of the aged-care budget.

**Senator FIFIELD** (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (12:30): I thank colleagues for their contributions. I want to make just a few quick points. It was never the government's intention, despite some of the coverage last year, that the board of the NDIS would be spilled. The government simply recognised that if nothing were done the terms of all board members would expire. Also, the government recognised that all positions expired at the same time and that, as good corporate governance practice, there should in fact be a staggering of the expiry dates of board members. Minister Porter has put forward a very good proposition to expand the size of the board so we can ensure that in the transition there is both continuity in the experience of board members and that there will be new board members as well as the scheme moves to the next phase of rollout.

I do need to respond to the issue of the funding of the NDIS. There are a range of sources of funding of the NDIS. There is existing state expenditure, which will be diverted to the scheme; there is existing Commonwealth expenditure, which will be diverted to the scheme; and there are also Medicare levy proceeds guaranteed for the scheme. When you put those funding sources aside, at full scheme there does remain about $5 billion a year for which funding was not carefully and particularly identified by our predecessors. Our predecessors did say that they had earmarked funding to cover that particular gap. I should point out that $2.4 billion of that supposed earmarked funding was in a table headed 'Other Long-Term Savings' in a previous Labor budget. Those other long-term savings were not identified and have never been identified.

Also, there were savings from private health insurance changes by the previous government, which the previous government actually counted for three different purposes. One was for the NDIS, one was to go towards what was then a budget surplus target, and one was to partially offset the cost of the dental health reform package. So, there were $2.7 billion of long-term savings which were never identified and other savings which were in fact counted three times, and Minister Porter has a proposition to address that funding gap.
With those few words, I commend the bill to the Senate.
Question agreed to.
Bill read a second time.

Third Reading

The ACTING DEPUTY PRESIDENT (Senator Whish-Wilson) (12:32): As no amendments to the bill have been circulated, I shall call the minister to move the third reading unless any senator requires that the bill be considered in Committee of the Whole.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (12:33): I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

Tax and Superannuation Laws Amendment (2016 Measures No. 1) Bill 2016

Second Reading

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (12:33): I move:
That this bill be now read a second time.
I seek leave to have the second reading speech incorporated in Hansard.
Leave granted.

The speech read as follows—

TAX AND SUPERANNUATION LAWS AMENDMENT (2016 MEASURES NO. 1) BILL 2016

Mr Speaker, this Bill is an important part of the Government's program to level the playing field for Australian businesses and restore integrity to Australia's tax system.

This Government is absolutely committed to creating a better tax system, with taxes that are lower, simpler and fairer.

We are committed to a tax system that ensures everyone pays the right amount of tax.

But we also want to make sure the tax system does not impose unnecessary red tape or inappropriately restrict taxpayers from conducting their affairs as they see fit.

This Bill modifies the scope of Australia's tax laws to make sure they apply fairly and appropriately.

Mr Speaker, Schedule 1 of this Bill, applies the goods and services tax (GST) to digital products and services imported by Australian consumers.

It levels the playing field – it ensures Australian businesses selling digital products and services are not disadvantaged relative to overseas businesses that sell equivalent products in Australia.

With the introduction of this Bill, the Government will require overseas vendors to collect and remit GST on the sale to Australian consumers of digital products and services.

Overseas vendors selling digital products or other services, such as ‘apps’ and downloads of digital content, will be required to register, collect and remit GST on their sales to Australian consumers.

As an example, a software subscription service provided by a resident supplier attracts the GST. However, currently a similar software subscription service provided by an offshore provider may not attract the GST. This creates an uneven playing field and may create distortions in consumer choices.
This legislation will apply the GST to the non-resident supplier, and thus, levels the playing field for Australian business.

This example highlights an anomaly that has existed in the GST system for some time.

Mr Speaker, when we came to Government, we inherited a tax system from Labor that had failed to keep pace with the changing times and with the growing importance of intellectual property, digital technology and integrated global supply chains.

This Government however is determined to reform our tax system and ensure that it is fit for purpose, modern and fair.

This measure is the product of this Government's extensive work with international tax authorities. Australia has been working with the G20 and OECD, alongside other stakeholders, to address weaknesses in the current rules that create opportunities for base erosion and profit shifting.

Action 1 of the OECD Base Erosion and Profit Shifting Action Plan deals with the tax challenges of the digital economy, including the difficulties of collecting value added taxes, such as the GST, on cross border sales in the digital economy.

This legislation applies the OECD destination principle, which recommends that consumption should be taxed in the destination country of the imported digital products or services.

The European Union has recently implemented this model, and several other countries, including Japan and New Zealand, are in the process of developing similar rules.

Mr Speaker, this measure will restore tax neutrality and level the playing field for domestic Australian businesses.

It is estimated to have a gain to GST revenue of $350 million over the forward estimates which will be allocated to the States and Territories, who have agreed to this measure.

Indeed, this measure is a result of significant stakeholder engagement, from both resident and non-resident businesses, and their advisors.

Mr Speaker, Schedule 2 of this Bill, implements an announced but un-enacted measure from the 2010-11 Budget, which seeks to avoid non-resident businesses from being drawn into the Australian GST system unnecessarily.

This measure is about reducing red tape and inefficiencies in our tax system so that businesses can get on with the task of creating jobs and growth.

It achieves this intent by limiting when GST will apply to supplies involving non-resident businesses.

The measure came from the Board of Taxation's Review of the Application of GST to Cross-Border Transactions.

The Board of Taxation identified that too many non-resident businesses were being drawn into the GST system on business to business transactions where it was not appropriate.

The measure ensures that fewer non-residents are unnecessarily drawn into Australia's GST system, reducing the costs of compliance for business and simplifying administration for the Australian Taxation Office.

Together these two measures ensure that only those overseas businesses that should be in our GST system are in the system and collecting GST on their sales to Australian consumers.

At the same time, businesses that shouldn't be caught in the system are removed, reducing red tape and simplifying administration and compliance.

These two GST measures, Mr Speaker, demonstrate the Government's commitment to simpler, fairer taxes.
Mr Speaker, Schedule 3 of this Bill takes important steps to improve Australia's taxation laws for primary producers.

The changes contained within this Schedule increase the flexibility of farm management deposits, a vital risk management tool for primary producers, to assist primary producers to become more self-reliant.

These changes were announced in the Agricultural Competitiveness White Paper on 4 July 2015, and are the product of extensive stakeholder feedback and consultation.

Farm management deposits help primary producers deal with uneven income between years, which frequently occurs as a result of weather variations, natural disasters and changing market conditions. These events are impossible for primary producers to predict or plan for, making it difficult for them to prepare financially.

The Farm management deposit scheme is an example of how the tax system can be designed to be fit for purpose and address the needs of the taxpayers to which it ultimately should serve.

Farm management deposits help primary producers manage their financial risk by allowing them to set aside pre-tax income from primary production in a special account which can be drawn from in later years. Income deposited is tax deductible in the year the deposit is made, and included in assessable income in the year it is withdrawn.

However, there are a number of restrictions currently placed on farm management deposits that impair their effectiveness.

Mr Speaker, this Government is committed to continuously seeking to improve our tax system.

These amendments, which are part of this goal, double the amount a primary producer may hold in their farm management deposits from $400,000 to $800,000. This will provide primary producers with the flexibility to manage even greater income volatility and better manage with the funds they have set aside when a downturn occurs.

Mr Speaker, these amendments also allow a primary producer affected by drought to access their funds held in a farm management deposit early if they need them. Farm management deposits usually need to be held for at least 12 months before they can be withdrawn. Currently, a primary producer that withdraws their funds held in a farm management deposit within 12 months as a result of drought will lose access to the tax advantages of that farm management deposit.

This schedule removes this tax impediment and allows a primary producer subject to drought to receive the tax benefits from a farm management deposit even though they have withdrawn some of their funds within the 12 months.

In previous years, a declaration of exceptional circumstances would also allow for early access. However, provision for an exceptional circumstances declaration was removed with the introduction of the farm household allowance, which replaced a number of ad-hoc forms of income support for primary producers.

Primary producers will now be able to determine their eligibility by referring to rainfall data on the Australian Bureau of Agricultural and Resource Economics website at the time of withdrawal, rather than waiting on a Ministerial declaration.

These amendments also provide primary producers with the flexibility to use farm management deposits as offset accounts for other business loans they hold. Currently, farm management deposits may not be used as a mortgage or other interest loan offset. The Government is removing these restrictions to allow farm management deposits to be used as an interest loan offset.

Financial institutions and primary producers may now determine what arrangements work best for them in relation to farm management deposits.
This measure will allow financial institutions and primary producers to use farm management deposits to reduce the interest a primary producer pays on a business loan.

Mr Speaker, in summary, both the GST amendments and the farm management deposit amendments respond to our changing economy and contemporary business needs.

The Coalition Government recognises that Australia's GST law needs to adapt to the increasing role the international digital economy is having on Australia.

Likewise, our domestic law and concessions need to adapt to the difficult conditions primary producers encounter.

The first of the GST measures ensures that overseas businesses pay GST on sales to Australian consumers.

The second GST measure reduces red tape by removing non-resident businesses from the GST system which should not be brought in.

Likewise, the changes to farm management deposits reduce red tape for primary producers, and provide primary producers with greater flexibility in dealing with farm management deposits.

These measures ensure Australia's taxes are up to date; and are fairer, simpler and fit for purpose.

Senator DASTYARI (New South Wales) (12:33): I am pleased to rise on behalf of the opposition to speak to the Tax and Superannuation Laws Amendment (2016 Measures No. 1) Bill 2016. I can advise the chamber that Labor will be supporting this bill. This bill has been the subject of an inquiry by the Senate Economics Legislation Committee. Labor were particularly keen to scrutinise schedules 1 and 2 of the bill. In the other place, our shadow Assistant Treasurer, Mr Leigh, noted that, whilst Labor supported the intention of both these measures, we wanted to leave open the option of moving amendments in the Senate subject to the committee's findings. In light of the committee's inquiry and report, Labor do not believe it is necessary to move amendments of our own and we will be supporting the bill and the government's amendments.

The Deputy Chair of the Senate Economics Legislation Committee, Senator Ketter, made several observations in his additional comments. Senator Ketter noted that Labor senators welcomed the intent of the measures in schedule 1 but wanted to note that submissions to Treasury consultations during the exposure draft phase of the bill were not made public. I would appreciate it if the minister could clarify in his summing up remarks or during the Committee of the Whole debate on this bill whether the submissions have now been made public.

Senator Ketter also remarked that the explanatory memorandum of the bill and the committee report acknowledge the difficulty in enforcement, both in ensuring Australian consumers do not misrepresent their location status to avoid paying GST and in ensuring that foreign businesses collect GST revenue. Labor senators noted that the committee report makes reference to international experiences showing larger entities will voluntarily comply but does not make reference to smaller and medium-sized entities covered by the legislation.

Labor senators also noted the committee report acknowledges the possibility of an Australian Taxation Office review of the laws being required in the event that they do not operate as intended. Senator Ketter concluded his remarks by saying that on the understanding the government has done its due diligence in designing the measure, the intent of which Labor senators support, we nevertheless welcome the acknowledgement that an Australian Taxation Office review may be required in the future to ensure this measure operates as intended.
Ultimately, this is another tax bill and another reminder of the Treasurer's play-it-by-ear approach to tax reform. Mr Morrison has been all over the shop on tax reform; not even the resident galah would be able to keep up with him. Labor has concerns about the haphazard approach to tax reform and to this bill. I note that the government has had to bring forward amendments here in the Senate to address issues that were picked up during consultation. Whilst Labor will support these, it just serves to demonstrate that, when it comes to tax policy, the government is bouncing from one thing to another, and it is clear at a broad policy level and in the minutiae of tax changes, such as those in schedules 1 and 2 of this bill.

Labor supports the intent of these measures, in particular schedules 1 and 2, but believes it is important to make sure they operate as intended and that there are no unexpected adverse consequences. Once again, following the scrutiny applied by the Senate Economics Legislation Committee—and I thank Labor senators on that committee for their efforts—Labor will support this bill and the government's amendments. I thank the Senate.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (12:37): Just in response to Senator Dastyari, my advice is that those submissions were taken into account but that they have not been made public. Time is short, so I table a supplementary explanatory memorandum relating to the government amendments to be moved to this bill.

Question agreed to.

Bill read a second time.

In Committee

Bill—by leave—taken as a whole.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (12:38): by leave—I move all government amendments together:

(1) Schedule 2, item 3, page 24 (before line 1), at the end of subsection 9-26(1), add:

Note: This subsection does not apply to supplies made by a non-resident through a resident agent if they have agreed it is not to apply: see section 57-7.

(2) Schedule 2, page 25 (after line 14), after item 3, insert:

3A Section 9-39 (after table item 8)

Insert:

8AA Resident agents acting for non-residents Division 57

(3) Schedule 2, page 25 (after line 28), after item 5, insert:

5A After section 57-5

Insert:

57-7 Agreement to apply this Division to all supplies through a resident agent

(1) Subsection 9-26(1) does not apply to a supply made by a *non-resident through a *resident agent if:

(a) section 57-5 would apply to the supply if that subsection did not apply to the supply; and

(b) the non-resident and the agent have agreed in writing that that subsection will not apply to any supplies made by the non-resident through the agent; and

(c) the supply is made no earlier than:
(i) if the agreement specifies a time (not earlier than the start of the day the agreement is made) as the time the agreement takes effect—that time; or
(ii) otherwise—the start of the day the agreement is made.

Note: An agreement under paragraph (1)(b) prevents subsection 9-26(1) having the effect that the supply would not be connected with the indirect tax zone (that subsection could otherwise result in the GST on the supply being reverse charged to the recipient under Division 84).

(2) If the *recipient of the supply is an *Australian-based business recipient, the recipient must be given a notice in the *approved form by:

(a) if the agreement referred to in paragraph (1)(b) specifies that the *non-resident is to give the notice—the non-resident; or
(b) otherwise—the *resident agent.

(3) The notice must be given no later than 7 days after the earlier of:

(a) the first day any of the *consideration for the supply is provided; or
(b) the day on which an *invoice for the supply is issued.

Note: Subsection 286-75(7) in Schedule 1 to the Taxation Administration Act 1953 provides an administrative penalty for breach of subsection (2) or this subsection.

(4) If the *non-resident and the agent agree in writing to terminate the agreement referred to in paragraph (1)(b), this section ceases to apply:

(a) if the agreement to terminate specifies a time (not earlier than the start of the day the agreement to terminate is made) as the time the termination takes effect—at that time; or
(b) otherwise—at the start of the day the agreement to terminate is made.

(4) Schedule 2, Part 1, page 29 (after line 2), at the end of the Part, add:

**Taxation Administration Act 1953**

17A At the end of section 286-75 in Schedule 1

Add:

(7) You are also liable to an administrative penalty if:

(a) you are required under subsections 57-7(2) and (3) of the A New Tax System (Goods and Services Tax) Act 1999 to notify another entity by a particular day; and

(b) you do not give the notice in the *approved form to the entity by that day.

**The TEMPORARY CHAIRMAN (Senator Whish-Wilson):** The question is that the amendments (1), (2), (3) and (4) on sheet LL145 be agreed to.

**Senator DASTYARI** (New South Wales) (12:39): Just very quickly; I am conscious of the time. Labor will be supporting these amendments for the reasons outlined in my speech in the second reading debate.

Bill, as amended, agreed to.

Bill reported with amendments; report adopted.

**Third Reading**

**Senator FIFIELD** (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (12:40): I move:

That this bill be now read a third time.

Question agreed to.
Bill read a third time.

**Australian Crime Commission Amendment (National Policing Information) Bill 2015**

**Australian Crime Commission (National Policing Information Charges) Bill 2015**

**Second Reading**

**Senator FIFIELD** (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (12:41): I move:

That these bills be now read a second time.

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

Leave granted.

*The speech read as follows—*

**AUSTRALIAN CRIME COMMISSION AMENDMENT (NATIONAL POLICING INFORMATION) BILL 2015**

**AUSTRALIAN CRIME COMMISSION (NATIONAL POLICING INFORMATION CHARGES) BILL 2015**

CrimTrac and the Australian Crime Commission (ACC) are two of Australia's most important national law enforcement bodies, created to provide police with access to national policing information and intelligence. Both agencies are shared national assets that reflect the cooperative approach between jurisdictions that is central to Australia's response to crime.

The Australian Crime Commission Amendment (National Policing Information) Bill—or the Merger bill—implements the historic decision of all of Australia's attorneys-general, police and justice ministers to bring CrimTrac and the ACC together under one banner.

This bill forms a package with the Australian Crime Commission (National Policing Information Charges) Bill, which will allow the merged agency to continue the self-funded model that has supported CrimTrac's services for over a decade at no cost to the budget.

The merged agency would be supported by a new intergovernmental agreement to ensure that it maintains a focus on providing national information systems to police, as CrimTrac currently does.

These systems and services are critical to supporting day-to-day policing and the investigation of all forms of crime, from terrorism to street crime to drug trafficking to domestic violence.

Australia has first-rate police and intelligence agencies that are highly capable, professional and committed to protecting the community.

We need to make sure that these agencies continue to have access to the tools and information they need to do their job.

Merging CrimTrac with the ACC continues this government's commitment to ensuring Australian law enforcement agencies are in the best possible position to protect us from criminal and national security threats.

A merger will enrich the ACC's critical intelligence function with direct access to CrimTrac's national police information holdings and sophisticated information technology capabilities.

This will improve the quality, access and timeliness of the intelligence that the merged agency provides to law enforcement and intelligence agencies.
Improved intelligence will better equip these agencies to detect and disrupt significant threats, such as terrorism, international drug trafficking and cybercrime.

**Key measures**

The Merger bill contains a number of amendments to give effect to the proposed arrangements for the merged agency.

Primarily, the Merger bill amends the Australian Crime Commission Act 2002 (ACC act) to enable the merged agency to carry out all of CrimTrac's functions. These functions will be referred to as 'national policing information' functions under the merged agency structure. This includes making national information sharing systems available to police and providing nationally coordinated criminal history checks.

The Merger bill will also change some of the merged agency's governance arrangements. Currently, the ACC and CrimTrac are both governed by boards. Following a merger, there would be a single board overseeing the merged agency.

The amendments enable the board to set high-level priorities for the merged agency's new national policing information functions. They also provide the board with additional, specific functions currently exercised by the CrimTrac Board.

Amongst other things, this includes making recommendations to the relevant Commonwealth minister about expenditure from the National Policing Information Systems and Services Special Account.

The Special Account was established under the Howard government to support CrimTrac to develop and maintain new and existing information sharing systems for Australia's police forces.

These amendments will ensure that state and territory police commissioners will continue to play a key role in decisions that directly affect their agencies.

The Merger bill will also make changes to the merged agency's information disclosure regime. These ensure that the merged agency can continue to share national policing information, in the same way as CrimTrac currently does, and provide nationally coordinated criminal history checks to a range of stakeholders.

**Continuing the CrimTrac funding model**

CrimTrac is entirely self-funded through revenue generated primarily from criminal history checks. This has allowed CrimTrac to provide services to police and the community at no cost to the budget.

The measures in these bills will ensure the continued financial security of policing information services.

The Charges bill will allow the merged agency to impose charges for certain services, in order to fund or subsidise the provision of other services to police and the community.

This reflects CrimTrac's current arrangements, where criminal history checking provides most of the funding for other services. However, the bill will also enable the merged agency to charge for new services in the future, should the board consider this desirable. This will ensure that the business model can adapt to meet emerging police and government needs.

The Charges bill will create a mechanism to allow the minister to specify in a legislative instrument the services that the merged agency will charge for, who has to pay the charges, and the amount of each charge.

This provides the merged agency with the flexibility to impose different charges for different classes of persons, such as reduced charges for volunteers seeking criminal history checks.
The Merger bill will provide a mechanism for the board, which comprises representatives from each jurisdiction, to make recommendations to the Commonwealth minister regarding these charges. This reflects the national nature of the merged agency and its national information holdings.

The Merger bill will also allow the merged agency to charge fees on a cost recovery basis for discrete services, separate to the revenue mechanism in the Charges bill.

The revenue that CrimTrac currently generates accrues into the National Policing Information Systems and Services Special Account.

This allows revenue generated by CrimTrac to be kept separate from other Commonwealth funds and readily invested in national policing information services.

The Merger bill will continue the Special Account, set out the funds that must be credited to the account, and the purposes for which the Account may be debited.

These provisions ensure that the Special Account will continue to support the provision of information sharing systems and services to police.

Consistent with this, the merged agency will only be able to use the Special Account for CrimTrac-type, national policing information purposes.

**Conclusion**

These bills implement an important merger of Australia's two key law enforcement information and intelligence agencies. The merged agency will be better able to fulfil its role as Australia's national criminal intelligence agency, supporting and informing the efforts of law enforcement agencies around Australia.

At the same time, the merged agency will continue to provide nationally coordinated, high quality information technology systems and services to Australian police, which are critical to supporting day-to-day operations.


The purpose of the Australian Crime Commission Amendment (National Policing Information Bill) 2016 is to amend the Australian Crime Commission Act 2002 to merge CrimTrac and its functions into the Australian Crime Commission and make consequential amendments to other acts.

The purpose of the Australian Crime Commission (National Policing Information Charges) Bill 2016 is to provide a legislative basis for the ACC to charge for national policing information services. This package of bills is intended to implement a decision by the Law, Crime and Community Safety Council, on November 5 last year, that the Commonwealth take steps to merge the ACC and CrimTrac. The minister has stated that this merger unites: Australia's national criminal intelligence and information capabilities under one banner.

I quote:

… having a unified resource would enrich the national understanding of criminal activity, including volume crimes (such as domestic violence) and serious and organised crime and terrorism—

this—

would allow police, justice agencies and policy makers at all levels of government to adopt a more effective, efficient and evidence-based response to crime.
Under the proposed merger CrimTrac will carry its functions over to the ACC, including its function of providing nationally coordinated criminal history checks. The CrimTrac board of management and the position of CrimTrac CEO will be abolished.

CrimTrac was established in 2000 under an intergovernmental agreement—an IGA—between the Commonwealth and state and territory governments to enhance Australian law enforcement, with an emphasis on information based policing facilitated through rapid access to detailed, current and accurate police information. The services CrimTrac provides include the National Police Checking Service criminal history checking, the National Child Offenders System—comprising the Australian National Child Offender Register and the Managed Person System—the National Police Reference System and the National Firearms Identification Database.

By providing access to information collated from police records around the country, CrimTrac aims to minimise opportunities for people to cross state borders and evade laws. The IGA establishes the broad objectives of CrimTrac and a board of management with representation from all jurisdictions.

I note that at 12.45 the Senate will be moving on to other business. I do want to note that I think this is an important piece of legislation. I think it is the type of legislation we should be spending more time debating and working on as a Senate. I do think it is unfortunate that the arrangements that have been made by the government as to the order of legislative business will perhaps mean that this bill will not be able to be fully debated and fully considered in the lead-up to the election. It is disappointing that a bill of this importance and significance has not been placed higher on the government's legislative agenda.

Debate interrupted.

STATEMENTS BY SENATORS

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

Coalition Government

Senator SMITH (Western Australia—Deputy Government Whip in the Senate) (12:45): As the 44th Parliament heads towards its conclusion, it is clear that the choice confronting Australians at the ballot box this year is a stark one. The coalition government's agenda is unapologetically centred on job creation in an economic environment that is changing and that is challenging us in ways not envisaged by previous generations.

The end of the mining boom is one element within this, but it is by no means the only economic challenge Australia faces, or even the dominant one. It is not just Australia's economy that is in transition, and nowhere is the proof of that more evident than in the case of China, as its giant economy shifts from being production based to becoming consumption based. Today for the first time, over half of China's economic activity is to be found in the services sector. Thus, just as the construction phase of China's economic transition offered enormous opportunities for Australia's resources sector, the shift to services holds in prospect tremendous potential for other parts of the Australian economy in the years ahead.

That is why the coalition placed such a priority on securing a free trade agreement with China during its first term, along with similar agreements with Japan and South Korea. The
burgeoning ranks of the middle class in the Asian region seek lifestyle opportunities commensurate with their growing personal incomes. To take China alone, an additional one million middle-class consumers are now in the market for higher quality food, much higher standard education and health services and, with their higher incomes, have greater opportunities than before to travel abroad. The free trade agreements signed under this coalition government will offer Australian exporters in our agricultural, tourism, education and healthcare sectors an unrivalled opportunity to tap into this flourishing marketplace. This will not only further enmesh Australia in the Asian region but provide real jobs for Australian workers.

For all the gloom that pervades economic commentary, the Australian jobs market has performed strongly under the coalition. Since this government came to office in September 2013, employment has risen by 441,900, or 3.9 per cent, and as of last month stood at a record high of 11,909,600. Put another way, employment growth over the past year is around three times higher than that managed by Labor during their last year in office. This has been achieved despite the fall-off in the resources sector and is further proof that the government's pursuit of free trade opportunities is delivering for Australian workers no matter where they live. Of course, no-one can predict with certainty that Australia will not be buffeted by future international economic shocks, which is why the coalition government remains committed to the task of repairing the fiscal mess bequeathed to us by the Labor Party, and needlessly prolonged by Labor's obstructionist practices here in the Senate.

In fact, Australia's alternative government is possessed of an economic platform that owes more to the seven deadly sins than around any sound fiscal principles. After almost three years of sloth when it comes to policy development, Bill Shorten and his colleagues are constructing an economic platform based entirely on envy. Labor's approach is to whip up a generalised wrath among voters and then direct it at various villains—banks, foreign workers and multinational corporations—portraying them all as greedy. This cynical exercise is designed to mask the opposition's lust for higher taxes.

Labor's gluttonous appetite for revenue lies at the heart of its platform. Virtually every policy Bill Shorten announces includes a tax increase. This was confirmed last week with the announcement that a re-elected Labor Party wants to introduce two carbon taxes—one in 2018 and another after 2020. Australians should be in no doubt there is only one plan on the table for double taxation at this election and it comes from the Australian Labor Party.

Labor's twin carbon taxes are designed to inflict twice the damage on Australian households and small businesses by driving up electricity prices. That is not a random claim that this government has made up. Indeed, Labor's own modelling—modelling that those opposite commissioned when they were last in office—shows that to reach the emissions reductions targets professed by Labor, it needs to achieve wholesale electricity prices closer to 78 per cent higher by 2030. Labor's claim that these costs will not ultimately be borne by consumers is either breathtakingly naive or brazenly mendacious. Australian voters have learnt from bitter experience that whatever Labor says, the carbon tax is ultimately paid by families and small businesses—and anything that hurts business harms jobs growth. Which brings us neatly to the last of the seven deadly sins: pride.

Pride, of course, comes before a fall. The Labor Party in this place thought they had been so clever; they were very proud of themselves. They went before the Australian people and
pledged massive spending increases on education, all funded by an increase in the tobacco excise. One minor problem existed: once again, the Labor Party managed to get its sums catastrophically wrong. Labor estimated that its plan would raise $47.7 billion over the next decade. Treasury modelling says that it would actually raise around $28.2 billion; meaning there is a $19.5 billion shortfall, or blackhole, that has now been punched through Labor's education costings.

Now, the shadow Treasurer and the Leader of the Opposition are desperately trying to play this down, saying their costings will be 'reconsidered' in the light of the Treasury's latest views. I hope for the sake of the Australian people that that reconsideration is both quick and honest. The bottom line is there is no way Labor can afford the proposals it is putting forward to the electorate—not without other significant tax increases. Yet, for those of us who were in this Senate prior to the last federal election in 2013, it is eerily reminiscent of the experience with Labor's mining tax.

In February 2012, the member for Lilley, the then Treasurer, came clean and admitted that in the first six months of operation of its mining tax it had raised just $126 million—falling ridiculously short of the suggested tens of billions originally projected.

Ultimately, Labor's mining tax raised around $400 million in total over Labor's period in office—$26.5 billion was projected to be raised but only $400 million was actually raised. Yet, did any of this temper Labor's enthusiasm for its spending commitments during the last election campaign? No, not at all.

As regional communities, especially in Western Australia, discovered to their cost, the Labor Party cut a path through regional WA, promising millions upon millions in new spending commitments—all supposed to funded using revenue from a tax that Labor knew was not raising anything.

I recall working closely with my colleague, the member for O'Connor, in the first couple of months following his election at the 2013 federal election to try and salvage funding for regional development projects that were at risk in Albany, the heart of Western Australia's Great Southern region. The local community had been told by the Gillard-Rudd government that their projects would be funded only for this government to discover, upon coming to office, that the cupboard was bare.

I am pleased to say that, after a lot of hard work with the local community, we did have some success in that regard. We are talking about hardworking local community leaders, like Mrs Annette Knight OAM, a former mayor of Albany, who even in retirement remains a passionate advocate for regional development in Albany and the Great Southern. Her superb and continuing efforts have been recognised through her induction this year into Western Australia's Women's Hall of Fame. Annette and her husband, Tom, a former Western Australian parliamentarian, are pillars of the community in Western Australia's Great Southern region.

It is one thing to make campaign promises but quite another to brazenly mislead volunteer organisations in regional communities and say things will be funded when you know full well the money is not there. Western Australians are a wake-up to Labor's approach. We saw another glimpse of this when the Leader of the Opposition, Mr. Shorten, flew to Perth to announce that a particular rail project would be Labor's 'top infrastructure priority.' However,
when pressed on how much money he was actually pledging for this top priority, Mr. Shorten could not answer the question. It is a repeat of the same old Labor Party games.

All Australians will soon have their opportunity to make a choice between an economic plan that sets Australia up for jobs and growth; or Labor's grab bag of shopsoiled rhetoric, hollow promises and discredited tax-and-spend policies.

Valedictories

Senator McLUCAS (Queensland) (12:54): Mr President, as you know, the Australian Senate is one of the greatest democratic intuitions in the world and it has been my absolute privilege to be elected to this place. I thank all those who have given me this incredible opportunity—the people of Queensland, especially of the North; and the Australian Labor Party, its members and affiliates.

I also thank my family. The sacrifices that our families make to allow us to do the jobs we do are huge, and so I thank all my family, but particularly my daughter Alice and my partner Bradley.

And to undertake this role I have been supported by so many. I want to place on record my thanks to all the Senate staff; to Rosemary Laing, and before her Harry Evans, and all your team, including our attendants. You are incredibly talented, thoughtful and defend this institution to the hilt—my thanks. I thank all those in the library, Senate services, our cleaners, our gardeners, the COMCAR drivers—you make this job so much easier.

The Senate's committee structure sets this institution apart from other houses of parliament. Our Senate committees do great work and lead the national debate in many circumstances. I am particularly proud of the inquiry I instigated into Australia's system of services for people with a disability. The committee recommended that we put in place the National Disability Strategy and laid the early work for what we now know as the National Disability Insurance Scheme.

When Senator Andrew Murray brought his reference about people who had been institutionalised as children to the Community Affairs Committee when I was the chair, I was nervous we would not be able to provide a resolution to the issues that came before us. But the groundbreaking and nationally significant report—Forgotten Australians—has changed people's lives and continues to resonate today.

It is said that the best work of the Senate is when we deal with issues of conscience, when strongly-held views can be debated with dignity and respect. Such was the case when we dealt with the complex issues around stem cell research and removing the ban on the use of RU486. In all those debates, it was notable that it was the women of the Senate who took the leadership roles.

Mr President, I have spoken earlier about my work with the disability sector. This work—both in opposition, as the shadow minister, and then in government—when I had the absolute privilege to work with one of Labor's greats, Jenny Macklin, has been extremely satisfying. I can leave this place knowing that the broken and discriminatory service system is progressively being replaced with the NDIS—a scheme which values people for what they can do and engages them to be productive members of society.

I want to place on record my thanks to all the people with disabilities, their families, carers and advocates, without whose energy and perseverance, we would not have been able to bring
into being this monumental reform. And so I say to the government: do not let people with disabilities down.

Another legacy that will sustain is the work we did in government to reform the organ and tissue donation system in our country. Again, it is due to the urging of the transplantation advocates that we were able to make the enormous changes that have resulted in so many more Australians who have been able to receive a transplanted organ which has improved and, in some cases, saved their lives.

Australia's health system is a complex one. Working across states and territories, and the public and private sector was no small task. I must place on record my admiration of the skill and talents of Australia's Public Service. We are served extremely well.

Mr President, in my first speech I noted that that 'bleaching could become a regular occurrence on the Great Barrier Reef by the year 2030 resulting from a rise in ocean temperature of just one degree.' Unfortunately, I was right. In the past few months we have seen the worst coral bleaching event on the Great Barrier Reef yet recorded, particularly in the northern sector from Port Douglas to the Torres Strait and into the Coral Sea. As scientists from James Cook University, AIMS, the University of Queensland and the Great Barrier Reef Marine Park Authority have been at pains to point out, bleached coral is not the same as dead coral. We all hope that many of the affected areas will recover. It will be months before the extent of the damage is known; nevertheless, scientists fear significant mortality in the northern sector.

The impact of the interaction of El Nino and climate change has shocked and saddened so many of us. We have known for decades that this is a real threat. Just how many warnings do we need? So, Mr President, one of my saddest days in the Senate was when the Greens, for the second time, refused to support our carbon emissions trading scheme, the CPRS. We well remember the integrity of the two Liberal senators who crossed the floor to support that initiative. Though the CPRS had its flaws, it would have established a comprehensive emissions trading scheme to underpin Australia tackling our disproportionate contribution, per capita, of global carbon emissions. The price of the Greens political party's holier than thou approach was to provide succour to the denial of the science of climate change and gave license to the preposterous and dishonest scare campaign that we saw from Mr Abbott and the coalition.

A cap-and-trade mechanism to drive real carbon will happen. It is inevitable. It is absolutely necessary. Direct Action is an inefficient and woefully inadequate response to the challenge. Australia has lost time. We have lost investment momentum in renewables and we have lost international respect. Many other countries have dealt with this responsibly and calmly, and I know that a Shorten Labor government will do just that.

Another personal disappointment for me is the dallying that we have seen around the question of marriage equality. The parliament has not done its job to reflect the momentum for change that has built in our community. I am fearful of the hurt that may well result from the holding of a plebiscite. Please think of those young people who are dealing with questions of their sexuality who are vulnerable to hurtful words that may be spoken in the heat of a debate that, frankly, we do not need to have. And so I say, vote Labor and we will bring on the vote.
I am very fortunate to live in Far North Queensland, and I work with a diverse community. In my first speech I talked of the circumstances of Aboriginal and Torres Strait Islander people and expressed hope for improvements in their quality of life and prospects. I am sad to say that the gap across all measures has not closed at all enough. I encourage you all to increase our efforts to improve the lot of the first Australians. I acknowledge in the chamber Mayor Fred Gela from the Torres Strait Island Regional Council. Fred, it is a real privilege to have you and your councillors here.

Over the years I have been supported by fabulous staff both in my electorate office in Cairns and in Canberra when we were in government and. In the Labor Party they are renowned and rightly carry the title of Team Awesome—albeit self-titled. So I thank every one of you and all my staff over the years, including Heather, who is in the gallery today, for the work you have done and for your dedication to the work of the office but, most particularly, for your dedication to the people we serve—those whose voice is less loud and less heard.

Colleagues and friends, I wish you all the very best and I look forward to welcoming a Shorten Labor government.

**Opposition senators:** Hear, hear!

**Budget**

Senator McKIM (Tasmania) (13:03): We have seen the budget that was brought down last night by the Treasurer, the Hon. Mr Morrison. It is a budget that tragically fails to address the major challenges facing Australia today. He could not even bring himself to mention the greatest challenge facing the Australian people and, for that matter, people right around the world, which is global warming. How he could possibly assert that we are living in sensitive times and not even mention global warming once beggars belief. It simply beggars belief.

It is a budget that also fails to address economic inequality in our country. It fails manifestly to rein in the growing gap between the haves and the have-nots in Australia. There are too many people at the moment in Australia who are faced with the terrible choices every week or every fortnight about whether to put food on the table for their kids or pay the power bills or whether to pay the school levies or pay for much-needed for their children. These are choices that too many Australians are forced to make every week. And what do we see from the government? We see a typical Liberal budget—corporate tax cuts masquerading as support for small business; a failure to rein in to a satisfactory level the tax avoidance of multinational corporations; an abject failure to provide essential public services for this country—social housing, education and health; and an epic fail in relation to infrastructure funding.

Tonight the Leader of the Greens, Senator Di Natale, will outline our budget priorities and the response from the Australian Greens to the budget that was brought down last night. I look forward to that speech outlining how Australia will transition out of fossil fuels into renewable energy. I look forward to Senator Di Natale outlining our comprehensive response to inequality in Australia and our progressive and comprehensive suite of tax policies that will address economic inequality and that will rejig the tax mix so that corporates pay their fair share and wealthy Australians pay their fair share, so that our country can invest in the public services and the infrastructure of the future that it so desperately needs.
My home state of Tasmania was completely duded by the budget last night—a massive fail. There was nothing in the budget that had not already been announced to support much-needed infrastructure in Tasmania—particularly, for example, the proposal around the University of Tasmania and its intent to invest in infrastructure in Northern Tasmania to support an equitable provision and an equitable access to university education for people all around the state.

It slashed funding for managing our precious World Heritage wilderness area. That funding is flagged to come down by 80 per cent in terms of the extra funding that was allocated to manage the values in the 2013 World Heritage area extension. That was purely a vindictively-driven decision by government. Having failed embarrassingly in their attempts to shrink the World Heritage area in Tasmania they have now vindictively slashed the funding to manage that extension, which was an outstanding addition to the World Heritage wilderness area in 2013. It included some of the iconic forests that tens of thousands of Tasmanians and millions of Australians have voted to protect time after time—forests like the Styx and the Florentine, which I had the pleasure of visiting with Senator Janet Rice and Senator Sarah Hanson-Young in recent months. These are magnificent, globally-significant carbon rich forests that need to be properly managed, not only for their natural values—the biodiversity, the carbon and the threatened species—but also for their Aboriginal cultural heritage values. Last night’s budget slashed funding to manage those magnificent areas that the Australian government has agreed to protect and manage on behalf of all of humanity by nominating them for inclusion on the World Heritage register.

It is also worth pointing out that ‘wilderness’, by some margin, is the single factor that more than any other influences a tourist’s decision to visit Tasmania. We have a tourism minister, Senator Colbeck, who sits in this place and who is out today spruiking a budget that attacks and slashes funds to manage wilderness in Tasmania, when we know that it is, in fact, the biggest reason that tourists come to our state. It is more important in driving decisions than our wildlife, our built heritage, our fine food and wine and our coastlines. It is the wilderness above all else that attracts people to Tasmania. We need to make sure that we do more to protect it, and the budget last night abjectly failed to do that.

We have seen the terrible fires that started in January of this year and resulted in thousands of hectares of non-fire-adapted wilderness being burned, probably never to adequately and fully recover. These precious pencil pines, these magnificent cushion plants—these fragile alpine ecosystems—that have not been exposed to fire for hundreds of years burned because of dry lightning strikes, which the Bureau of Meteorology say will become more and more prevalent in south-eastern Australia, as a direct result of global warming. There was a distinct lack of focus on fire response in last night’s budget.

In education, we have seen this government announce a $1.2 billion spend in the lead-up to the budget. And they are expecting rounds of applause after overseeing $30 billion worth of cuts in the Abbott-Hockey budget of 2014? They have restored between three and four per cent of those cuts, and they are expecting a round of applause from the education sector in Australia? Well, the silence has quite rightly been deafening.

We need to see Tasmania’s unique competitive advantages enhanced. In the 21st century, if you had to design somewhere to thrive and prosper in a rapidly changing world racked by global warming you would design somewhere pretty much like Tasmania. It would be a
temperate climate. It would be an island so that we could stave off some of the industrial pests and diseases that are all too prevalent and growing around the world. It would be a place with abundant freshwater, clean air, spectacular coastline, renewable energy, carbon-rich forests and fantastic soils. That is what Tasmania is. We need to enhance those competitive advantages, not detract from them as last night's budget did.

We have an energy crisis in Tasmania. I acknowledge the rains that have fallen in Tasmania over the last week or so. We welcome them as much as anyone else in Tasmania has welcomed those rains. It is great to see our dams slowly filling rather than slowly draining, as has been the case for most of the last six months. But where is the investment in on-island renewable energy generation? It was nowhere in the budget last night. Where has the leadership been from the Tasmanian government around energy conservation in homes and small businesses? It has been nowhere. How much will this cost Tasmania? We do not know as yet, but you can absolutely, certainly say that it will be a cost of many hundreds of millions of dollars. That is why we need an independent inquiry into how we got into this mess and what we can do to prevent it from happening again. This budget duded Tasmania.

Queensland Government

Senator O'SULLIVAN (Queensland—Nationals Whip in the Senate) (13:14): I rise to put on notice a progressive policy pursuit of the Queensland Labor government, which has recently been supported in policy and in statement by the federal Labor opposition as we head into an election. This policy threat relates to vegetation management issues in my home state. It is quite clear that the policy development has had a focus on politics rather than being able to underpin it with an argument that it is environmentally motivated, because the facts that are available to my home state government, the Labor government, do not bear out the measures that they are proposing to bring into place.

In my home state, we had a moratorium on tree clearing for a very long period of time. Measures were only put in place to allow landowners to clear land for specific agricultural purposes with the introduction of the LNP government a couple of years ago. The legacy of that is there are now 59 landowners in Queensland who hold permits to clear a bit over 100,000 hectares of country, much of it regrowth country that had been cleared before and that was now populated with woody weeds—particularly in the brigalow belt; the return of brigalow—making the land completely unusable unless the landowners were able to recover some of it for pastoral farming purposes.

The Queensland government went to the election indicating that they would initiate consultation with landowners. Bear in mind that some 90 per cent of my state, in some part or another, relies on agricultural pursuits. I mean 98 per cent of the footprint of my state. In fact, west of the Great Dividing Range it makes up about 72 per cent percent, and it is in these areas that it is absolutely essential that landowners are able to deal with sensible, sustainable vegetation management issues.

The facts simply do not support Queensland Labor or the position of the federal Labor Party as we go into this election. This is why this has become a timely matter. This is not about vegetation management; this is about attracting the vote of Green sympathisers and supporters in metropolitan seats. The two major seats that are affected by these policy settings in Queensland have never been held by Labor, and probably never will be held by Labor. About 70 per cent of my state—and if you were to throw in the seat of Leichhardt, somewhere
near 80 per cent of the state—is represented by seats where Labor will never have control and so therefore, from a political point of view, they are of no value to them in terms of trying to attract the attention of the landowners there. In fact, Labor candidates sometimes have trouble getting through those places and coming out without being scalped, because some of the policies they apply impact on the livelihoods of these landowners.

What we are seeing at the moment is this: we have a statewide land cover and trees survey—called SLATS—that produces scientific data behind the vegetation management and growth in my home state. These are the facts: the state government’s own data flies into the face of when they put their argument to deal with some of this land clearing. SLATS have been analysing and reporting on the change and loss of woody vegetation since 1988, using Landsat imagery. The latest stats found tree coverage in Queensland has increased, almost to twice the size of the ACT—to give you some sense of the size—in just three years. It shows that the vegetation increase between 2012 and 2014 was some 437,000 hectares or, for the oldies in the chamber, of which I am one, nearly one million acres. If you were to extrapolate that over the period since the data has been kept, we are talking about an increase of a 10- to 12-million hectare area of vegetation growth in my state, as opposed to the 103,000 hectares that are the current subject of these 59 permits—that have been resisted by the Labor Party in my home state. It was brought to my attention that the federal Department of the Environment, with no causal capacity, decided to buy into these permit holdings in an effort to frustrate the landowners in my state from being able to exercise their lawful right to clear land, which is a grave disappointment to me.

What the government are doing, because they simply do not care, or they do not understand the vegetation management issues in a large part of my state, is they are trying to bring in a one-shoe-fits-all set of rules or assessments for the management of vegetation right across the state—ignoring the fact that we have such a diversity of vegetation. I listened to our colleague from the Greens, Senator McKim, talk about the diversity of Tasmania. In my home state, that diversity is even richer: we have ocean hinterlands, we have large tracts of rainforest up in the north-east, we have range lands, we have open savannah, we have pebbly downs—we go all the way down into the channel country, through that and into the desert country. It is clear that the vegetation management plans, the challenges and the issues that exist, vary from district to district, and sometimes within subdistricts.

So the state Labor government in Queensland is to now be supported by the federal Labor Party in what is truly a political stunt—it cannot be described as anything else—to attract that soft Green support. I would not be surprised if my Greens colleague here does not join me in bringing this to the attention of the voting public—that is, this is just a grab by Labor to try to get large volumes of votes from people in the city who simply do not understand issues to do with vegetation management; they do not understand the necessities to do with primary production and agriculture.

I have been involved in primary production and agriculture all of my life. I am a fifth-generation farmer in my home state; my family has an unbroken tie to the land. It was a fact that I declared upon my arrival here. I know these men and women. Whilst there are—as is the case with everybody—people who will abuse circumstances that are presented, for the largest part these people know and understand their land. They nurse their land and nurture their land. My family currently run a couple of thousand head of cattle. We pay very close
attention to how land is performing through grazing on that scale, and often move cattle off properties to leave areas to regenerate—sometimes for a couple of seasons. I know of one paddock that we have not had cattle on for over 12 months because the drought conditions brought additional pressure onto that land. We are now allowing it to rejuvenate. We are promoting its rejuvenation, allowing it to rest and to come back. People on the land have an acute sense of what is required. This is their livelihood. They are not about to do something that is going to abuse the landscape so severely that it does not support their enterprise.

So I call on the Labor government at the state level to undertake and initiate the consultation they promised to do with landowners and stakeholder groups. If they seriously sit down and have a listen to what is being said and have a listen to how these industries collectively manage this, then I am certain that they will revisit the laws they are intending to promote and will bring in a more sustainable management plan for vegetation, particularly in the state of Queensland.

Budget

Senator LINES (Western Australia) (13:24): What an unfair budget! Once again the Turnbull government have confirmed they stand on the side of big business and the big end of town over ordinary Australians. Of course, they have their own self-interest at heart, and the real evidence of that is in the way they pitched their tax cuts. Seventy-five per cent of Australians will miss out on tax relief—that is pretty much every working Australian. They have been completely ignored by the Turnbull government, while a person earning $1 million a year will get a tax cut of $16,750. And where do those getting that massive tax cut live? They live in the electorates of the Turnbull government ministers and members, and that is called 'pork-barrelling'. In fact, there are just nine electorates across the country that will benefit the most from this pork-barrelling, and eight of those are held by members of the Turnbull government—starting with the Prime Minister with the wealthiest electorate, followed by his deputy Liberal, Julie Bishop. Giving a tax cut of this size to those who need it the least while tripling the budget deficit is clearly irresponsible.

For most electorates—141 of the 150—there is nothing in terms of a tax cut. Certainly the voters in my electorate, the federal electorate of Swan, fall far below the Prime Minister's tax threshold of $80,000 per year. There is no tax cut for them. It is clear that the Turnbull government do not understand that, in the electorate of Swan, the yearly wage of some working people in our community, such as casual hospitality workers, students supporting themselves through uni, casual or part-time cleaners or part-time retail workers, is the same as the unnecessary and unwarranted $16,750 a year tax cut to millionaires—the same. The Treasurer could not have got it more wrong when he declared his budget was not about winners and losers. A millionaire getting the equivalent of someone's yearly wage in a tax cut is clearly about winners and losers. The Turnbull government has demonstrated once again how out of touch it is with ordinary Australian voters.

For the voters in the electorate of Swan these pork-barrelling tax cuts certainly define the Turnbull's 'haves' and the rest, being most Australians. This Turnbull budget is neither one thing nor another and, in the terms of our shadow Treasurer, Chris Bowen, 'It's the worst of all worlds.' The cuts to schools and hospitals continue and, of course, ordinary Australians—those ignored by the Turnbull government—are our families who want a good education for their children, who have already seen the cuts this government has made to their kids' schools.
and are now seeing more of that. Australian families want a properly funded school system that is funded on need, not according to postcodes. They have not seen fair and equitable funding under the Abbott-Turnbull government; nor will they.

The cuts to our hospitals continue. There are the attacks on Medicare and the cuts to pathology and radiography services, which will see ordinary Australians—those earning under $75,000 a year, who are ignored by the Turnbull government—paying hundreds of dollars up-front when they require pathology and radiography services. And of course, as we know, most of those people are women. I know that in the federal seat of Swan voters are telling Labor's candidate, Tammy Solonec, that they are very concerned about the cuts to health and the cuts to Medicare. It is the No. 1 issue Tammy hears about when she speaks to voters.

The voters of Swan will contrast these cuts to Australian families and to Australian workers who pay their tax and who expect governments to provide decent health and education services with the government's uncosted 10-year corporate tax proposal. Labor supports tax cuts for small business. Remember, it was our policy in the first place. Interestingly, the benefits and incentives we provided to small business were among the first cuts the Abbott government made once they were elected. They did not care about small businesses but, of course, because there is an election on the horizon they have suddenly rediscovered small businesses. I am sure that we will hear today the terms 'small business' and 'mums and dads' in the one sentence. But they are not fooled.

What Labor does not support, of course, is redefining what a small business is. Once again we see the Turnbull government seeking to pork-barrel its mates at the big end of town. The government want to redefine a small business as—wait for it—anything with a turnover of less than $1 billion. So Labor will not be supporting an increase in the 'small business' definition moving to $1 billion. It is just more Morrison madness.

Voters in the federal seat of Swan have told our candidate, Tammy Solonec, that they do not want cuts to paid parental leave. We saw that that came in in the 2015 budget, and it will see up to 80,000 women a year lost almost $12,000, again a figure closely resembling the tax cut given to millionaires. Families in Swan were promised relief from childcare fees, but of course these have been abandoned until 2018, and who knows what will happen then? Hopefully, this government will have been voted out of office.

The cuts to the Child Dental Benefits Schedule will hit families in Swan. I know that our candidate for Swan, Tammy Solonec, is very concerned about this cut. Then there is the double-whammy for voters in Swan: women hit by family payment cuts will see none of the benefits of those tax cuts. Of course, the Turnbull government has completely ignored that half of the voters in Australia are women, and that is true in the seat of Swan. Once again we will see that those tax cuts will mostly benefit men.

Tammy Solonec, our candidate in Swan, was talking to me this morning and told me that sole parents in the federal seat of Swan, who are mostly women, will be much worse off under the Turnbull government's budget. If the woman is a sole parent in the seat of Swan with an income of around $65,000 a year and two children in high school, she will be more than $5,000 a year worse off. So I just do not know how Mr Morrison cam claim that this budget is not about winners and losers. It clearly demonstrates to me and no doubt will demonstrate to the voters in Swan, the people that Tammy Solonec talks to, how out of touch
the government is. You cannot continue to take from Australian families, to take from Australian workers, to take from Australian pensioners. You just cannot keep doing that and at the same time over and over give to the big end of town, pork-barrelling your mates in just nine very wealthy electorates. That is what we saw from the Turnbull government last night. It is a budget very clearly defined by its unfairness, very clearly defined by the winners, the handful of wealthy in this country—and good on them if they have made wealth, but they need to contribute, not get the yearly equivalent of someone's salary as a tax cut.

It is the Turnbull government's last budget before we go to an election. Australians have been let down and disappointed once again by a government that in the past made promises they broke, so why would Australian voters trust them now? Voters in Swan certainly will not trust a Liberal-National party again. They will be voting for Tammy Solonec.

**Budget**

**Senator XENOPHON** (South Australia) (13:33): Some things in politics are all too predictable. The government says last night's 2016 budget was a budget for jobs and growth. They blamed the former Labor government for the successive budget deficits that are now forecast to stretch out into the next decade. The Labor opposition says it is a budget for millionaires. They contend that most Australian families will miss out on any benefit and that that simply is not fair. These scripts could have been and probably were written well in advance, and the same lines are going to be repeated ad nauseam over the next eight weeks.

If you step back from the highly partisan debate, the majority of commentators—and there are commentators aplenty these days—have found the budget distinctly underwhelming. Indeed, the best that some could say last night was that Treasurer Morrison had to some extend followed the philosophy of the ancient Greek physician Hippocrates insofar as the budget appears to have been designed to do the least harm. All too often these days politics seems to involve the triumph of low expectations.

Regrettably, however, I do not think is a Hippocratic budget. Regrettably, it will do harm; it will do harm by omission. It is not what it is in the budget—a tax cut that maybe could buy a meat pie and some very modest tax breaks for business. It is the things that are not in the budget that are the bigger issue. For a budget that is supposed to be all about jobs and growth, it is inexcusable that it fails to acknowledge the crisis in manufacturing in this country not just in the auto-making sector but also in our steel industry, with manufacturing in this nation as a percentage of GDP now well under double digits, unlike comparable developed nations. Australia's manufacturing as a share of GDP has slipped from 12 per cent in 2004 to well under seven per cent now and is expected to slide even further to below that of nations that never had a significant manufacturing base—for instance, Botswana at six per cent and Rwanda at five per cent. Contrast that with Germany, the jobs and economic powerhouse of Europe, where 22 per cent of their GDP is derived from manufacturing, including smart, advanced manufacturing.

The budget papers refer to the massive decline of some 60,000 jobs in the manufacturing sector in the past year. However, they conspicuously fail to acknowledge the 200,000 jobs at risk, especially in South Australia and Victoria, and flow-on effects throughout the rest of the nation when the auto-making sector shuts down at the end of 2017. A strong, viable steel industry is essential for our nation's manufacturing sector. Arrium, the producer of structural steel in this country—the steel that is used in concrete pours for new buildings and so much
Arrium, which is currently in administration, is doing it tough, and an entire city, Whyalla, relies on steelmaking to survive—although I am confident that the administrator, Mark Mentha, can revive its fortunes if we have the right policies in place. If we keep going as we have been, we will soon no longer be a manufacturing nation of significance. Unless we change Commonwealth procurement laws to ensure that the social and economic benefits of local procurement are given priority not just with the $59 billion of Commonwealth funds that are used to procure goods and services each year but with the tens of billions of dollars more that go to state and local governments for infrastructure, Arrium and so many other companies will not have a fair chance to prosper and, indeed, could fail.

Our antidumping regime and non-conforming building products from overseas are two other important areas that need urgent reform to give Australian manufacturing and jobs a fair go. Of course, members of the government, especially those from my home state of South Australia, can rightly trumpet the government's recent announcement in respect of naval shipbuilding and say that all will be well. Of course, I wholeheartedly welcome the much-delayed commitment concerning construction of the next generation of 12 submarines and praise my colleagues for being part of that success. But there is still a long way to go before the contracts are signed. There is an even longer way to go before steel is cut—up to seven years before we see most of these jobs materialise. There will certainly need to be continuing pressure on whoever forms the next government to see that the commitments that have been made in regard to naval construction and submarine building are fulfilled in full. In any case, it will certainly be some time before the benefits of new naval construction re-energise South Australia's shipbuilding and defence industry sectors.

In the meantime, the Navy's new supply ships, worth some $2 billion, seem destined to be built in Spain, but I note the contracts have not yet been signed. But a contract has been signed for Australia's next Antarctic research icebreaker, a $500 million build that will be constructed in Romania. South Australia's shipbuilders are still going to face some very serious challenges before the new naval construction projects come online, with at least 700 direct jobs due to go in South Australia by the end of 2018—the so-called valley of jobs death—with several thousand more jobs affected through the supply chain and multiplier effects.

The budget does very little for the South Australian workers, contractors and small to medium businesses in manufacturing supply chains that face immediate and grave challenges. As is so often the case, the government's ideological—I say blinkered—commitment to free trade agreements also fails to consider the extent of impacts on local manufacturing opportunities. I have already referred to the importance of local procurement. However, the budget references to the TPP procurement agreement are certainly light on detail and could compromise Australian jobs by restricting the ability of local procurement agreements that would take into account the great benefits of buying local. But it could get worse—much worse—if Australia signs on to 'the greatest procurement treaty you've never heard of', to quote Graeme Philipson of Government News. If Australia goes on to sign the WTO Agreement on Government Procurement, that could well make it illegal for state governments such as those of South Australia and Victoria to attempt to ensure that the local benefits of
procurement are considered. It could also mean that any attempts by this parliament to strengthen our procurement laws could be challenged in the WTO.

South Australia's manufacturing crisis, and indeed the crisis around the country, is real and immediate and will only intensify in coming months. If the government were a physician, it would be standing by the bedside, passive and ineffective, wringing its hands and telling everyone that it hoped for the best while the patient struggles for life. This indifference extends to the struggles of Australia's iconic wine industry. While the government has made some unambiguously welcome steps towards promoting Australian wine to the world and dealing with aspects of the wine equalisation tax, it has failed to acknowledge the Winemakers' Federation's urgent plea to phase out, now, the much rorted wine equalisation tax rebate on bulk and unbranded wine. That tax has distorted and damaged the sector, pushing many hundreds of wine grape growers and winemakers to the economic brink. The government's failure to listen to the industry and to do the right thing by beginning the phase-out now, rather than in 2019, will cost Australian winemakers dearly.

The budget could also have provided the government with the opportunity to reconsider other measures that can only exacerbate economic challenges for regional Australia. The government's failure to scrap the much-feared backpacker tax, due to commence on 1 July, is certainly another body blow for farmers wanting to get the job done in regional Australia, where there are periodic labour shortages. This silly, counterproductive tax needs to go now.

There are also some very serious questions in regard to the health, education and aged-care aspects of the budget. The government certainly has not restored the health and education funding that was cut away in 2014. The budget papers also blandly refer to 'efficiencies' of $1.2 billion over four years through changes in the scoring matrix in the Aged Care Funding Instrument. This could prove deeply damaging to a significant number of our senior citizens. The government certainly needs to spell out its plans in detail to show exactly what is proposed in this very sensitive area, and they need to give an absolute guarantee that none of Australia's elderly will be disadvantaged.

It would be remiss of me today not to also point out the government's failure once again to come to grips with the enormous social and economic impacts of problem gambling. Despite the government announcing—a welcome announcement—last week that it would clamp down on online gambling, including illegal offshore online gambling sites, there does not appear to be any money set aside for the enforcement and implementation of these policies.

I fear that this is very much a 'treading water' budget from a government desperately anxious not to sink at the 2 July poll, and I understand that. Time will tell whether the government's gamble will pay off. No doubt there will be a strident partisan debate between the coalition and Labor in coming weeks, but it remains to be seen whether either side will really address some of the really important challenges that our nation faces, especially the jobs crisis in our manufacturing industries.

**Valedictories**

**Senator HEFFERNAN** (New South Wales) (13:43): It is good to see you in the chamber, Sterlo. This is my last speech. I seek leave to incorporate my first speech into this speech.

Leave granted.

The speech read as follows—
Thank you, Madam President, for the opportunity to make my first speech to this parliament on a day that, for me, combines family significance with political history. It was on this day 60 years ago that my mother, who is in the gallery there today, and my late father were married. Forty-seven years ago on this day, the Menzies government was elected for what was to become a record term in government. I feel sure Sir Robert is here in spirit today, not for my speech but to follow the West Indies playing the Prime Minister's XI.

Today, I come to this place proud to represent my state of New South Wales as a Senator. I am aware of the privilege and great responsibility and I am grateful to my family, mentors and the Liberal Party for the opportunity.

I am proud to be a product of the New South Wales Division of the Liberal Party and honoured to have served it as President for the last three years. The Division has taken many difficult decisions in those years, decisions which have included performance assessment and enhancement by audit and, where necessary, candidate replacement. These measures, backed by a determined state executive, have delivered, on merit, to this the 38th federal parliament, a fresh team of young men and women to complement their more experienced colleagues.

A record 14 new Liberal members from New South Wales entered this parliament following the March election. The Liberal Party, without fuss or fanfare, and certainly without quotas or tokens, has led the way to deliver more women to parliament.

We are proud that our team, this parliament and our nation is led by a member of the New South Wales Division, John Howard. He is a man who has all the qualities of leadership that are best summed up in John Buchan's 'Great Captains' from Homilies and Recreations. I quote:

We can make a catalogue of the moral qualities of the greatest captains but we cannot exhaust them. First there will be courage, not merely the physical kind, but the rarer thing, the moral courage which we call fortitude—the power of enduring when hope is gone. There must be the capacity for self-sacrifice, the willingness to let worldly interests and even reputation and honour perish, if only the task be accomplished. The man who is concerned with his own prestige will never move mountains. There must be patience supreme patience under misunderstandings and set-backs, and the muddles and interferences of others. There must be resilience under defeat, a tough vitality and a manly optimism, which looks at the facts in all their bleakness and yet dares to be confident. There must be the sense of the eternal continuity of a great cause, so that failure and even death will not seem the end, and a man sees himself as only a part in a predestined purpose. It may not be for him to breach the fortress, but the breach will come. I add another quality... The greatest captains have laid their spell not only on the mind and spirit, but on the heart of their armies.

John Howard's battlers have long willed him to be Australia's Prime Minister, and I am proud to have been part of the army of Australians that created a new dawn on 2 March.

I am also mindful of the long and outstanding service to the people of New South Wales given by my predecessor Michael Baume. Michael was the member for Macarthur from 1975 to 1983 and a senator for New South Wales from 1985 to 1996. Michael has always been a loyal servant of the state of New South Wales and the Liberal Party.

The pig industry will regret Michael Baume's departure from his honorary position as biographer of the life and times of the slickest piggery proprietor the industry has ever known. Michael gave a new meaning to 'pig ties' as the proprietor did to porkies. I wish Michael all the best in his position as Consul-General in New York.

I am a proud son of Junee—they say that half of Junee is in the gallery today—a town of 4,000 people, situated midway between Sydney and Melbourne on the main southern line. Junee, along with Werris Creek in northern New South Wales, is one of the great rail towns and rail junctions of New South Wales. We have had to adapt to the changing technology and the paradox of productivity and employment. Junee now has a greatly reduced dependence on rail.
It was during my time as shire president that the shire council, backed by strong community support, convinced the Liberal state government to allow the development in Junee of a drought proof employer—a long stay institution which also enjoys a high occupancy rate. I refer to the first privately designed, constructed and managed correctional centre in New South Wales, built by Theiss Contractors and operated by Australian Correctional Management.

The Junee community, like most bush communities, considers blood to be thicker than water. We are proud of a long list of high achievers who were born and raised in our shire. To name just a few, we sent Laurie Daley to Canberra to add a touch of class to the Raiders, Bernie Fraser to the Treasury and the Reserve Bank, and Ian Pike to be Chief Magistrate in New South Wales.

Junee is also fortunate to be 20 minutes from the ‘place of many crows’, the dynamic regional capital of the Murrumbidgee Valley, Wagga Wagga, also known as the ‘garden city of the south’. Wagga Wagga is the largest inland city in New South Wales and home to 57,000 people.

Some of Wagga Wagga's prominent institutions include the Charles Sturt University—with a campus of 10,000 students including 500 international students; its flagship courses include wine sciences and equine sciences—the RAAF base, which is the primary ground-training base to all three services; and the Kapooka army base, which is the headquarters of the 1st recruit training battalion. By 1999, Wagga Wagga district will also have a naval communications base.

Several of Wagga's current home-grown sporting heroes include the captain of Australia’s cricket team, Mark Taylor, and his opening partner of 33 tests—sure to be back—Michael Slater. Included as well are the captains of both AFL grand final teams: Paul Kelly of the Sydney Swans, and Wayne Carey of North Melbourne. Beat that!

I come from a large family. My mother is one of 14, my father is one of eight, I am one of seven. My wife, Margaret, and I have four children. Our home is simple Irish with many bedrooms and little carpet. Since leaving Joey's—that great institution—in 1959, I have lived in a world where there are more stars at night, where sunset is a work of art, where you freeze in winter and cook in summer. It is an environment where we have learnt from the ancient skills of our indigenous people and from the recent lessons of land care that man is merely the custodian of the land and that planet survival demands a certain order of our water, land, plants and animals—an order which when respected will provide for man. It is a world where words are rarely wasted and hard work, individual endeavour, fortitude, favourable weather and commonsense are basic requirements for success.

I come to the Senate as the 16th Liberal Senator for New South Wales since the foundation of the Party in 1945. My initial observations in this place are that it needs more fresh air, it has many bookshelves whose books seem to be valued by the metre, words seem valued by time, many speeches are delivered to attentive walls, many conversations are ended by bells, and life is an endless meeting—and I would not miss it for quids.

However, I am mindful that the cost to family life of political commitment is both high and well documented. I would not be here without the help of my Sydney foster family, Bill and Trish McPhee, the support of my family and my hardworking wife, Margaret, and my children, Kate, Will, Ted and Harriet—all of whom have had to make considerable sacrifices. They have always displayed much understanding and given me great support through the inevitable highs and lows of family, farming and politics.

No-one really understands what they mean to their own parents till they have their own children. I am saddened that the tide of life sweeps that meaning away for many people. For me, there are no more important words than the words I use to end every conversation I have with my children. No matter how robust and energetic these conversations are—and they seem to get more vigorous and assertive as the family gets older—the conversation always ends with a reciprocated, ‘I love you.’

We people from rural and remote Australia are a friendly mob. I found during early morning walks in Sydney with friends that saying ‘G’day’ to other early morning walkers often invoked alarm. Madam
President, you will be pleased to know after a few days we always broke down the barrier, and we had them all saying ‘Hello.’ I am now working on the shy passers-by in this place.

My public life began in 1981 when the local baker, the late Ted Benbow, encouraged me to run—successfully—for a local government position on the Junee Shire Council. Then, in 1985, along with Alby Shultz—g'day, Alby; he is now the indefatigable Liberal State member for Burrinjuck but was then the dynamic field officer for the New South Wales Division—Ted got me to join the Liberal Party.

I would not mind a bag of wheat for every time I have been asked, ‘Why are you interested in politics?’ and ‘Why aren’t you a member of the National Party?’ Suffice to say, I have a strong view that the Liberal and National parties should recognise the changing demographics in Australia, end the ridiculous pretence of differing constituencies, set aside individual agendas and ego, and have the guts and determination to give up the horse and sulky logic and become one strong, united party.

A decision to merge the Liberal and National Parties would strengthen the political hand of rural Australia, do much to strengthen cooperation and interaction between city and country and would be the most strategic political decision taken in recent political history.

I joined the Liberal Party because it is best placed to represent all Australians. It is not dominated by sectional interests. It is owned by no one individual or group. It is a Party in which all members, whatever their station in life, can enjoy equal self-esteem. Unlike other parties which have to put up barriers to retain their constituency, we are about breaking down the barriers and uniting all Australians.

Australia has one of the lowest participation rates by the wider community in party politics. It would probably be fair to say most Australians have a low regard for politics and politicians. Most believe that individuals can make no difference. Many have given up. I believe we can all make a contribution to a better Australia.

My first awareness of the national interest occurred when, as a young boy in the late 1940s, I attended an Anzac ceremony with my Uncle Kevin. I still remember when the bugle sounded the last post tears came to his eyes, and I cried because he cried. Later I discovered they were tears from a Changi-Burma line prison survivor. I then learnt of the significance of my uncle's tears, of the sacrifices and atrocities of war and how prejudices and ego often cause conflict. So was born my instinct for the national interest—an instinct that is far stronger than any ego or personal agenda, an instinct that has served me well, especially during my three years as Liberal Party president in New South Wales.

Many times I have observed the capacity of all Australians to pull together during times of war and national disaster. Is it too much to ask of the beneficiaries, of such capacity, to pull together in times of peace for social justice and a fair go for every Australian? The great challenge of uniting Australia in these times of shrinking government resources includes the provision of services and infrastructure to those people who are the backbone of our primary industries and who live in rural, regional and remote areas to enable them to enjoy a lifestyle that does not deteriorate into an underclass.

Equal is the challenge in our towns and cities, where much of suburbia is filled with a generation of unemployed parents and children, isolated by poverty, with low self-esteem and a lifestyle where drugs and suicide are an everyday expectation and work is a faded Bob Hawke promise. These people need real jobs, not retraining for non-existent jobs.

No less is the challenge imposed on this generation of Australians by the centuries of misunderstanding and neglect of our indigenous people. We must provide for the return to our indigenous people of their self-esteem: built up over thousands of years by their majestic mastery of traditional living, land custodial skills and timeless culture; broken down in 200 years by the inevitable exploratory nature of man, the intrusiveness of his machines, the enticement of his money and the destructive onslaught of his social habits.

A paradigm shift is required and will only occur when provision is made for our indigenous people to progress, even in remote areas, from communal benefit to individual benefit; when access for all
Australians to health, education and employment is not distorted by location or station in life; and when, regardless of race, creed and colour, we purge those leaders who believe all should be equal except the equalisers and who see the often generous funds of government as the opportunity for a feast on which to fatten their personal circumstances while neglecting the famine. Unfortunately, when these predators of the public purse turn on, Australians who would normally be concerned and supportive turn off.

I wish to pay tribute to our primary industries. Primary industry, which is generally carried on in rural, regional and remote Australia and includes fishing, farming, forestry and mining, continues to contribute 75 per cent of Australia's net external earnings. Our regional cities, towns and villages that support our fishermen, foresters, farmers and miners are a vital part of that contribution, as are our rural women.

Our rural women are often taken for granted. Many run the farm, more often the farmer. Rural women display greater patience, more resilience and are generally better educated than are rural men. 'Marry a teacher or nurse and droughtproof the farm' is still a well-known bush convention. Rural women often have to contend with droving, drafting and old harvest trucks, yet find the time to do the books, do the washing and ironing, cook the meals, oversee the homework, school excursions and weekend sport, water the garden and look like a lady of leisure for church on Sunday. Our rural women deserve a medal for holding together the spirit of family farming.

Our farmers are an endangered species. Despite the declining numbers of farmers, now down to 120,000, and an increasing average age, now 53; despite the drift to the coast and the fact that more people live in the western suburbs of Sydney than all of rural Australia; despite the decline of farm employment from 27 per cent of total employment in the 1920s to three per cent today; and despite the relentless decline in terms of trade for agriculture, our farmers and the world's farmers have to feed an extra 90 million people every year.

We live in a world where 1.3 billion people lack regular access to fresh water, where 800 million people do not enjoy food security, where 185 million children suffer malnutrition and where 1 billion people have an income of no more than $1 a day. Population growth is wearing down Mother Earth and swallowing up our farming land and agricultural water resources. Twenty-five per cent of the world's agricultural land is degraded and 25 per cent of the world's wild fisheries are overfished. If the world does not wake up, in 100 years there will be no tropical rainforest.

The loss of land from dryland agricultural production to urban development requires, in resource transfer terms, 1,000 tonnes of water to produce from irrigation 1 tonne of wheat. Many land scarce societies who face such transfers face the paradox of the reproductive rights of the current generation and the survival rights of the next generation.

The great challenge in feeding the world will be to produce enough food at a price that is affordable to all without destroying the environment. Rural, regional and remote Australia has taken up this challenge. We have adopted landcare and our farmers are bonded to the land, often in a similar way to the custodial and spiritual ways of our indigenous people. They have stuck through drought, fires and floods, through good times and bad, they compete in world markets corrupted by the US and European treasuries and in many years have accepted fresh air and freedom as their only income.

My tribute also extends to my bush companions, our indigenous people, who live in rural and remote Australia. I share their love of the land and their concern for the loss of their timeless culture. They, like myself, sleep many nights under the stars, understand the value of a campfire and can read Mother Nature, her seasons and warning signals. They, sadly, often live in a mire of low self-esteem, shunned by the passage of time and technology.

Professor Ian Ring, who published research this year on the health of our indigenous people in the cape, found no improvement in any major health indicator since 1976. On every indicator, Aboriginal and Torres Strait Islanders are disadvantaged compared with non-indigenous Australians. Life
expectancy is 15 to 20 years less for Aboriginal people, while infant mortality is three times higher. An Aboriginal baby born today has still, despite our best efforts, only a one in three chance of living to the age of 65.

For many years, try as many have, we have failed these people. They, like our jackeroos, drovers, shearers, shearer's cooks and all rural dwellers, are a precious part of Australia's culture. All these people need not feel isolated and forgotten. They will have a champion for their cause in me.

It has been easy for many Australians to stir, by fax, phone and emotion, the melting pot recently introduced to this parliament by an Independent member of the House of Representatives. That universally poisonous melting pot of candour, criticism, blissful ignorance, fear, poignant truth and racial undertones is not peculiar to Australia, but it has tempted many in the media to report that speech with glasshouse headlines which invoke basic territorial jealousies, tribal instincts and human inconsistencies—headlines which trigger the pollsters and cult figures but which blatantly ignore the issues that unite Australians and overlook the proven capacity of Australians to embrace our 'fair go' ethic.

The strength in the fabric of Australian society has always been the woven cloth, never a single thread. Our woven cloth has always included some threads of individual failure, tragedy, injustice and intolerance. The same cloth held threads of success, fortitude, self-sacrifice and compassion. We should not allow the thread of discontent spun from one speech in this parliament to unravel the fabric of Australian society.

Social inequity and disadvantage cannot be simply identified and isolated on a map. It is not determined by birth, bound by creed or colour, nor solved by worldwide days of recognition. Madam President, visiting Australia's disadvantaged by airconditioned car or bus or through the eye of the TV news is a comfortable First World response but no solution. Providing a real world solution will require Australians from all walks of life rolling up their sleeves and opening up their hearts.

I invite all concerned Australians to answer a call of feet, hands, hearts and means to establish a care corp—volunteers whose sole task would be to identify the priorities of disadvantage within Australia and act to alleviate them. By giving up a week of their time or a few days pay, not once but year after year, to marshal the resources of both government and the able in our community to overcome the plight of the most disadvantaged and needy in our society.

Our Governor-General, Sir William Deane, has recognised the collective plight of our disadvantaged as the most important problem facing our nation. If we can maintain the volunteer ethic in areas as diverse as firefighting, Meals on Wheels and international aid, then surely we can provide volunteer supervision and target community ownership of programs to rebuild self-esteem and refurbish essential services to our disadvantage.

Only a strong economy will fund from income the compassionate side of government, 'the true measure of good government'. Bold initiatives will produce a strong economy, real jobs and real wealth. Australia is ready for an era of bold initiatives, an era of national savings and real wealth creation. Like the Snowy Mountain scheme of the 20th century, we need a plan for the 21st century—a plan which will bring cohesion and long-term benefit to all.

Our plan should include a very fast train which adopts an inland route and has passenger and freight capacity and time lines to link our capital cities. The VFT will break down the barrier between city and country, curb the environmentally destructive urban sprawl, open up development corridors for the next 100 years and be the bridge to the 21st century. It will take Australia from a country retiring to the coast, living on welfare and resting on its laurels to a new frontier for development with job opportunities and excitement.

We should also harness some of the millions of megalitres of fresh water that flows annually into our northern tropical seas. This water resource can be used to open up some of the last tracts of virgin farming land available in the world. Such a plan would recognise that in a world of shrinking land,
mineral and water resources Australia has much to offer. It would also allow many remote communities, both black and white, a lifeline to higher self-esteem and a train ride to better health and education facilities and employment opportunities.

Our plan should also include research and development to allow the construction of mass transit systems, a vital strategy to meet Australia's commitment to reduction in greenhouse gases and addressing the looming fossil fuel crisis. Why can't we also develop technology to recycle the millions of megalitres of sewage polluting our seas and break the nexus of a throwaway society and a mountain of garbage?

For my own state of New South Wales, the development of an inland international air freight terminal would be a catalyst to restructure and vertically integrate the Murray-Darling farm enterprise and provide a long-term solution to salinity and degradation by water and land management practices. With the added value of workplace reform it would allow Murray-Darling farmers to competitively enter Asian supermarkets as fresh food suppliers to three billion people.

Madam President, the paradox of urban consolidation and urban sprawl, public and private transport, productivity and employment, the myriad of environmental issues, clean air, fresh water—we buy fresh water now; will we eventually have to buy clean air?—are not some trendy 'Greens' issues; they are our issues. They are planet survival issues which will not be solved by lobby groups, radical political agendas or single issue political parties. These issues will only be solved by government achieving interaction and understanding between city and country, between the various competing energies and agendas and between the producers and the users.

In recent years, Australian taxpayers have remained largely unaware yet committed to subsidising from future tax revenue $120 billion worth of unfunded state and federal public sector superannuation. We have tolerated a public purse which has allowed rights to overpower responsibilities and build in billion dollar rorts; an archaic tax system that taxes battlers and the thrifty, yet allows taxable profits in key industries to be exported by foreign owned and vertically integrated companies that use transfer pricing; and a 13-year fire sale of Australian equity in key export industries.

We have allowed our agricultural industries to have their disease free status and marketing edge threatened by political agendas and world trade predators. We have ignored the development of our national infrastructure, yet allowed Australian superannuation savings to develop foreign owned offshore infrastructure. We have largely ignored the vast underdeveloped water, land and mineral resources of Australia's far north. Is it any wonder we cannot fund hospitals, schools or house the homeless?

Who can fix all of this? We in this chamber can. We can ensure our children and future generations inherit from us a social, economic and environmental climate that is safe and secure, that Australia remains a great place to raise a family, breathe fresh air and drink clean water.

Madam President, every time I hear the bugle sound the last post, I am reminded that I belong to a generation that has never been to war, has taken much and given little. I am reminded that the debt we all owe to earlier generations of Australians cannot be repaid but merely serviced.

My aspirations are bound by the honour boards of past campaigns in both war and peace. My commitment is to reward the individual, unburden the dependent and protect the vulnerable. My hope is that in walking the tightrope between rights and responsibilities the balance will always be maintained in Australia by the peaceful democratic processes of our parliament.

My dream is that on the day of my last speech in this chamber I will be able to say that I have served in a parliament whose members have all put the nation's interests ahead of their own; a parliament which has robustly discarded as un-Australian the morays of the eighties and its legacy of greed, corruption and debt; a parliament which has promoted a fair go for all as the spirit of Australia; a parliament which has delivered the opportunity for all Australians to enjoy independence of means and mind; and, finally, that my contribution in this place will be judged by my fellow Australians as
worthwhile. My only wish then will be that God allows me to return with my family to the peace and tranquillity of the bush. Thank you very much.

I would firstly like to thank the constituency of New South Wales for allowing me the great honour and privilege of representing them in this chamber for the best part of 20 years—in particular, those from rural and regional Australia; I have long fought to have their voices heard in this place. I would like to thank my family and acknowledge that I would not be here without their support: my hardworking wife, Margaret, who is in the gallery up there; Kate, who is also in the gallery; and my other children, Will, Ted and Harriet. Hello, everybody. They have always displayed much understanding—a bloody lot of understanding—and given me great support through the inevitable highs and lows of family, farming and politics. I would also like to thank all current and former members and senators and my parliamentary colleagues, my current and former staff and the Liberal Party and, in particular, John Winston Howard, who rang me up and said one day, 'What about having a crack in the Senate?' So there you go, I had a crack.

Those passing by have commented on a sign displayed in my office titled 'the Heffernan pledge'. It states, 'I will behave at estimates, I will not swear and I will give other Senators an opportunity to ask questions.' I am sure Senator Sterle will agree how well I have followed these guidelines.

I will go to my maiden speech, which I will incorporate. From John Buchan's 'Great Captains' from Homilies and Recreations, I quote:

We can make a catalogue of the moral qualities of the greatest captains but we cannot exhaust them. First there will be courage, not merely the physical kind, but the rarer thing, the moral courage which we call fortitude—the power of enduring when hope is gone. There must be the capacity for self-sacrifice, the willingness to let worldly interests and even reputation and honour perish, if only the task be accomplished. The man who is concerned with his own prestige will never move mountains. There must be patience supreme patience under misunderstandings and set-backs, and the muddles and interferences of others. There must be resilience under defeat, a tough vitality and a manly optimism, which looks at the facts in all their bleakness and yet dares to be confident. There must be the sense of the eternal continuity of a great cause, so that failure and even death will not seem the end, and a man sees himself as only a part in a predestined purpose. It may not be for him to breach the fortress, but the breach will come. I add another quality: the greatest captains have laid their spell not only on the mind and spirit, but on the heart of their armies.

I will now quote from various parts of my maiden speech in 1996 which I think are still relevant.

I wish to pay tribute to our primary industries. Primary industry, which is generally carried on in rural, regional and remote Australia and includes fishing, farming, forestry and mining, continues to contribute 75 per cent of Australia's net external earnings.

That was in '96.

Our regional cities, towns and villages that support our fishermen, foresters, farmers and miners are a vital part of that contribution, as are our rural women.

Our rural women are often taken for granted. Many run the farm, more often the farmer. Rural women display greater patience, more resilience and are generally better educated than are rural men. 'Marry a teacher or nurse and drought proof the farm' is still a well-known bush convention. Rural women often have to contend with droving, drafting and old harvest trucks, yet find the time to do the books, do the washing and ironing, cook the meals, oversee the homework, school excursions and
weekend sport, water the garden and look like a lady of leisure for church on Sunday. Our rural women
deserve a medal for holding together the spirit of family farming.

Our farmers are an endangered species. Despite the declining numbers of farmers, now down to
120,000, and an increasing average age, now 53; despite the drift to the coast and the fact that more
people live in the western suburbs of Sydney than all of rural Australia; despite the decline of farm
employment from 27 per cent of total employment in the 1920s to three per cent today; and despite the
re lentless decline in terms of trade for agriculture, our farmers and the world's farmers have to feed an
extra 90 million people every year.

We live in a world where 1.3 billion people lack regular access to fresh water, where 800 million
people do not enjoy food security, where 185 million children suffer malnutrition and where 1 billion
people have an income of no more than $1 a day. Population growth is wearing down Mother Earth and
swallowing up our farming land and agricultural water resources. Twenty-five per cent of the world's
agricultural land is degraded and 25 per cent of the world's wild fisheries are overfished. If the world
does not wake up, in 100 years there will be no tropical rainforest.

The loss of land from dryland agricultural production to urban development requires, in resource
transfer terms, 1,000 tonnes of water to produce from irrigation 1 tonne of wheat. Many land scarce
societies who face such transfers face the paradox of the reproductive rights of the current generation
and the survival rights of the next generation.

The great challenge in feeding the world will be to produce enough food at a price that is affordable
to all without destroying the environment. Rural, regional and remote Australia has taken up this
challenge. We have adopted land care and our farmers are bonded to the land, often in a similar way to
the custodial and spiritual ways of our Indigenous people. They have stuck through drought, fires and
floods, through good times and bad and compete in world markets corrupted by the US and European
treasuries and in many years have accepted fresh air and freedom as their only income.

My tribute also extends to my bush companions, our Indigenous people, who live in rural and remote
Australia. I share their love of the land and their concern for the loss of their timeless culture. They, like
myself, sleep many nights under the stars, understand the value of a campfire and can read Mother
Nature, her seasons and warning signals. They, sadly, often live in a mire of low self-esteem, shunned
by the passage of time and technology.

... ... ...

For many years, try as many have, we have failed these people. They, like our jackeroos, drovers,
shearers, shearer's cooks and all rural dwellers, are a precious part of Australia's culture. All these
people need not feel isolated and forgotten. They will have a champion for their cause in me.

... ... ...

Only a strong economy will fund from income the compassionate side of government, 'the true
measure of good government'. Bold initiatives will produce a strong economy, real jobs and real wealth.
Australia is ready for an era of bold initiatives, an era of national savings and real wealth creation. Like
the Snowy Mountain scheme of the 20th century, we need a plan for the 21st century—a plan which
will bring cohesion and long-term benefit to all.

Our plan should include a very fast train which adopts an inland route and has passenger and freight
capacity and time lines to link our capital cities. The VFT will break down the barrier between city and
country, curb the environmentally destructive urban sprawl, open up development corridors for the next
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coast, living on welfare and resting on its laurels to a new frontier for development with job
opportunities and excitement.

We should also harness some of the millions of megalitres of fresh water that flows annually into our
northern tropical seas. This water ... can be used to open up some of the last tracts of virgin farming
land available in the world. Such a plan would recognise that in a world of shrinking land, mineral and water resources Australia has much to offer. It would also allow many remote communities, both black and white, a lifetime to higher self-esteem and a train ride to better health and education facilities and employment opportunities.

... ... ...

For my own state of New South Wales, the development of an inland international air ... terminal would be a catalyst to restructure and vertically integrate the Murray-Darling farm enterprise ... With the added value of workplace reform it would allow Murray-Darling farmers to competitively enter Asian supermarkets as fresh food suppliers to three billion people.

Madam President, the paradox of urban consolidation and urban sprawl, public and private transport, productivity and employment, the myriad of environmental issues, clean air, fresh water—we buy fresh water now; will we eventually have to buy clean air?—

this was in 1996 and we are seeing it now—

are not some trendy 'Greens' issues; they are our issues. They are planet survival issues which will not be solved by lobby groups, radical political agendas or single issue ... parties. These issues will only be solved by government achieving interaction and understanding between city and council, between the various competing energies and agendas and between the producers and the users.

... ... ...

We have tolerated a public purse which has allowed rights to overpower responsibilities and build in billion dollar rorts; an archaic tax system that taxes battlers and the thrifty, yet allows taxable profits in key industries to be exported by foreign owned and vertically integrated companies—

that includes transfer pricing and of course these days derivative swaps.

My last appeal to parliament is to create a federal judicial commission—and this is away from my speech in 1996—for reasons that are well-documented, but have never been made public. I am sure the torture of history, as is the case in the current McClelland royal commission, will tell the truth. When I made my first speech to this chamber on 10 December 1996—it seems like only yesterday—my final words were:

... every time I hear the bugle sound the last post, I am reminded that I belong to a generation that has never been to war, has taken much and given little. I am reminded that the debt we all owe to earlier generations of Australians cannot be repaid but merely serviced.

My aspirations are bound by the honour boards of past campaigns in both war and peace. My commitment is to reward the individual, unburden the dependent and protect the vulnerable. My hope is that in walking the tightrope between rights and responsibilities the balance will always be maintained in Australia by the peaceful democratic processes of our parliament.

My dream—

and it is today—

is that on the day of my last speech in this chamber I will be able to say that I have served in a parliament whose members have all put the nation's interests ahead of their own; a parliament which has robustly discarded as un-Australian the morays of the eighties and its legacy of greed, corruption and debt ... a parliament which has delivered the opportunity for all Australians to enjoy independence of means and mind; and, finally, that my contribution in this place will be judged by my fellow Australians as worthwhile. My only wish then—

which is now—

will be that God allows me to return with my family to the peace and tranquillity of the bush.
Thank you.

Valedictories

Senator KETTER (Queensland) (13:58): In the couple of minutes remaining to me, I want to congratulate Senator Heffernan on his contribution today and wish him all the best in his retirement. I also want to note there are two retiring Queensland Labor senators, so today is somewhat tinged with sadness for us. I acknowledge Senator McLucas's distinguished and dignified contribution to this place. I also want to quickly pay tribute to Senator Ludwig, who is leaving us. Many people here would not be aware of the fact that Senator Ludwig worked as a trade union official before coming here. We spent some time together—our two unions working collaboratively together for the interests of our members. He worked as an industrial advocate for the Australian Workers' Union and made a substantial contribution there. I do not want to traverse all of Senator Ludwig's contribution in terms of party positions, committee work and ministerial appointments, including Minister for Human Services, Special Minister of State, Cabinet Secretary and Minister for Agriculture, Fisheries and Forestry.

On this side of the chamber, we will miss his strategic insights and his knowledge of parliamentary procedure. One of the many pieces of unsolicited advice I received from Senator Ludwig in recent years was that: if you are in politics and you need a friend, then you should get a dog. Senator Ludwig leaves this place with his head held high and perhaps a few extra friends than he thought he had.

QUESTIONS WITHOUT NOTICE

Budget

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:00): My question is to the Minister representing the Treasurer, Senator Cormann. I refer to page 41 of Budget Paper No. 2 and the measure titled 'Ten Year Enterprise Tax Plan—reducing the company tax rate to 25 per cent'. What is the cost of this measure over the 10-year period?

Senator CORMANN (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (14:00): Last night the Treasurer delivered the government's national economic plan for jobs and growth. He delivered our plan to ensure the economy continues to successfully transition from resource investment driven growth to broader drivers of growth and a strong and diversified economy. And our 10-year enterprise tax plan is a key part of that economic plan. It is a key part of making our tax system more growth friendly.

Opposition senators interjecting—

Senator CORMANN: I know why the Labor Party is yelling and screaming and interjecting. It is because, unlike the Labor Party, we bring the tax burden down in the economy. The Labor Party wants to increase taxes by $100 billion over the next decade, which is—

Senator Moore: I rise on a point of order of direct relevance, Mr President. The specific question was the cost of the 10-year plan that the minister over there is praising. Could we have his attention drawn to the cost.
The PRESIDENT: Thank you, Senator Moore. The minister was certainly moving to the question. I call the minister.

Senator CORMANN: No wonder the Labor Party made such a mess of the budget. They do not realise that budget forward estimates actually go over a four-year period. Over the four years of the forward estimates, the reduction in the company tax rate, as outlined on page 41 of budget paper 2, has a cost of about $2.7 billion. It is, of course, fully paid for by changes in other parts of the tax system. What we have been able to achieve in this budget is to pay for all of our required increases in spending with spending reductions in other parts of the budget, and we have been able to pay for the cost of—

Senator WONG: I rise on a point of order of direct relevance, Mr President. I asked one question and one question only: what is the cost of this measure over the 10-year period?

The PRESIDENT: Thank you, Senator Wong. The minister was addressing some of the cost measures. I call the minister.

Senator CORMANN: The Labor Party really does not like tax cuts which help drive stronger growth and more jobs. This is a tax cut which will help attract additional investment, which will help to increase productivity, which will help to create more jobs, which will help to increase the level of job creation, which will help to increase real wages over time. The costing over the forward estimates is $2.7 billion, and over the medium term it is fully funded and reflected in our medium-term forecasts. I know that the Labor Party does not like lower taxes, I know that the Labor Party does not like more jobs and stronger growth; but this is what this government is actually delivering. (Time expired)

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:03): Mr President, I ask a supplementary question. The Minister for Finance says this measure is fully funded. He cannot even tell us how much it costs, let alone tell us how it is funded. I will ask the same question again. The centrepiece of the budget, according to the government; the 10-year tax plan for a reduction in the company tax rate over the 10 years: how much does it cost?

Senator CORMANN (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (14:03): If Senator Wong had actually listened to my answer, she would know I pointed out very clearly that it would be costing $2.7 billion over the forward estimates. It will permanently increase the size of the economy by one per cent, which will help us to generate stronger job creation—more jobs—and over time will help us increase real wages and improve living standards across Australia. This is exactly what the Australian people are looking for. It is a central part of our plan for jobs and growth. It is a central part of—

Senator Moore: Mr President, I again rise on a point of order on direct relevance. What is the cost over 10 years? It is a specific question.

The PRESIDENT: Thank you, Senator Moore. It is my job to adjudicate as to whether the minister is being directly relevant. I cannot direct the minister how to answer the question. The minister is on topic. The minister is talking about costs in relation to the costs over the forward estimates. I call the minister.

Senator CORMANN: The cost of this measure—reflected in the budget paper in the usual way, over the four-year forward estimates period—is $2.7 billion. It is costed, it is fully
funded and, indeed, as to the effect of policy decisions on the budget bottom line, it is an improvement of $1.7 billion over the forward estimates.

**Senator WONG** (South Australia—Leader of the Opposition in the Senate) (14:05): Mr President, I ask a further supplementary question. I ask the Minister for Finance this question: does he even know how much the 10-year company tax cut plan costs? I will again ask the same question. Budget Paper No. 2, the measure entitled 'Ten Year Enterprise Tax Plan—reducing the company tax rate to 25 per cent': what is the cost of this measure over a 10-year period? Do you even know?

**Senator CORMANN** (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (14:05): What I know is that this is a measure which will permanently add one per cent to the size of the economy, will help to increase the number of jobs and help us increase the level of real wages across Australia. This is a measure which is costed, consistent with requirements in the Charter of Budget Honesty, over the four-year forward estimates.

What we do know, of course, is that Labor wants to impose $100 billion in additional taxes over the next decade. You want to spend it all and more.

*Opposition senators interjecting*—

**The PRESIDENT**: Order! Pause the clock. Minister—

**Senator CORMANN**: That is, of course, the worst thing that you could possibly do to the Australian economy as we are working on a transition from resource investment driven growth to broader drivers of growth.

*Opposition senators interjecting*—

**The PRESIDENT**: Order! Minister—

**Senator CORMANN**: Our plan is to tax better without increasing taxes on the economy. Your plan is to tax—

*Opposition senators interjecting*—

**The PRESIDENT**: Minister Cormann, please resume your seat.

*Opposition senators interjecting*—

**The PRESIDENT**: Order! Senators on my left, you have one of your colleagues on his feet. I presume it is to take a point of order.

**Senator Kim Carr**: My point of order is on relevance, Mr President. The minister has been asked a direct question three times now: what is the cost of the 10-year enterprise tax plan? Does he know? He has not been able to answer it. Would you please direct him to actually attend to the question that has been asked.

**The PRESIDENT**: The minister is answering the question. He is responding to the question and he has been asked two parts to the question.

**Senator CORMANN**: We know that the Labor Party is into 10-year costings to hide their budget black holes over the short term. In an attempt to hide their budget black holes over the short term—we know that the Labor Party has a $20-billion black hole in their costings on the tobacco excise. We have costed this measure consistent with the usual practice and the usual
approach under the Charter of Budget Honesty. The cost over the four-year estimate is $2.7 billion—(Time expired)

DISTINGUISHED VISITORS

The PRESIDENT (14:08): I draw to the attention of honourable senators, the presence in the gallery of the Australian Political Exchange Council's 15th delegation from Japan. On behalf of all senators, I extend a warm welcome to Australia, and particularly to the Senate.

Honourable senators: Hear, hear!

QUESTIONS WITHOUT NOTICE

Budget

Senator EDWARDS (South Australia) (14:08): My question is to the Minister for Finance, the Minister representing the Treasurer, Senator Cormann. Can the minister update the Senate on the government's plan for jobs and growth in our economy?

Senator CORMANN (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (14:09): I thank Senator Edwards, the chair of the Senate Economics Legislation Committee for that question.

As I was saying, last night the Treasurer delivered the government's plan for jobs and growth. Last night the Treasurer delivered our plan to secure the successful economic transition for resource-investment-driven growth to broader drivers of growth in a diversified, stronger and innovative economy. He delivered our plan to live within our means by getting our budget onto a sustainable foundation for the future.

Our plan includes innovation in science programs for start-up businesses. Indeed, earlier today the Senate passed one of the key features of our plan, our innovation and science agenda, in the incentive arrangements that we are putting in place for start-up businesses. Our economic plan for jobs and growth includes our defence plan for local high-tech manufacturing and technologies, spearheaded by my good friend and valued colleague the Minister for Defence, Senator Payne. It includes our export trade deals to generate new business opportunities across key markets in our region, with the best trade minister ever, in then Minister Andrew Robb, having finalised trade agreements with China, South Korea and Japan, and with the new trade minister, Mr Ciobo, now focusing on India and Europe to further improve the opportunities for Australian exporters to access those markets and be successful in those overseas markets.

We have, of course, delivered tax cuts in this budget: tax cuts to average weekly earners and also tax cuts for small- and medium- size businesses and, over time, bringing the company tax rate down to 25 per cent—something that last year the Labor leader, Bill Shorten, said was something that we should work on together on a bipartisan basis. How things have changed! They are now into the class warfare. We on this side know that a more competitive company tax rate is good for jobs and growth. (Time expired)

Senator EDWARDS (South Australia) (14:11): Mr President, I ask a supplementary question. I ask the minister how the government is encouraging small businesses to invest and employ more Australians?

Senator CORMANN (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (14:11): Small- and medium-size
businesses are driving jobs growth in Australia. Right now 70 per cent of all employees across Australia are employed in a small- or medium-sized business. These are real jobs in real industries.

For example, 96 per cent of employees in agriculture are employed by a small- and medium-size enterprise, and 84 per cent of construction workers and 80 per cent of employees in professional services are employed by a small- or medium-size enterprise. Most of the employment growth is generated by small- to medium-size business.

In this budget, we are building on the measures that we initiated in last year's budget, providing further tax cuts to small- and medium-size business by lifting the turnover threshold for small-and medium-size business accessing various tax benefits from $2 million to $10 million from 1 July 2016. This means that all businesses with a turnover of less than $10 million can access tax incentives available to small business. This means 870,000 businesses employing 3.4 million Australians will have their tax rate reduced.

Senator EDWARDS (South Australia) (14:12): Mr President, I ask a further supplementary question. Is the minister aware of any alternative approaches, and what would their effect be on jobs and growth?

Senator CORMANN (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (14:12): There is an alternative approach, and it is an approach that would hurt our economy and cost jobs. It is an approach that would undermine our successful transition from resource-investment-driven growth to broader lines of growth in a more diversified economy. It is Labor's approach of taxing more, borrowing more and spending more. It is a failed approach, which was proven to fail when Labor was last in government. When they were last in government they left behind a weakening economy, rising unemployment and a budget position that was rapidly deteriorating.

Today economic growth is stronger, the unemployment rate is lower than had been anticipated and the budget position is improving. Of course, Labor wants to impose more than $100 billion in new taxes on the economy—not to reduce taxes and spare the economy but to spend more. This is exactly the wrong thing to do. It would hurt growth and it would cost jobs. Their ill-thought-out approach to negative gearing, reducing investment; their ill-thought-out approach to the carbon tax, losing investment—

Housing Affordability

Senator GALLAGHER (Australian Capital Territory) (14:14): My question is to the minister representing the Prime Minister, Senator Brandis. On ABC radio this morning the Prime Minister, in response to Jon Faine saying his own kids were locked out of the housing market, said, 'Well you should shell out for them.' Is the Prime Minister's advice to young Australians struggling to buy their first home that they have to have wealthy parents?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:14): Dear, oh dear, oh dear! Senator Gallagher, I thought the Australian Labor Party might have taken matters a little more seriously on the day after the budget. Yet, after one question to the minister representing the Treasurer, we descend into political vaudeville with your second question, Senator Gallagher.
That is how seriously you take the most important day of the parliamentary calendar—that is, the budget.

Senator Gallagher, I am very surprised that a Labor senator would raise the question of housing affordability, because there is one thing we know about your plans in relation to negative gearing, from which I note you are now crab-walking away, is that they would collapse the value of houses and push up the value of rents. That is what your policy in relation to housing affordability is, Senator Gallagher.

As you know, among other things, from the BIS Shrapnel report, with which you were acquainted as early as July of 2015, changing the negative gearing arrangements would take approximately one-third of the demand out of the housing market. What do you think, Senator Gallagher, happens to a market when you remove one-third of the demand from the market? The values of the assets collapse and, correspondingly, rents will go through the roof.

Senator Conroy: Nobody believes you.

Senator BRANDIS: Senator Conroy, there is not one serious economic commentator in this country who has disputed the proposition that if you take a third of the demand out of the housing market values will collapse and rents will rise. (Time expired)

Senator GALLAGHER (Australian Capital Territory) (14:16): Mr President, I ask a supplementary question. I refer again to the Prime Minister, who went on to say that wealthy parents shelling out for a home for their kids is to 'provide a bit of intergenerational equity'. Is the Prime Minister's only response to intergenerational inequity for young people to have wealthy parents?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:17): Senator Gallagher, our approach is to make housing affordable for Australians while preserving the value of the asset class, which is the asset class held by most Australians. You do not assist young Australians by the negative gearing policy which you have announced. Though I note, by the way, that this morning when Mr Albanese was interviewed on radio, he actually declined to say that your policy was a policy about housing affordability. So far and so rapidly are you trying to run away from the consequences of your policy. Like so many policies that the Labor Party have put onto the table in the last year, this is a half-baked, poorly thought through policy which will achieve the very opposite of that which you claim for it, Senator Gallagher. But if you want to fight this election, Senator Gallagher, on— (Time expired)

Senator GALLAGHER (Australian Capital Territory) (14:18): Mr President, I ask a further supplementary question. Minister, which is worse: the former Treasurer saying that poor people do not have cars or the current Prime Minister saying that wealthy parents should shell out for a home for their kids? Either way, does it not show that a coalition government is completely out of touch with the majority of Australians, including young people struggling to buy their first home?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:18): I will tell you which is worse, Senator Gallagher: your catastrophic policy. That is the worst of all worlds, because it seems slowly to be dawning on you, Senator Gallagher, that, as a result of the measures that you have announced in relation to negative gearing, the value of the asset class held by most
Australians would significantly deteriorate. Housing values would significantly deteriorate while rentals would sharply increase.

The PRESIDENT: Pause the clock.

Senator Conroy: Mr President, on a point of order: all three questions asked the Leader of the Government to defend what the Prime Minister said. Not once has he attempted to do that. I ask you, implore him to defend the Prime Minister.

The PRESIDENT: There is no point of order.

Senator BRANDIS: Senator Conroy, I did not actually hear the interview, but I always find myself in agreement with the Prime Minister on everything. But one of the things which I find myself in enthusiastic agreement with the Prime Minister is his well-informed critique of the consequences of your policy. If you want to take a policy to the election, Senator Gallagher, that would see the value of Australians’ housing fall, bring it on. (Time expired)

Budget

Senator DI NATALE (Victoria—Leader of the Australian Greens) (14:20): My question is to the minister representing the Prime Minister, Senator Brandis. Last night, the budget did not mention global warming once, not a peep. The Treasurer’s speech completely ignored it. The budget papers ignored it. There was not a peep about the tens of thousands of jobs that come with the transition to a clean economy; not a peep about the tens of thousands of jobs that rely on a healthy Great Barrier Reef.

It is a simple question. Your government says that it has an economic plan that is good for jobs, good for growth. How can you be serious about having a plan for jobs and growth when you are not just silent but you are actively preventing the transition to a clean economy, which is the best prescription for jobs and growth?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:21): Senator Di Natale, you are wrong. You are wrong when you say the budget did not mention climate change. You are quite wrong. It is true to say that the term was not used in the budget speech. The budget speech, Senator Di Natale, is not the budget. Your assertion that it is not mentioned in the budget papers, that large body of documentation that supports the budget, including the portfolio budget statements, Senator Di Natale, is wrong.

If I can direct you, Senator, to the portfolio budget statements for the Department of the Environment and the supporting documents in relation to the Department of the Environment, which is the lead department, as you know, in relation to this area of policy, you will see plenty of mention of the issue. Might I remind you, Senator Di Natale, since you assert in your question—again, wrongly—that the government has done nothing in relation to the matter that it is not the first time I have had to remind you, Senator Di Natale, that we took to the Paris climate change conference one of the most ambitious emissions reduction targets in the entire world—a reduction of 26 to 28 per cent of 2005 emissions by 2030 and, Senator Di Natale, as you are aware, as the regulator has reported, Australia is well in excess of its targets at the moment. That is a per capita reduction of emissions, Senator Di Natale, of 52 per cent. Perhaps, Senator Di Natale, you could equate the Senate with what other countries are proposing an emissions reductions target equivalent to a per capita reduction of 52 per cent in compliance with their Paris obligations.
Senator DI NATALE (Victoria—Leader of the Australian Greens) (14:23): Mr President, I ask a supplementary question. In last night's budget speech, the Treasurer said:

We will not be able to rely on our natural advantages in resources to secure the jobs of the future like we have in the past.

Yet, in the budget, the Treasurer announced that they are giving $110 million to survey the country to help mining companies develop greenfield sites, yet taking out $1.3 billion from the Australian Renewable Energy Agency—with the support of the Labor Party, it must be said. How does that square up?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:23): Once again, you seem to dwell on this false antithesis between support for the Australian mining industry and support for the environment. It was the same error that was made by Senator Waters in a question she asked me earlier in the week.

We, on the government side, Senator Di Natale, believe that you can have a prosperous, thriving and environmentally responsible mining and coal industry, and a well-cared for environment at the same time. You in the Greens, Senator Di Natale, do not. Nowhere is the falsity of that antithesis more obvious than in my own state of Queensland where we have, with the Great Barrier Reef and the other great environmental sites, a well-cared for environment that is well regulated and, at the same time, we have a mining industry, which would be a more thriving industry, if people like you got out of the way and let it develop. (Time expired)

Senator DI NATALE (Victoria—Leader of the Australian Greens) (14:25): Mr President, I ask a further supplementary question. I am looking forward to learning about what a false antithesis is, but anyway. The government talks a lot about innovation and incubating good ideas, but last night's budget was more like a microwave than an incubator, reheating a whole lot of old infrastructure commitments. Why won't the government commit to funding productive infrastructure like the clean energy technology we need to create jobs and investment rather than giving tax cuts to billionaires?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:25): Well, Senator Di Natale, once again, this is the third time out of three questions you have based your question on a false premise, because that is the very thing the government does do. It does it, for example, through the renewable energy target that will lead to 23.5 per cent of Australian electricity being sourced from renewable energy by 2020.

The government, for example, in pursuit of the renewable energy target announced as recently as 8 April that we would be proceeding with the $400 million White Rock Wind Farm; on 10 February that the Powering Australian Renewables Fund would target 1,000 megawatts of renewables and attract up to $3 billion of investment; and on 18 February the announcement that our electricity companies would meet their renewable energy targets, because of the support, through public investment, provided to them by the Australian government. (Time expired)
Senator BACK (Western Australia) (14:26): My question is to the Minister for Employment, Senator Cash. I ask will the minister advise the Senate how the budget will help young Australian job seekers.

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 Back for his question. Those of us on this side of the chamber believe that the best form of welfare is a job, and that is why we are investing $840.3 million over four years in a youth employment package. This youth employment package is going to give young people employability skills and real work experience to get them a job.

Encouragingly, as we know, the youth unemployment rate has decreased to 12 per cent, but this is still unacceptably high and we recognise that more needs to be done. What our youth employment package will do is help young people to become more competitive in the labour market by giving them the employability skills that employers want; opportunities for work experience, which, based on feedback, are often lacking; and of course the ultimate aim of the youth employment package is to ensure that our youth move from welfare into work.

The package is going to deliver a new Youth Jobs PaTH to prepare our youth, to give them the opportunity to have a trial and then of course we hope to move into employment to be hired. The employability skills training is going to be co-designed with a range of employers and it will help young job seekers, who often do not even have basic skills or understand the behaviours expected by employers of them, in the recruitment process and in the workplace. Then they can undertake an internship. This is so important because, based on evidence, it has shown that internships actually assist our young people in getting into a job. Then of course we are going to work with employers so they can access a wage subsidy in the event that they hire the employee. This is all about getting our young Australians ready, giving them a go and getting them a job.

Senator BACK (Western Australia) (14:29): Mr President, I ask a supplementary question. I thank the minister for her answer and ask if she can advise the Senate how the Youth Jobs PaTH will help young job seekers become job ready.

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:29): As I said, it is all about preparing, trialling and hiring—getting our young people job ready, because so often they are not, giving them a go, getting them into that real-life work experience and, of course, ultimately, getting them a job.

Again, on this side of the chamber, we believe the best form of welfare is a job and, as the Minister for Finance has said, this is an economic plan for Australia that is all about jobs and growth.

The delivery of the employability skills training is going to mean that young job seekers will possess the values, the behaviours and the skills that employers expect in their employees. The internship is going to give these young people an opportunity to get their foot in the door of an employer. It is going to boost their chances of getting into the job market and, ultimately, it is going to give them the opportunity to get a job.
Senator BACK (Western Australia) (14:30): Mr President, I ask a further supplementary question. Can the minister inform the Senate how the government will provide incentives for employers to employ young Australian job seekers?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:30): The internships will give the employers the opportunity to help the job seeker to develop their skills and to test their suitability for future employment. Employers will receive a $1,000 up-front payment for hosting the internship. The internship placement will run for between four and 12 weeks, depending on how long the intern needs to be there, and it will be voluntary for both the job seeker and for the business. Job seekers will continue to receive their income support, but they will also get an additional $200 a fortnight in an incentive payment. Those employers who then decide to offer the job seeker a paid job will then have the option of accessing the youth bonus wage subsidy of up to $10,000 over six months.

Again, this is a government that is going to get our youth ready, is going to give them a go, and then ultimately get them a job.

Goods and Services Tax

Senator WANG (Western Australia) (14:31): My question is to the Minister for Finance, Senator Cormann. Two years ago I first stood in this place to ask your government the first of my four questions about Western Australians being robbed of our fair share of GST revenue. In that time, your government could have voted for laws I have brought before this place to fix the broken GST distribution system once and for all and deliver to Western Australia an extra $3.5 billion this year alone, instead of killing my legislation by running to an early election. Minister, does your government acknowledge that the $490 million of GST compensation measures for Western Australia in this year's budget falls well short of what is owed to Western Australians, who are now the highest taxed individuals per capita in this country?

Senator CORMANN (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (14:32): I thank Senator Wang for that question. As Senator Wang knows, this government has provided, two years in a row now, additional support for Western Australian infrastructure in recognition of the fact that the WA share of the GST had dropped unacceptably low to a level of about 30 per cent. What we have done, last year and again this year, by making an additional investment in key economic infrastructure in Western Australia, is stop the drop in the share of the GST for Western Australia, essentially maintaining it at the 2014-15 levels.

The GST is a state tax and, as the Prime Minister has said on a number of occasions, for the GST sharing arrangements to be changed, there would obviously have to be a level of consensus across state and territory leaders. These conversations are ongoing and I am hopeful that, in due course, the Prime Minister and the state and territory government leaders will be able to come up with the best possible GST arrangement for the future.

Senator WANG (Western Australia) (14:34): Mr President, I ask a supplementary question. Minister, as one of four cabinet ministers from Western Australia and being personally in control of the financial portfolio, can you explain why our state's so-called voices at the table have failed their fellow Western Australians by not fixing the GST
distribution system, even though successive governments and this year's budget have repeatedly confirmed that it is unfair?

Senator Sterle interjecting—

Senator CORMANN (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (14:34): I hear that Senator Sterle agrees with Senator Wang, from his interjection. Let me just say that I do not agree with your characterisation. Obviously those of us who are ministers in a national government have to consider the national interest. Yes, we all come here with perspectives, representing our states to the best of our ability. That is what all of the Western Australian Liberal senators have done and what all the Western Australian House of Representatives have done. We have delivered real outcomes for the great state of Western Australia in the form of increased investment in infrastructure funding for the great state of Western Australia. But, when it comes to the GST sharing arrangements, obviously in a Federation a level of horizontal fiscal equalisation is appropriate and is important, and it would not be appropriate for a national government to side with a stronger state at a particular point to harm comparatively weaker states. We have, I believe, achieved the right balance in the national interest. (Time expired)

Senator WANG (Western Australia) (14:35): Mr President, I ask a further supplementary question. Minister, given your government has strategically timed the $50 million submarines announcement to save a couple of marginal seats in South Australia, how many marginal seats will there have to be in WA for your government to take the GST issue seriously?

Senator CORMANN (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (14:36): I completely reject the premise of that question. The government's decision in relation to the procurement of the next generation of submarines was a very important strategic decision in our national interest. It is a decision that, obviously, first and foremost, is in our national security interest, in the interests of the strong defence of our nation.

It does deliver significant economic benefits right across Australia, in particular, in South Australia. But it also delivers, as part of our overall naval shipbuilding plan—our overall plan for a continuous shipbuilding program in Australia—significant economic benefits for the defence industry and for high-end manufacturing and technology providers right across Australia, including in Western Australia, Victoria, New South Wales and Queensland. That is as it should be, and the government are very proud of the decisions that we have made in that regard. (Time expired)

Budget

Senator WILLIAMS (New South Wales) (14:37): My question is to the Minister for Regional Development, Senator Nash. Can the minister update the Senate about the benefits which will flow to regional Australia as a result of the recent budget, and how jobs and growth in regional Australia will be supported?

Senator NASH (New South Wales—Minister for Rural Health, Minister for Regional Development, Minister for Regional Communications and Deputy Leader of The Nationals) (14:37): I thank Senator Williams for his question and for his unrelenting advocacy for regional New South Wales.
The coalition has delivered a budget and an economic plan focused on jobs and growth, and on investing in rural, regional and remote Australia. One of the significant investments made through the budget that I know will be very well received, not only across regional New South Wales but in regional parts of other states as well, is a further significant commitment to the iconic Melbourne to Brisbane inland rail project. The coalition is building on the 2013 election commitment which saw $300 million invested into this job-creating project—taking it off the drawing board and putting it on a strong pathway towards delivery. Building on this, $594 million in additional funding will flow to the ARTC to acquire land for the inland rail corridor and to continue preconstruction and due diligence activities.

Opposition senators interjecting—

Senator NASH: And yes—I will take that interjection from senators opposite—it is starting. The Melbourne-to-Brisbane corridor is one of the most important general freight routes in Australia. Inland rail will provide 1,700 kilometres of freight rail alignment connecting Melbourne and Brisbane while linking many regional ports and stimulating local jobs and local economic activity. I will point out to the chamber for those who have not noticed that it took the coalition government to get to this point with the inland rail. It took the Liberal and National parties to get to this point for the inland rail.

Opposition senators interjecting—

Senator NASH: Those opposite who interject are those from the Labor Party who did nothing to get the inland rail to this point. I am very proud of this, and I am very proud of the budget that the government delivered last night.

Senator WILLIAMS (New South Wales) (14:39): Mr President, I thank the minister for that wonderful news, and I ask a supplementary question. Can the minister please update the Senate on how the coalition government's focus on jobs and growth is also supported through investment in regional communications?

Senator NASH (New South Wales—Minister for Rural Health, Minister for Regional Development, Minister for Regional Communications and Deputy Leader of The Nationals) (14:39): On top of investing significantly in road and rail infrastructure, the coalition understands how vital high-quality communication infrastructure is to delivering connectivity, jobs and growth to regional Australia. That is why, under this government, the NBN rollout is finally on track. Today, close to two million homes and businesses can access the NBN, and there are more than 900,000 active users. That is why the coalition has invested $100 million in round 1 of the Mobile Black Spot Program, which is seeing 499 new or improved base stations being rolled out across the nation.

Again, I point out that those opposite in the Labor Party did not put one cent into mobile phone black spots—not one cent! We have committed $60 million to the second round of this program. We are committed to making sure that we extend mobile phone coverage as far as we possibly can in partnership with telcos and other governments.

Senator WILLIAMS (New South Wales) (14:40): Mr President, I ask a further supplementary question. After more good news, can the minister please explain how the coalition government’s clear economic plan will deliver jobs and growth in regional Australia? How does this differ from other approaches?
In contrast this differs very clearly to Labor, who only had shambolic plans when in government.

Look at the carbon tax, which was going to hit regional Australia harder than anywhere else. And they want to bring it back? They want to bring it back! The mining tax, GroceryWatch, Fuelwatch, Cash for Clunkers—the list goes on, and particularly for regional areas. The failed, former finance minister, when she was Minister for Climate Change, Energy Efficiency and Water, spent $34 million buying back water from Tandou for the environment. The unfortunate thing for the then minister was that it was supplementary water. Those opposite would not know, because they do not understand rural areas. Supplementary water only exists in a flood, and the minister was buying it back for the environment. That is the sort of shambles we saw from the previous Labor government.

Telecommunications

Senator MUIR (Victoria) (14:42): My question is to the Minister for Communications, Senator Fifield. In April 2016 a bus driver was walking with a school group in the historic rural town of Walhalla, in my state of Victoria, when he collapsed from a suspected heart attack and fell seven metres down an embankment. With non-existent mobile communications access within the proximity of the township of Walhalla, there are ongoing communications issues which then create issues with connecting to the appropriate emergency services in the face of an incident.

In this incident, there were an unnecessarily large number of emergency services personnel deployed from all over Victoria, as far as two hours away, which, due to miscommunication, included a number of teams that were not required. Due to the delay in the response, this incident unfortunately ended with a fatality. Can the minister inform the Senate if there is any scope for funding beyond the $60 million announced for the second round of the Mobile Black Spots Program, despite the disappointment of further funding not being addressed in the 2016-2017 federal budget?

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (14:43): I thank Senator Muir for his question, and acknowledge that it is a very sad story that he has recounted. While I cannot make any specific comment about the emergency response in this particular circumstance, I have heard similar accounts.

Just by way of background, mobile networks have developed differently in Australia to the fixed-line network. Fixed line has essentially been, over time, a government endeavour. It has been through the PMG, Telecom and Telstra. Mobile networks on the other hand have developed commercially and, I guess you could say, organically.

We have something in the order of 99 per cent coverage by population for the mobile network, but that represents only about 30 per cent of the landmass. So clearly there are gaps and there is a need for government incentives to address those gaps. The previous coalition government had a program to do that. I regret to say that in the six years of the Labor government there was not a dollar spent on addressing mobile phone black spots, which is why in opposition Mr Hartsuyker, with Mr Turnbull, came up with the Mobile Black Spots
Program, which Mr Fletcher put in place. As a result of that program $100 million of Commonwealth government money has been leveraged into $385 million, taking into account the contributions of telcos, local governments and state governments, which has seen half of the 6,000 community-nominated mobile black spots addressed through 499 mobile base stations or upgrades. That is a three-year program. As Senator Muir quite rightly pointed out, we have also announced an additional $60 million for stage 2 of the Mobile Black Spot Program.

Senator Muir (Victoria) (14:45): Mr President, I ask a supplementary question. Under the eligibility assessment criteria, the coverage benefit addresses the number of premises located within the new handheld coverage footprint. Towns such as Walhalla may only have under 20 permanent residents, yet the over 120,000 annual tourists who would also benefit from such infrastructure are not taken into consideration under the assessment. Has the government assessed flaws such as this under the eligibility criteria for Mobile Black Spot Program prior to the second round?

Opposition senators interjecting—

Senator Fifield (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (14:45): Six years and not a dollar from your side on mobile black spots. So pull your heads in.

The President: To the chair.

Opposition senators interjecting—

Senator Fifield: It has been 10 seconds, and I have not had a chance to say anything. The clock is running down.

Opposition senators interjecting—

The President: Order! Pause the clock.

Opposition senators interjecting—

Senator Fifield: Well, if there is not order in the chamber, how can you speak?

Opposition senators interjecting—

The President: Order! I will ask the Clerk to reset the clock, but I will subtract 10 seconds.

Senator Cameron: Mr President, I rise on a point of order. I am certainly not going to challenge your decision—

The President: Thank you!

Senator Cameron: but the minister actually interjected and carried on like an idiot for the first 35 seconds.

The President: Order! I have asked for the clock to be reset and I am deducting 10 seconds.

Government senators interjecting—

The President: Order! I will ask the senator to withdraw.

Senator Cameron: I withdraw.
The PRESIDENT: Thank you, Senator Cameron. Minister, you have 50 seconds in which to respond.

Senator FIFIELD: I think it is important to note that the number of premises covered is only one of a number of assessment criteria used to determine the list of locations. Under round 2 of the program—similar to round 1—each proposed base station will be assessed against eight criteria: the amount of new coverage to be delivered in square kilometres; the number of premises located within the new handheld coverage footprint, as well as the length of major transport routes to be covered; the remoteness of the proposed site; whether the site was nominated as a priority by the local member of parliament; the amount of financial co-contribution being provided; the net cost to the Commonwealth; the level of service being offered; and a commitment of use from competing mobile operators to co-locate on the site. The sites also need to meet criteria to allow for an equitable distribution of funded base stations across Australia.

Opposition senators interjecting—

The PRESIDENT: On my left! Senator Muir, a final supplementary question.

Senator MUIR (Victoria) (14:48): Thank you, Mr President. I was not sure if we would get there! Can the minister explain how the government will be addressing the future need for the Mobile Black Spot Program, which is vital to rural areas and their future growth, which was initially made clear due to the oversubscription to the program?

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (14:48): The next major milestone for the program will be the conclusion of the competitive selection process for round 2. That is scheduled to occur on 14 June 2016. Following the conclusion of that process my department will assess the proposals against the eligibility criteria. The department will use the assessment process to prepare a draft merit list of base stations, which will then be provided to Minister Nash, who has primary carriage in this area, who is doing a sensational job.

The locations to be funded under round 2 are expected to be announced in the second half of 2016. Meanwhile the rollout of the 499 base stations I referred to earlier under round 1 of the program will continue. To date 21 sites have already been activated across New South Wales, Victoria and Queensland. That is 21 more sites than were activated under the previous government. We have a program; they did not have one. We are delivering; they did not. They never will. (Time expired)

Budget

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (14:49): My question is to the Minister for Finance, Senator Cormann. Can the minister confirm that the 2014 Abbott-Hockey budget forecast a deficit for 2016 of $10.6 billion, which has now blown out in the latest budget to $37.1 billion, more than tripling the deficit?

Senator CORMANN (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (14:50): The Labor Party is really getting desperate when they get Senator Conroy to ask questions about the budget and the economy. What I would say to Senator Conroy is that the policy decisions taken by the government improve the bottom budget bottom line by $1.7 billion over the forward
estimates. The policy decisions taken by the government on the spending side of the budget improve the budget bottom line by $3 billion.

The truth of the matter is that everybody across Australia knows that we have faced additional global economic headwinds. The truth of the matter is that we have had to deal with significant falls in our terms of trade. The truth of the matter is that the price we can achieve in global markets for our key commodity exports like iron ore and coal has significantly dropped. That has had flow-on consequences on the revenue side of the budget because of circumstances outside of our control.

What is the government doing? We are implementing our plan for jobs and growth. We are implementing our plan to secure a successful transition from resource investment driven growth to broader drivers of growth, and we are implementing our plan to put our budget on a sustainable foundation for the future. We are doing that by controlling expenditure. We are doing that by putting—

The PRESIDENT: Pause the clock!

Senator Conroy: Mr President, on a point of order: direct relevance. I asked a question specifically on the deficit and whether it had tripled since the government came to power. That was the question—nothing more. He has not mentioned the word ‘deficit’ in his 70 seconds. Could you draw him to the question, please.

The PRESIDENT: Thank you, Senator Conroy. You did ask the minister if he could confirm that certain figures were correct in the budget, and then you did go on to talk about tripling the deficit. The minister has been answering the question.

Senator CORMANN: The projected return to surplus in this budget is consistent with what was previously estimated, in particular in the Mid-Year Economic and Fiscal Outlook before Christmas. The deficit is projected to reduce every year over the forward estimates both in dollar terms and as a share of GDP. We are on a responsible path back to surplus, we are on a believable path back to surplus, and we are doing it in the context of implementing our plan for jobs and growth.

We understand that the Labor Party wants to tax more, spend more and borrow more. We know that the Labor Party has a $50 billion black hole because of unfunded spending promises. We know that the Labor Party also has a $20 billion hole in their tobacco excise costings. Right now, our budgetary position is $70 billion better off than it would be under Labor. (Time expired)

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (14:52): Mr President, I ask a supplementary question. Can the minister confirm that, since his appointment, debt has blown out and will increase to 19.2 per cent of GDP in 2017-18 compared to 11.7 per cent of GDP when Labor left office, an increase of $163 billion on the minister's watch?

Senator CORMANN (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (14:53): As I have indicated in answers to similar questions in the past, the government's net debt position is better and lower than it would have been if Labor had stayed in government. Labor cannot have it both ways. Labor cannot complain about cuts that are too deep and spending that is supposedly too high.

Senator Conroy: Oh yes we can!
Senator CORMANN: Senator Conroy says yes, they can be inconsistent; yes, Labor can walk both sides of the road. Well, do you know what? You get hurt when you try and walk both sides of the road. What of course is happening here is that we made adjustments to the unsustainable, unfunded, unaffordable pie-in-the-sky spending promises of Labor. We have brought down spending growth. Instead of having the pie-in-the-sky spending growth that you locked into your medium-term trajectory, we have brought that spending growth trajectory down. It stands to reason that, as a result, government net debt is lower than it would have been if Labor had still been in government. Because of what has happened on the revenue side of the budget, of course there have been certain consequences. Nobody denies that. (Time expired)

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (14:54): Mr President, I ask a further supplementary question. Can the minister confirm that, under his watch, the tax to GDP ratio goes up and up and up every year and is higher than it ever was under the former Labor government? Given that spending, taxes, the deficit and debt are all up, don't your own numbers show that you are the worst finance minister in this country's history?

Senator CORMANN (Western Australia—Minister for Finance, Deputy Leader of the Government in the Senate and Special Minister of State) (14:56): I have had to look at the worst finance minister in the history of the Commonwealth for six years—first from that side of the chamber and now from this side of the chamber—and I hope that I can keep looking at her for another three years from this side of the chamber. What I would say to Senator Conroy is that the premise of his question is entirely false. We got rid of Labor's carbon tax. We got rid of Labor's mining tax. We reduced taxes for small business in last year's budget. Again in this year's budget we have actually brought the overall tax burden in the economy down as a result of decisions taken by the government. So taxes as a share of GDP now are lower than they would have been under Labor. Under Labor, we were on a trajectory of higher taxes than we have embraced now. You do not understand the medium-term effect of your disastrous policy decisions. You do not understand that your carbon tax and your mining tax had a bad impact on our economy, investment and growth for much longer than your disastrous period in government.

The PRESIDENT: Pause the clock. Senator Cormann, could you resume your seat. Senator Heffernan, do you have a point of order?

Senator Wong interjecting—

The PRESIDENT: Order, Senator Wong. Do you have a point of order, Senator Heffernan?

Senator Heffernan: I do.

Opposition senators interjecting—

Senator Heffernan: Can you shut up for a minute! My point of order is that in my view—and I think it would be the view of anyone in the public—this chamber is out of order. To think that the crap that is going on here now is being put on by people who are supposed to be running the bloody country!

The PRESIDENT: You have no point of order, Senator Heffernan. Minister, you have 11 seconds remaining in which to conclude your answer.
Senator CORMANN: The people of Australia know that Labor does not know how to manage money, they know that Labor has made a mess of the budget and the economy, and they know that the coalition government always has to fix the mess that Labor leaves behind—and that is what we are doing.

Trade

Senator LINDGREN (Queensland) (14:58): My question is to the Cabinet Secretary, Senator Sinodinos, representing the Minister for Trade and Investment. How is the government's success in securing free trade agreements benefiting Australians and the Australian economy?

Senator SINODINOS (New South Wales—Cabinet Secretary) (14:59): I thank Senator Lindgren for her question. She is a great representative of Queensland who I am looking forward to seeing come back to this parliament to give the sort of representation that Queensland needs to get through the adjustment from the mining boom with the help of the Turnbull government.

Last night, the Treasurer announced a six-point plan for the country. The only parties in this parliament with a plan are the coalition—a six-point plan. The No. 3 point: export trade deals to generate new business opportunities. That is what it is about. Australia's free trade agreements are laying the basis for a strong new economy. Australia's free trade agreement with South Korea entered into force in late 2014. Our agreement with Japan entered into force a month later. And our free trade agreement with China came into effect late last year. This is a trifecta that will pay out more than any other. These FTAs, as well as the Trans-Pacific Partnership, will generate billions of dollars in economic activity in Australia.

Senator Kim Carr: How's your memory?

Senator SINODINOS: My memory is of six years of debt and deficit under the people opposite. My memory is of them creating roadblocks in the economy—while we are going through the process of laying the foundations of a strong new economy. You are going to be hearing the phrase 'jobs and growth' for the next eight weeks. We have a plan for the economy. They have a plan for the election. That is all they have got. They are not thinking about the next 10 years. They are thinking about the election. We have a plan for a strong new economy. Modelling has shown that our three bilateral free trade agreements will add $24 billion to our GDP. (Time expired)

Senator LINDGREN (Queensland) (15:01): Mr President, I ask a supplementary question. Can the Cabinet Secretary detail how small business, in particular, benefits from free trade and the government's free trade agenda?

Senator SINODINOS (New South Wales—Cabinet Secretary) (15:01): Thanks to this government, small businesses across Australia have unprecedented opportunities to grow their operations and in turn create jobs and growth. The free trade agreements, in combination with our tax cuts for small- and medium-sized enterprises taking effect over the next few years, will create a great environment to exploit the opportunities in our region. They will help the access of small businesses to large and growing markets—

Opposition senators interjecting—

Senator SINODINOS: large and growing markets that these people can only dream of. And we did it on our watch, under the watch of the best trade minister in a generation,
Andrew Robb, who is leaving the parliament. Austrade now has a range of support mechanisms in place, from advice to grants and trade mission opportunities for both established and aspirational exporters.

Opposition senators interjecting—

Senator SINODINOS: They hate it over there when we talk about aspirational Australians, people who have a go. You back your fellow Australians. You do not hobble them with more tax and spend. (Time expired)

Senator LINDGREN (Queensland) (15:03): Mr President, I ask a further supplementary question. Can the Cabinet Secretary outline how the government is helping businesses in my home state of Queensland through the negotiation of new free trade agreements?

Senator SINODINOS (New South Wales—Cabinet Secretary) (15:03): There are many businesses throughout the maroon state that will benefit and are benefiting already from our free trade agenda. One example is Grove fruit juice, operating in Brisbane and on the Darling Downs. As a senator for New South Wales, I am proud to say that Grove fruit juice also runs a 300-hectare orange orchard in Moree for use in production. Founded in 1969 and starting life as a small business, Grove fruit juice employs more than 100 Australians today. Grove squeezes 300,000 oranges and presses 180,000 apples every single day, selling over 500,000 litres of fruit juice per week. As a result of the Japan-Australia free trade agreement, tariffs of up to 34 per cent on fruit juices have progressively been cut for the last three years and will be fully eliminated in 2024. This has allowed Grove to export their product to Japan for the first time—another example of bringing home the bacon. (Time expired)

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

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Housing Affordability

Senator GALLAGHER (Australian Capital Territory) (15:05): I move:

That the Senate take note of the answer given by the Attorney-General (Senator Brandis) to a question without notice asked by Senator Gallagher today relating to housing affordability.

It is day one of the budget sell, and Malcolm Turnbull has wasted no time in reminding Australians how out of touch he is with everyday Australians struggling to buy their first home. It was really his Joe Hockey moment. Remember that? 'Go and get a good job in order to get a house.' Well, today we all got an insight into the world in which the Prime Minister lives, when, in response to being questioned around housing affordability, and Jon Faine explaining that his kids had been locked out of the housing market, the Prime Minister said, 'Well, you should shell out for them.' That is exactly what he thinks. He thinks that, in order to compete in the housing market today, young people should rely on their parents to give them the money to break into the housing market. I am not sure that the Prime Minister realises that there are one million households living in either mortgage stress or rental stress in this country.

Senator Ian Macdonald: He knows it better than you do.

Senator GALLAGHER: I do not think the comments that he made this morning would indicate that he understands how hard young people who do not have the benefit of parents in
a position to financially support their entry into the housing market are doing it at the moment. We got a bit of an insight into it in Four Corners on Monday night, when we saw them showcase the individual stories of young people with quite significant amounts of money trying to compete in the Australian housing market as it is structured now and not being able to. It was unbelievable that a young woman who has saved $150,000 has spent nearly two years attending auctions around her city, trying to break in and getting outbid every single time—including in the episode we saw, within approximately one minute of the bidding commencing.

Perhaps if this were an isolated incident, perhaps if it were just a dismissive reference to housing affordability—but you have to see the Prime Minister's comments in the context of a budget that did absolutely nothing to address housing affordability. That budget was handed down last night. I am not even sure that it mentions the words 'housing affordability'. There was not one initiative in it that sought to rebalance the playing field and enable first-home buyers to compete in a level way with investors. There was no certainty for the housing agreements with the states. There was no certainty for the homelessness sector. More than 100,000 people sleep homeless every night in this country. The services that support them got no recognition in the budget last night. I see that a number of housing groups are coming out today bemoaning the lack of attention to housing affordability. So we have to see the Prime Minister's comments dismissing housing affordability as an issue, telling people that their parents should be buying them a house, in that context.

We should also see them in the context of what we saw last week, when the Prime Minister dismissed as 'beside the point'—I think those were the words used—the fact that high-income earners get the vast majority of the capital gains concessions because, as he explained for all of us, they tend to own more property. It was beside the point that they took the vast amount—I think the top 10 per cent of income earners take 70 per cent—of the capital gains tax concession as it stood in the budget.

Those are the contexts that you have to see these comments in. They are not isolated. They symbolise the leader of this country, the Prime Minister, who is heading into an election where housing affordability is a genuine issue that deserves attention from policymakers. There have been three years of no housing policy. There is no housing policy from this government. There is no housing affordability strategy. There have been three ministers responsible, and we have a Prime Minister who—and we can only judge him on the words he uses and the comments he makes—dismisses housing affordability as a bit of a joke or as something that you can pass off onto other people to pay for, for parents to pay for their kids to enter the housing market.

Those are the contexts that we see those comments in. They cannot be dismissed. They deserve the proper attention from a government that cares about the issue of housing affordability, because I know from the people who talk to me that there are millions of people who either think they will never buy a house or have certainly given up on the dream for the short term.

Senator PATERSON (Victoria) (15:10): It is the day after the budget. It is perhaps the last sitting day for the Senate before an election. And what do those opposite choose to focus on? Not the budget. Not debt. Not deficit. Not tax. Not the government's economic plan for jobs and growth. They are not choosing to use this opportunity to share with the Senate and,
through it, the Australian people their vision for the economy or their vision for the budget in the years ahead. They are revisiting an issue which they have spoken about in previous sitting weeks and which they have chosen previously to take note of after question time, and that is housing affordability.

I can understand why they might not wish to talk about their plans for the budget, because, frankly, it has been a pretty embarrassing week for the Labor Party on budget matters. This is the Labor Party which has been uncovered as having a $19½ billion costing black hole in just one of its revenue measures proposed for the upcoming election. This is a Labor Party which proposes to raise $100 billion of new and increased taxes on the Australian people if it is elected to government. This is a Labor Party which in government has a shocking record on debt and deficit. No wonder those opposite are embarrassed to talk about it.

But I do agree with the senator that housing affordability is an important issue. I am from a generation of Australians who do not yet, in many cases, own their own homes. I personally do not yet own my own home. My wife and I are saving for a deposit, and we look forward to buying our own home one day. I am fortunate, with this privileged position that I have in the Senate, that that is something that we will be able to afford, but I know many other young people will not.

But all the international evidence demonstrates that the most powerful thing you can do to improve housing affordability is to take action on the supply side of housing. All the international evidence shows that cities which have the most liberal land release laws and the most relaxed planning laws are also the cities which have the most affordable housing. In Australia, which levels of government are responsible for those policies? They are, first, state governments, which control the release of land, and, second, local councils, which have an important role to play in planning. There is in truth, with the Constitution we have and the way the government is set up in this country, a limited amount that the federal government can do to improve housing affordability.

The level of government which can help to do something about housing affordability is state and territory governments. It is interesting that the senator who has continually raised this issue in Senate question time was until recently responsible for a territory jurisdiction. I would encourage those interested in these issues to look at the record of the ACT government in this area. It is not something that the senator has spoken about in this chamber to my knowledge, because it is not something which would reflect very well on their housing affordability policies. The ACT has some of the most restrictive land release laws in Australia. It has some of the most restrictive planning laws in Australia and coincidentally—or perhaps not—has some of the least affordable housing in Australia, despite having one of the most wealthy and highly paid workforces in Australia.

All that those opposite propose to improve housing affordability is to put a big new tax on housing investment. This will do nothing to assist young people in my generation to afford their first home. If anything, young people who are seeking to invest in new homes, which are built for the first time, will have to compete against a much greater pool of buyers because investors will only be able to get negative gearing when it is available to them in a new home rather than an existing residence. The opposition's policy in this area also includes some totally unrelated measures, like changes to capital gains tax. This will have no beneficial impact on housing affordability but will raise revenue. And there are the changes to negative
gearing on shares, which will have no impact whatsoever on housing affordability but will, again, raise revenue.

That suggests what the real agenda is, of the Labor Party, in this policy area: to raise revenue and, at the same time, pretend that they care about housing affordability. The truth is, there are many things they could do to assist. They could support the passage of the Australian Building and Construction Commission through the Senate so that housing can be built more efficiently and cheaply through the construction sector that functions without the lawlessness and intimidation of the CFMEU. They will not do that—because they are not sincere about improving housing affordability for young Australians.

Senator CAMERON (New South Wales) (15:15): What a pathetic, predictable performance from Senator Paterson. In terms of dealing with the economic issues, to say that we are not dealing with an economic issue when we are dealing with housing affordability just beggars belief. One of the biggest economic issues faced by any young family in this country, by any family trying to get ahead, is that of trying to afford to buy a house. If they are lucky enough, they scrape together a deposit for a house. Most young couples, now, have to rely on rental accommodation, with the rents going through the roof.

Not everyone can do what the Prime Minister did. He told Jon Faine the other day that he should 'shell out' for his kids because he is a 'wealthy man'. Not everybody can shell out to provide economic support for their kids. Too many Australians are battling to survive on their own, now. They just survive to put food on the table. If Malcolm Turnbull, the Prime Minister, is so out of touch that he thinks people can easily shell out to get their kids a home, so be it. Faine said, 'That's what my kids say: that I should shell out for them.' The Prime Minister said, 'There you go. You have the solution in your own hands. You can provide a bit of intergenerational equity in your own family.'

I think The Prime Minister has been providing some intergenerational equity in his own family. According to an article in Domain, the Fairfax real estate pages, on 6 July 2013, the PM's daughter, Daisy Turnbull Brown—then 28—had listed her Potts Point apartment, for sale, for offers over $3 million. It went on to say that Ms Turnbull Brown is a history teacher! Senator Bilyk: Where at?

Senator CAMERON: I do not know where at, Senator, but I know that history teachers in New South Wales, after a number of years of experience, are on about $65,000 a year. But Miss Daisy Turnbull Brown is able to buy a subpenthouse, with knockout views of the harbour and city skyline, in 2008—she was then aged 23—for the pricey sum of $2.7 million. A history teacher. There was a bit of intergenerational equity getting moved in that one, because there is no doubt that Ms Turnbull Brown had no chance, under her own steam, of getting such a penthouse with stunning views.

People around the country just cannot do this. We know what is going on around there. We know the electorates with the biggest gains are in the top 10 electorates, with the biggest net rental losses. They are: Wentworth—the Prime Minister's; Curtin—Julie Bishop; Kooyong—Josh Frydenberg; Bradfield—Paul Fletcher; and on it goes. The top 10 suburbs, to get access to negative gearing and money from negative gearing, are all the well-heeled Liberal electorates. It is the surgeons, anaesthetists, lawyers, mining engineers and finance managers who are getting the benefit. It is not ordinary working people.
If you go to areas where I live, out in the western suburbs of Sydney, in Parramatta, the average wage is $51,303. They will not get one brass razoo, not one bit of tax relief from this budget. And what is the median house price in Parramatta? It is $1.042 million. Tell those people they should be supporting their kids to get into housing. Tell the people in Parramatta. Tell the people in St Clair, where the average income is $49,000 and the average house price is $620,000. Tell them negative gearing is a good thing. Tell them they should support their kids. I know what they will tell you: get real. Get in touch with the real-life people of this country and stop the nonsense that negative gearing promotes. (Time expired)

Senator WILLIAMS (New South Wales) (15:20): Senator Cameron always plays politics and had a dig at a very successful businessman and his wife: the Prime Minister and Lucy Turnbull.

Senator Cameron: I did not mention her.

Senator WILLIAMS: Why didn't you tell us about your waterfront flat, down here, on the Kingston foreshore or how much your house is worth? Why didn't you tell us about what you have? I will tell you now. My wife and I owned a $100,000 house and we mortgaged it for a second time to help my eldest son, David, to get into his house in Cairns so that he did not have to pay mortgage insurance. We helped them get there because they couldn't find a deposit themselves. That is what we did. It was from the perspective of very little money.

You have done very well out of working for the union movement, and you were supposed to be working for the battling unions. Let's have a look at your portfolio, Senator Cameron, before you attack the Prime Minister for being very successful.

Senator Cameron: It's all there. Have a look.

Senator WILLIAMS: I laugh, Mr Deputy President. When it comes to housing affordability—you can go out to the country towns—

Senator Cameron: No wonder, because nobody in New England will get a brass razoo!

Senator WILLIAMS: If you bloody listen for a change you might learn something, fool.

The DEPUTY PRESIDENT: Order! The Senate will—

Senator WILLIAMS: Perhaps, he might cease interjecting. That might be a good idea as well.

The DEPUTY PRESIDENT: That is right.

Senator WILLIAMS: We will give it a go.

The DEPUTY PRESIDENT: I just want everyone to calm down. You will need to formally withdraw that, Senator Williams—

Senator WILLIAMS: I withdraw; I gladly withdraw. Sorry for my—

The DEPUTY PRESIDENT: and I would ask that the Senate do come to order.

Senator Cameron: I will leave. It is not worth being here.

Senator WILLIAMS: That would probably help bring it to order, Mr Deputy President. That is good; thank you. You can go to country—

The DEPUTY PRESIDENT: Just wait one moment, Senator Williams. I do want the Senate to come completely to order before I set you off again.
Senator WILLIAMS: On housing affordability, why don't you move out to country towns? You can go to where I live—Inverell, a beautiful town of 12,000 people. There are no water restrictions and water is guaranteed from Copeton Dam. Less than $300,000 would buy you a three-bedroom, brick veneer home on a 500- or 600-square metre block. We do not have a housing affordability problem in Australia; we have a land problem. The reason the houses are so expensive in the cities is not the houses; it is the land—that is the value. What do we have plenty of in this country? We have plenty of land. But people will not move out to the country areas, where we have all the room for the people, and we want to grow the towns and we want to grow the businesses. No, they all want to be on top of each other, stacked in a heap in the middle of an over-congested city. They wonder why houses are so expensive—it is because of the value of the land. This is outrageous.

Let us talk about the negative gearing changes that those opposite want to introduce if they are successful in the election. Some of you over there in the Labor Party should go up to Mackay and check out the 1,400 or so empty houses that mum and dad workers have borrowed money for to buy as an investment. Those houses are now empty and they are not getting any return—it is actually costing them for rates, insurance and upkeep on those houses—and you want to take away the little bit of tax benefit they get for the borrowed money. They will not be voting for you, when you want to destroy their livelihoods all because they had a go. What did they do? They had a go. This country is about rewarding those people who work hard and have a go. But those opposite want to reward failure and penalise success. That is what your policy of socialism is all about—supported, of course, by the Greens, who are the ultimate socialists in this building. They just say, 'If you work hard and become successful, that is so wrong.' I congratulate people who have worked hard, have become successful and have saved. You see it so often, but perhaps not often enough.

When it comes to housing affordability, move out to the regional towns. Why don't you move out? Have a look at the senators here in this place. How many are based in regional Australia? Of the 76, you would probably get about 10—perhaps 10 of the 76. Get out to the country areas. I proudly have my office in a country area, to support the businesses and the money going into the town. These negative gearing changes proposed by those opposite are going to do nothing except reduce the value of those houses. You are going to force them to sell. Those people who bought these second-hand houses as an investment in a mining town when the mining boom was here and it was looking good—but, of course, that has passed us now, and we have the collapse in the iron ore and the coal prices—are now facing a disaster where their house is empty and they cannot rent it and probably cannot sell it, because there is not enough demand there. Yet you talk about a housing problem.

Housing affordability is really serious in the cities, but it has been brought on. As I said, go out to the country areas, where housing affordability is not a problem. In fact, you can buy a house for $250,000 and you can rent it for $300 a week. It would cost you very little to actually buy the house, as far as the rent return on it. But, of course, if you do happen to lose money, those opposite say, 'No, you can't negative gear that.' But those opposite do not like investment. You even brought in a law that said that, if you earn more than $250,000 gross income in Australia, if you buy a it is not tax deductible. That came in on 1 January 2013. So if you are doctor, a dentist, a solicitor or a politician, Labor say, 'We don't want you to buy a business or invest in land.' You would rather foreigners by our land, wouldn't you? That is
how the people over there think and it is how they act. As far as housing affordability goes, there is one simple solution: move out to the regional areas—they are great places with great people and cheap housing—and your problems will be solved, hopefully, forever.

**Senator BILYK** (Tasmania—Deputy Opposition Whip in the Senate) (15:26): We can tell it is the last day of school in the Senate, can't we! In question time, Senator Brandis really could not defend the Prime Minister's response to Jon Faine's questioning and the Prime Minister's quite unthoughtful—let alone un-thought out—answer that Jon Faine should shell out for his own kids' homes. I noticed that there was a lot of yelling and a lot of unseemly behaviour in question time today. I think those on the other side thought that, the louder they yelled, the more people would believe them. There are a couple screechers over there, but there are also a couple of very loud males who were getting fairly hot under the collar today, going quite red and sort of losing it. I have to say that it was a pretty disastrous attempt all round by those on the other side today—bearing in mind that this could be the last question time of this parliament.

Senator Paterson made a contribution to today's speech. He was talking about how he and his wife are saving to buy a home, and I thought that was absolutely legitimate. But then he said, 'Because of the privileged position I am in, I'll be able to buy a home.' He is absolutely right—we are all in privilege positions. Him saying, 'Because of the privileged position I am in,' and implying—and he can come back and tell me I am wrong—that, because he earns the money he earns, and we all earn, in this place, he can afford a house means that people who are not earning high incomes cannot afford a house. If you do not work in a privileged position and you do not have parents that have enough money to be able to shell out for you, what do you do? We know this government have absolutely no plan around housing affordability. They have completely ignored the whole issue for about three years. The Treasurer keeps describing things as a 'national economic plan', but what sort of national economic plan does nothing to address the major cost facing every vulnerable household—that is, housing?

The government had the opportunity to make housing more affordable for low- and moderate-income families by introducing changes to negative gearing and capital gains tax. We have thoroughly researched and costed the plan to address this problem. We would be absolutely delighted for the government to adopt this plan as their own, as they have with a number of other things, not only in the budget but throughout the last three years—opening roads that we gave funding for and doing all sorts of things where we supplied the funding and they took all the credit. We would be absolutely delighted if they were to pick up our housing policy or to even come up with a housing affordability strategy themselves—because we have seen nothing. We certainly did not see anything in the budget, as the previous speakers on this side have said.

What can you say about a budget with no policy, no strategy, no ideas and no new financing option for affordable housing?

There is no increased Commonwealth rent assistance to assist renters, no increase to public housing funding to provide more public housing and no new money for rental affordability incentives to leverage private investment to provide more stock for renters.

I know that in Tasmania, my home state, houses are comparatively cheap compared to the rest of the country, but people still cannot afford to buy houses. My daughter—29 years old;
married for a couple of years—is saving, saving, saving; she is trying to get into the housing market. It will take her a lot longer than it ever took us. And if you think back to the time when most of us were buying our first homes, we could do it at a fraction of the cost of our average income compared with what people are paying today for mortgages. And I would ask those on the other side to think that through.

Senator Williams's answer was for everyone to move to rural areas. I remind Senator Williams that it was his previous Treasurer who commented, 'Poor people don't drive cars'. In Tasmania there is no public transport—and I am pretty sure it is probably the same problem for a lot of the rest of regional and rural Australia. There is no public transport and there is no work, so there is not much point in just saying that we can solve this problem by everybody moving to rural and regional areas, because that is absolute rubbish! If there is no public transport— *(Time expired)*

Question agreed to.

**Budget**

**Senator WATERS** (Queensland—Co-Deputy Leader of the Australian Greens) (15:31): I move:

That the Senate take note of the answer given by the Attorney-General (Senator Brandis) to a question without notice asked by the Leader of the Australian Greens (Senator Di Natale) today relating to the 2016-17 Budget and climate change.

Senator Di Natale asked where did climate change go in the budget? Why was it not mentioned at all in the Treasurer's speech last night? Given all of the hype about the new economy and excitement and innovation, where was the plan to transition us from fossil fuels onto clean energy, which we know the rest of the world is already embracing? We know that that way lies the path to job creation, prosperity and safeguarding ourselves from the worst ravages of climate change.

The budget speech did not mention the Great Barrier Reef either. In fact, it did not mention the environment at all. There was no mention of the 69,000 people whose jobs rely on the reef remaining healthy. The reef is currently faced with the worst coral bleaching that it has ever seen in its entire living history. There was no mention of the tens of thousands of jobs that could be created in clean energy. Absolutely no mention of the sunrise industries of this century that will position Australia for prosperity. Again, just propping up last century's dirty industries—and propping them up indeed, because the budget adds an extra $100 million in fossil fuel subsidies. Because $21 billion over the forward estimates is not enough for the fossil fuel sector! There is $21 billion in cheap fuel, in accelerated depreciation and in asset write-off rules that are more favourable than other industries. No, $21 billion is not enough free money for the coal and gas sector; they need another $100 million of public money to conduct surveys to promote exploration.

This is the Treasurer's and the government's prescription for this century: propping up the dirty fossil fuel sector and resisting that transition to clean energy. And resisting it is, because there was also a $1.3 billion cut to clean energy finance kept in last night's budget. That is a $1.3 billion cut to the Australian Renewable Energy Agency, which is funding the very innovation that the Prime Minister likes to occasionally reference. Again, where is the job creation when you are cutting $1.3 billion from clean energy, not to mention cutting scientists...
from the CSIRO because their budget has been slashed—another thing that was not restored in last night's budget?

We have a budget that gives handouts to millionaires; it gives tax cuts to above average Australians who will not notice the six bucks in the back of their pocket each week, but which could have been $4 billion to hospitals, schools and clean energy; and is a budget that once again tops up that free public money, those subsidies, to fossil fuels. What an absolutely wasted opportunity to actually rejig our economy for the challenges that we will face this century, and to catch up with the rest of the world in that transition to clean energy. It is an indictment that there is talk about jobs and growth, but no recognition that the real jobs and the real sustainable growth is in the clean energy sector. We could rejig our economy and retool our jobs and the way we run this nation for a low pollution, high prosperity outcome. Instead, as I said, more money, more free handouts for fossil fuels.

No money to tackle coral bleaching on the reef. A small top up of water quality funding for the reef, but, guess what, it is taken off Landcare—because apparently people in the bush do not need the help and that habitat does not need to be restored, and maybe trees do not store carbon anymore! Newsflash, Prime Minister Turnbull: without a healthy environment, we will not have a healthy economy. Last night's budget was an opportunity to deliver on the rhetoric of jobs and growth and innovation, and it was an all-round failure. It was a cut to the Great Barrier Reef Marine Park Authority's funding; it was a cut to the Renewable Energy Agency's funding; and it was a hand out to the fossil fuel sector, with another $100 million of free money to explore for more polluting energy sources on top of the $21 billion of free money that that sector already gets. What a budget that is absolutely written for the well off, for big business and for big polluters.

Question agreed to.

NOTICES
Withdrawal

Senator McEWEN (South Australia—Opposition Whip in the Senate) (15:37): On behalf of Senator Urquhart, I withdraw business of the Senate notice of motion No. 2.

Senator LAZARUS (Queensland—Leader of the Glenn Lazarus Team) (15:37): I withdraw Senate notice of motion No. 4 standing in my name, relating to the reference to the Finance and Public Administration References Committee of access of small and medium businesses to federal government contracts.

Postponement

The Clerk: A postponement notification has been lodged in respect of the following:

Business of the Senate notice of motion no. 1 standing in the name of Senator Carr for today, proposing the disallowance of the Migration Amendment (Offshore Resources Activity) Regulation 2015, postponed till 9 May 2016.

COMMITTEES
Privileges Committee
Reference

Senator McALLISTER (New South Wales) (15:38): I move:
That the following matter be referred to the Standing Committee of Privileges for inquiry and report:

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

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

Senator Ryan (Victoria—Minister for Vocational Education and Skills) (15:38): Mr President, I seek leave to make a short statement.

The President: Leave is granted for one minute.

Senator Ryan: The government opposes this motion. The decision to call Senator Sinodinos before the inquiry was both unprecedented and objectionable. It has never been the practice of the Senate to direct ministers to attend before hearings of references committees. Given that the inquiry was of the complex issues of political donations by associated entities, it was a manifest absurdity that only a single day's hearing was allocated with a reporting date only two business days after that. It is obvious that any serious attempt to conduct an inquiry into such an important topic could not be concluded, nor a proper report prepared, in such a ludicrously short period. The circumstances in which the inquiry was called, its timing, the unprecedented calling of a single government minister and the refusal to call any Labor or union officials demonstrate beyond argument that this was just a blatant political stunt.

The President: The question is that the motion moved by Senator McAllister be agreed to.

The Senate divided. [15:43]

(The President—Senator Parry)

Ayes .................. 33
Noes .................. 25
Majority .............. 8

AYES

Bilyk, CL
Collins, JMA
Dastyari, S
Dodson, P
Gallagher, KR
Lambie, J
Ludlam, S
Marshall, GM
McEwen, A (teller)
McLucas, J
Muir, R
Polley, H
Rice, J
Simms, RA
Uppahart, AE
Whish-Wilson, PS
Xenophon, N

Brown, CL
Conroy, SM
Di Natale, R
Gallacher, AM
Hanson-Young, SC
Lazarus, GP
Madigan, JJ
McAllister, J
McKim, NJ
Moore, CM
O'Neill, DM
Rhiannon, L
Siewert, R
Singh, LM
Waters, LJ
Wong, P
Wednesday, 4 May 2016

NOES

Abetz, E
Bernardi, C
Brandis, GH
Cash, MC
Edwards, S
Fifield, MP
Johnston, D
Macdonald, ID
O'Sullivan, B
Paterson, J
Ryan, SM
Seselja, Z
Williams, JR

Back, CJ
Birmingham, SJ
Bushby, DC (teller)
Colbeck, R
Fawcett, DJ
Heffernan, W
Lindgren, JM
McGrath, J
Parry, S
Payne, MA
Scullion, NG
Smith, D

Question agreed to.

MOTIONS

Defence Procurement

Senator LAZARUS (Queensland—Leader of the Glenn Lazarus Team) (15:45): I move:

That the Senate—

(a) acknowledges the importance of Australia's shipping and maritime industry, and its contribution to the Australian economy and national defence capabilities;

(b) notes that some 7000 people are employed directly in shipbuilding yards across Australia, and a further 24000 people in associated industries;

(c) recognises that more than 1800 shipbuilding jobs have been lost in Australia since 2013, and the need to protect and retain Australian jobs for Australian workers;

(d) understands the Federal Government has selected Spanish company Navantia as the preferred tenderer to build replacement supply vessels for the Australian Navy, which will create some 3000 jobs in Spain and further decimate the Australian shipbuilding and maritime industry; and

(e) calls on the Federal Government to immediately halt further negotiations with the Spanish company and instead work with the Australian shipbuilding and maritime industry to immediately establish the capability to build the ships in Australia which will provide Australian jobs for Australian workers, and in the event that withdrawal from negotiations is not possible, immediately install requirements which maximise Australian involvement, input and content such as the build of the blocks in Australia.

I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator LAZARUS: I am a strong supporter of Australia's shipbuilding and maritime industry. I, like many Australians, am disgusted that the Turnbull government would award a billion-dollar naval shipbuilding contract to the Spanish. Australians do not want their hard earned taxpayer dollars being spent in Spain, creating jobs for the Spanish; they want their money being spent here in Australia, creating Aussie jobs for Aussie workers. I call on the Malcolm Turnbull government to cease any further negotiations with the Spanish and to instead bring this contract back home to Australia, to our own shipbuilding and maritime industry, where it belongs.

The PRESIDENT: Leave is granted for one minute.

Senator RYAN: Defence’s advice to the government is that, given the size of the ships, there are no shipyards currently capable of constructing the replacement supply ships in Australia. Any upgrades to the infrastructure would need to have been completed by now in order to avoid a critical capability gap and to avoid causing delays to the AWD program. Unfortunately, the Labor government did not commission any ships for six years, nor did they undertake the necessary infrastructure improvements. The Turnbull government will not risk a critical capability gap and will acquire the replacement supply ships as soon as possible.

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

The Senate divided. [15:48]

(The President—Senator Parry)

Ayes ...................... 15
Noes ...................... 37
Majority ................. 22

AYES
Di Natale, R
Lambie, J
Ludlam, S
McKim, NJ
Rhiannon, L
Siewert, R
Waters, LJ
Xenophon, N

Hanson-Young, SC
Lazarus, GP (teller)
Madigan, JJ
Muir, R
Rice, J
Simms, RA
Whish-Wilson, PS

NOES
Abetz, E
Bernardi, C
Brown, CL
Cash, MC
Collins, JMA
Edwards, S
Fifield, MP
Gallagher, KR
Johnston, D
Macdonald, ID
McAllister, J
McGrath, J
Moore, CM
O’Sullivan, B
Paterson, J
Reynolds, L
Singh, LM
Sterle, G
Williams, JR

Back, CJ
Bilyk, CL
Bushby, DC
Colbeck, R
Dastyari, S
Fawcett, DJ
Gallacher, AM
Heffernan, W
Lindgren, JM
Marshall, GM
McEwen, A (teller)
McLucas, J
O’Neill, DM
Parry, S
Polley, H
Ryan, SM
Smith, D
Urquhart, AE
Question negatived.

**Bombing of Medecins Sans Frontieres Hospitals**

**Senator LUDLAM** (Western Australia—Co-Deputy Leader of the Australian Greens) (15:50): I ask that general business notice of motion No. 1, standing in my name today and related to the status of health facilities and the bombing of MSF facilities in particular under international law, be taken as a formal motion.

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

**An opposition senator:** Yes.

**The PRESIDENT:** Formality is not granted.

**Senator LUDLAM:** I seek leave to make a brief statement.

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

**Senator LUDLAM:** I would also appreciate from the whips who it was who denied leave. I understand it was actually Labor, but I would appreciate some clarification.

This is not a complex foreign policy matter. I find it breathtaking that formality has been denied to take a vote that asks nothing of anybody except the expression of this Senate in support of international law that hospitals are not military targets. How on earth has that become controversial? That should be an absolutely unanimous resolution of this Senate. The protection of health facilities and other civilian targets in international law, including the Geneva Conventions, should be uncontroversial. It should not be something that we even need to raise in here. Seventy-five MSF hospitals and supported hospitals suffered 106 bombing and shell attacks in 2015 alone. Please rethink this. I do not understand why leave has been denied for a simple, unanimous Senate resolution on this crucial question.

**Senator MOORE** (Queensland) (15:52): I seek leave to make a short statement in response to the short statement from Senator Ludlam.

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

**Senator MOORE:** It is our advice that this is a complex and contested piece of foreign policy, and on that basis, in due process in the Senate, we are denying formality.

**COMMITTEES**

**Foreign Affairs, Defence and Trade Legislation Committee**

**Reference**

**Senator LAMBIE** (Tasmania) (15:52): I seek leave to amend business of the Senate notice of motion No. 3 standing in my name for today.

Leave granted.

**Senator LAMBIE:** I amend the motion in the terms circulated in the chamber and move the motion as amended:

That—

(a) the Senate notes:
(i) the number of veterans who have served overseas in war and warlike circumstances since 1999 is some 50,000 personnel over 75,000 deployments which is greater than the number of Australian veterans who served in Vietnam—60,000 between 1962 and 1972,

(ii) some reports from ex-service organisations and former Australian Defence Force (ADF) members suggest that the number of veterans in our community who have committed suicide since 1999 may be more than 250 and growing,

(iii) the Turnbull Government must now take steps to acknowledge this crisis among so many ADF veterans, and undertake the necessary research so as to measure the scale of the suicide rate,

(iv) some ex-service organisations and former ADF members believe that the complexity of Australia’s military compensation schemes, together with administrative failures and slow decision-making by the Department of Veterans’ Affairs (DVA), is a contributing factor to imposing financial hardship, stress on families, delays in medical treatment and even homelessness and suicide,

(v) Australian Military Compensation Arrangements must be fair and provide former members of the ADF and their families who suffer a service injury or disease with a strong system of compensation and other benefits,

(vi) media reports and discussions with individual veterans, along with feedback from ex-service organisations have revealed a number of serious issues with the administration, governance and processes of the DVA, and

(vii) that the last comprehensive government review of the DVA was over five years ago and is now outdated and the Turnbull Government must commit to undertaking a thorough review of the DVA, addressing the issues raised above; and

(b) that the above matters be referred to the Foreign Affairs, Defence and Trade Legislation Committee for inquiry and report by 23 August 2016, with particular reference to:

(i) the reasons why Australian veterans are committing suicide at such high rates,

(ii) previous reviews of military compensation arrangements and their failings,

(iii) Repatriation Medical Authority’s Statements of Principles, claims administration time limits, claims for detriment caused by defective administration, authorised medical treatment, level of compensation payments, including defence abuse, as contained in all military compensation arrangements,

(iv) the performance of DVA, and

(v) any other related matters.

Question negatived.

Senator LAMBIE: I request leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator LAMBIE: I ask for the support of all senators for this motion, which would bring about a Senate investigation which would examine why our young veterans are killing themselves in record numbers. I ask that government senators stop the political party games and act in the national interest, act in the best interests of our veterans and their families, and join with me, fellow crossbenchers and Labor members to support this motion. In advance, I thank all members who support this motion and particularly the staff of shadow veterans' affairs minister David Feeney. Today, too many of the 50,000 Australian veterans who have served overseas in war and warlike circumstances since 1999 have killed themselves while under the care of the Department of Veterans' Affairs, and we need to quickly find out why and then put in place solutions to try to stop or lessen those deaths.
MOTIONS

Australian Christian Lobby

Senator SIMMS (South Australia) (15:54): I move:

That the Senate—

(a) acknowledges that the Australian Christian Lobby does not represent most Christians in this country and are nothing more than a fringe group;

(b) condemns the Treasurer (Mr Morrison) for attending the Australian Christian Lobby National Conference on 23 April 2016; and

(c) calls on the Prime Minister (Mr Turnbull) to reject the Australian Christian Lobby’s request for a temporary suspension to the anti discrimination laws should a plebiscite campaign on marriage equality eventuate.

I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator SIMMS: The motion I am moving today seeks to expose the Australian Christian Lobby for what they are: an extremist fringe organisation that does not represent the views of a majority of Christians in this country.

Honourable senators interjecting—

Senator SIMMS: I hear members of the Liberal and Labor parties heckling me. Well, of course, they have been running a protection racket for the ACL for a very long time. They stand up for these homophobes and sexists in this parliament all the time. Well, the Greens are calling it out, and that is the motion that we are moving today.

The motion also seeks to condemn Scott Morrison for speaking at the ACL conference recently and sharing the rostrum with these bigots and homophobes. It is appalling to see one of the most senior members of this Turnbull government sharing the rostrum with these bigots and homophobes. Mr Turnbull should stand up to these bigots, and this parliament should send a clear message by supporting this motion.

Senator ABETZ (Tasmania) (15:55): I seek leave to make a one-minute statement.

Leave granted.

Senator ABETZ: I thank the Senate. The Australian Christian Lobby enjoys a supporter base of tens of thousands of our fellow Australians. To falsely describe—and, one assumes, thereby malign, offend and humiliate—the ACL by calling it an extremist fringe group is a display of intolerance and feeds ugly community division. For the Greens, of all people, to condemn a group as ‘fringe’ is a sad display of a lack of self-awareness on their part. In seeking to condemn others for attending an ACL forum, we see writ large not only the ugly underbelly of Green intolerance but their hypocrisy. You see, Mr President, the Greens have been known to participate in ACL forums to harness votes from this alleged extremist fringe group, including Mr Nick McKim from Tasmania. (Time expired)

Senator XENOPHON (South Australia) (15:57): I seek leave to make a very short statement.

The PRESIDENT: Leave is granted for one minute.
Senator XENOPHON: I believe that parts (a) and (b) of the motion make it a poison pill motion, because, while some members may agree on the calls for the Prime Minister to reject the Australian Christian Lobby's request for a temporary suspension of antidiscrimination laws should there be a plebiscite on marriage equality, I think it is quite unreasonable to attack the Australian Christian Lobby and, in particular, to attack Treasurer Morrison for attending an Australian Christian Lobby conference. If we get to that stage then I think that is a very sad indictment of freedom of speech.

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

The Senate divided. [15:59]

(The President—Senator Parry)

Ayes .................10
Noes ....................41
Majority ..............31

AYES

Di Natale, R
Ludlam, S
Rhiannon, L
Siewert, R (teller)
Waters, LJ

Hanson-Young, SC
McKim, NJ
Rice, J
Simms, RA
Whish-Wilson, PS

NOES

Abetz, E
Bernardi, C
Bushby, DC (teller)
Colbeck, R
Edwards, S
Fitfield, MP
Gallagher, KR
Johnston, D
Lazarus, GP
Lines, S
Macdonald, ID
Marshall, GM
McEwen, A
Moore, CM
O'Neill, DM
Parry, S
Polley, H
Ryan, SM
Singh, LM
Urquhart, AE
Xenophon, N

Back, CJ
Bilyk, CL
Cash, MC
Dastyari, S
Fawcett, DJ
Gallacher, AM
Heffernan, W
Lambie, J
Lindgren, JM
Ludwig, JW
Madigan, JJ
McAllister, J
McGrath, J
Muir, R
O'Sullivan, B
Paterson, J
Reynolds, L
Seselja, Z
Sterle, G
Williams, JR

Question negatived.
National Volunteer Week

Senator MOORE (Queensland) (16:02): I and on behalf of Senators Brown, Bilyk move:

That the Senate—

(a) notes that National Volunteer Week is celebrated in Australia from 9 May to 15 May 2016, and the theme for the 2016 commemoration is 'Give Happy, Live Happy';

(b) recognises that volunteering is:

(i) a healthy lifestyle choice; a true community builder, and

(ii) one of the strongest predictors we have of increasing our health and happiness; and

(c) joins with Volunteering Australia and volunteers across the Australian community to:

(i) support the 'Give Happy, Live Happy' conversation and to show that volunteers live happier and healthier lives, and

(ii) acknowledge more than 6 million Australian volunteers are an invaluable resource in helping to make our communities stronger.

Question agreed to.

Sugar Industry

Senator LAZARUS (Queensland—Leader of the Glenn Lazarus Team) (16:02): I move:

That the Senate—

(a) notes that:

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

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

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

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

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

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

(i) develop and implement a code of conduct,

(ii) establish a national commercial arbitration service,

(iii) provide Australian canegrowers with the flexibility to select sugar-marketing organisations of their choice, and

(iv) establish a national support service for Australian canegrowers.
Senator O'SULLIVAN (Queensland—Nationals Whip in the Senate) (16:02): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator O'SULLIVAN: The coalition does not support this motion because the matters have been addressed, as is appropriate, by the Queensland Parliament. The government established a task force chaired by George Christensen from the other place to look into sugar marketing arrangements and an industry code of conduct. The outcomes of that task force have been overtaken by the passage of amendments to the Queensland Sugar Industry Act 1999 on 2 December 2015.

Senator Lazarus is hypocritical in his behaviour towards the Queensland sugar industry. Senator Lazarus used his maiden speech to call for a sugar tax and again last week supported the introduction of a sugar tax. Senator Lazarus cannot claim to be the canegrower's friend one day and then also support the issues that would wreck this important Queensland sector on another. I suggest, Senator Lazarus, you put your last day in this place to better use.

Senator LAZARUS (Queensland—Leader of the Glenn Lazarus Team) (16:03): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator LAZARUS: Eighty-five per cent of sugar produced in this country is exported overseas. One in four children and two out of every three adults in this country are base. It is not the sugar that we are producing; it is the low-grade sugar that is coming into this country.

I am a big supporter of the canegrowers and I have to be because people like the Nationals have washed their hands of them. They have absolutely washed their hands. They have shafted them with the ChAFTA; they will shaft them with the TPP. And if you want to know what is good for sugarcane growers, I will give you one word: ethanol. Make them grow ethanol. Beef up the ethanol that we put into petrol and the sugarcane industry would thrive. That is why I support the sugarcane growers.

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

The Senate divided. [16:06]
(The President—Senator Parry)

| Ayes |..........................13 |
| Noes |..........................32 |
| Majority |.................19 |

**AYES**

Di Natale, R
Lambie, J
Ludlam, S
Rhiannon, L
Siewert, R
Waters, LJ
Xenophon, N

**NOES**

Back, CJ
Bernardi, C
Question negatived.

COMMITTEES
Foreign Affairs, Defence and Trade Legislation Committee
Reference

Senator LAMBIE (Tasmania) (16:08): I seek leave to have the question put again on business of the Senate notice of motion No. 3, as amended.
Leave granted.

The PRESIDENT: The question is that motion moved by Senator Lambie, as amended, be agreed to.

The Senate divided. [16:09]

Ayes ...................... 15
Noes ...................... 32
Majority ............... 17

AYES

Di Natale, R
Lambie, J
Ludlam, S
McKim, NJ
Rhiannon, L
Siewert, R
Waters, LJ
Xenophon, N

Hanson-Young, SC
Lazarus, GP (teller)
Madigan, J
Muir, R
Rice, J
Simms, RA
Whish-Wilson, PS

NOES

Back, CJ
Bushby, DC (teller)
Colbeck, R

Bernardi, C
Cash, MC
Dastyari, S
Question negatived.

Senator DASTYARI (New South Wales) (16:12): I seek leave to make a one-minute statement.

The PRESIDENT: Leave is granted for one minute.

Senator DASTYARI: Perhaps it is a little bit redundant now, but I was going to make the observation that the Labor Party support the sentiment and the motion in principle that was moved by Senator Lambie. Our only issue was that we had made a decision that, while there is still uncertainty as to the continuing status of this Senate, with a potential double dissolution election perhaps coming later in the week, we were not supporting other inquiries being established because there was not going to be an opportunity for them to proceed with their work. I did not want the vote or the position of the Labor Party to be misinterpreted as not supporting the position that had been espoused by Senator Lambie.

MOTIONS

Bondi Pavilion

Senator RHIANNON (New South Wales) (16:13): I, and also on behalf of Senator Dastyari, move:

That the Senate—

(a) notes that:

(i) Waverley Council, the area of which is contained in the seat of Wentworth, has agreed to a $38 million redevelopment of Bondi Pavilion,

(ii) on 30 April 2016, at a special Waverley Council meeting attended by 300 people, Ms Sally Betts, the Mayor of Waverley Council and electorate officer for the Member for Wentworth (Mr Turnbull), used her casting vote to pass the redevelopment plan,

(iii) there is growing community concern that the Waverley Council redevelopment plans would reduce the current community-to-commercial use ratio and result in the Bondi Pavilion being privatised by stealth,

(iv) in response to these concerns, Waverley Council has published misleading figures for proposed community floor space which appear to include outdoor areas as a replacement for current community rooms,
(v) the original budget for restoration of the Bondi Pavilion was estimated by Waverley Council in early 2015 to be $9 million, and that the cost blowout to a currently estimated $38 million is primarily the result of the proposed changes to the building's structure in the redevelopment plan, and

(vi) Mr Turnbull in July 2007 with former Prime Minister, Mr Whitlam, and his wife Margaret attended the celebration of a third of a century of the Bondi Pavilion community and cultural centre;

(b) calls on Prime Minister (Mr Turnbull) to publicly support Bondi Pavilion being retained as a community and cultural centre; and

(c) calls on the Turnbull Government to ensure any financial assistance:

(i) is limited to assisting with restoration of the Bondi Pavilion that maintains the current community-to-commercial space ratio, and

(ii) is conditional upon the Bondi Pavilion's first floor being retained for community and theatre use, and the discontinuation of upgrade plans that turn this area into a restaurant and bar or function centre precinct.


The PRESIDENT: Leave is granted for one minute.

Senator RYAN: The Senate should not presume to tell local governments in Australia how to manage their affairs. They are, after all, creatures of state parliaments. I am advised that the Commonwealth moneys provided were to upgrade the fire protection system and develop the necessary documentation for the conservation of the Bondi Pavilion. Further, I am advised that no final decision on either the plan or the associated development has been made. This is just a flippant Labor-Greens stunt to distract electors in the eastern suburbs of Sydney. Council has the responsibility in this area and the decision should be left to them.


The PRESIDENT: Leave is granted for one minute.

Senator RHIANNON: Prime Minister Malcolm Turnbull has trouble in his own backyard. Bondi Pavilion, in his own seat of Wentworth, is a wonderful cultural and community centre, but the children who use the first floor of that centre stand to be evicted under the Liberal plan of the Waverley Council. At 8 am last Saturday more than 300 people turned up to a special meeting at Waverley Council, which erupted in anger over these plans that would result in the first floor becoming a commercial precinct. They are developing a plan that is really nothing more than privatisation by stealth.

This is a very simple motion that urges the Prime Minister to stand with his community, not with the developers, who so often bankroll the Liberal Party; to stand with the community for their cultural and community centre. What he should be doing is ensuring that the money is only released once there is a guarantee that the community-to-commercial mix remains and the community activities on the first floor remain.

Question agreed to.

Transport Industry

Senator LAZARUS (Queensland—Leader of the Glenn Lazarus Team) (16:15): I move:

That the Senate—

(a) notes:
(i) while the abolition of the Road Safety Remuneration Tribunal (RSRT) and associated orders has assisted to restore a competitive level playing field for the owner driver transport sector across Australia, the disruption caused by the RSRT has significantly affected industry confidence and market conditions more generally for owner driver operators, and

(ii) it may take some time for the owner driver sector to recover from the disruption, and as a result, in the meantime, many owner drivers are suffering financially; and

(b) calls on the Federal Government to provide urgent assistance to owner driver operators by:

(i) conducting a survey to identify the number of owner driver operators who have lost work as a consequence of the Road Safety Remuneration Order 2016 and have not had their former work reinstated, with limited or no prospects of recovering work given the investments already made by small/large fleet operators,

(ii) establishing a national emergency financial assistance fund to provide financial payments to owner driver operators for up to 3 months,

(iii) providing owner driver operators with written acknowledgement of the abolition of the RSRT and associated orders to assist with market awareness,

(iv) calling on the financial sector to suspend payment requirements for truck and home loan facilities for owner driver operators for up to 3 months, and

(v) providing funding to a community based organisation to assist them to provide owner driver operators and their families with targeted, specialist and industry specific counselling and support services.


The PRESIDENT: Leave is granted for one minute.

Senator RYAN: The government is strongly committed to supporting the trucking industry and owner-drivers. The government, with the support of its crossbench colleagues in the Senate, moved urgently to abolish the disastrous road safety remuneration system established by Bill Shorten. The government will never re-establish the RSRT or create discriminatory rates of pay that force owner-drivers out of the market under the guise of safety. While it is not possible for the government to commit to all the measures proposed in this motion, the government has already established a financial counselling hotline for impacted owner-drivers and is working with relevant government agencies to identify real and tangible measures to support owner-drivers who are struggling to recover from the economic devastation wreaked by Labor and the Greens. The government's message to owner-drivers has been very clear from the beginning: we back you, we back your business and we want to see you on the road.

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

The Senate divided. [16:18]

Ayes ....................4
Noes ....................41
Majority .................37
Australian Electoral Commission: Use of Australian Paper

Senator XENOPHON (South Australia) (16:20): I, and also on behalf of Senators Madigan, Muir, Lambie and Lazarus, move:
That the Senate—
(a) notes that:
(i) it is likely that a federal election will be held on Saturday, 2 July 2016,
(ii) it is estimated that some 40 million ballot papers will be required on election day, which is equivalent to some 700 tonnes of paper, and
(iii) Australia is capable of producing the quantity and quality of paper required for ballot papers as well as other election material to be printed for the Australian Electoral Commission (AEC) for the 2016 Federal Election; and
(b) calls on the Government to require the use of Australian paper for ballot papers and other election materials produced for the AEC.


The PRESIDENT: Leave is granted for one minute.

Senator RYAN: The AEC is required to follow the Commonwealth Procurement Rules when conducting procurements. These rules require potential contractors to be treated
equitably based on their commercial, legal, technical and financial abilities and not be
discriminated against due to their size, degree of foreign affiliation or ownership, location, or
the origin of their goods and services. This is an important principle that our exporting
businesses also rely on when supplying goods and services to overseas markets. These rules
contained in our various export agreements ensure that Australian suppliers are not
disadvantaged when tendering for government procurement in countries with which we have
such agreements in place. I am advised by the AEC that election material procured by the
AEC for the upcoming federal election will be printed within Australia.

Senator RICE (Victoria) (16:21): I seek leave to amend the motion.
Leave granted.

Senator RICE: I move the motion as amended:
Paragraph (b), after "require the use of Australian paper", insert "sourced from plantation or recycled
sources".

Senator XENOPHON (South Australia) (16:22): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator XENOPHON: Following Senator Ryan’s comments, I want to make the point
that our current Commonwealth Procurement Rules do not take into account the social and
economic effects of buying local—the effect it has on supply chain, on local jobs and on local
economies. The fact is that we have a situation where we can and do produce Australian paper
for Australian ballot papers, rather than the many tonnes that are being imported right now for
the July 2 election. That seems fundamentally wrong to me, given that Australian jobs are at
stake.

The PRESIDENT: The amendment was read out. It was reasonably lengthy, but I think
people got the gist of it.

Senator Rice interjecting—

The PRESIDENT: We need it in writing, Senator Rice. Do you have that in writing
there? We just need it in writing; it does not have to be circulated. We have the amendment.
Does anyone wish for the amendment to be read again? No? In that case, I will put the
amendment. The question is that the amendment moved by Senator Rice be agreed to.

Question negatived.

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

The Senate divided. [16:28]

(The President—Senator Parry)

| Ayes ......................32 |
| Noes ......................26 |
| Majority ..................6 |

AYES
Brown, CL Cameron, DN
Carr, KJ Dastyari, S
Di Natale, R Gallagher, AM
Gallagher, KR Hanson-Young, SC

CHAMBER
Question agreed to.

Senator RICE (Victoria) (16:31): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator RICE: The Australian Greens support the use of Australian paper if it is paper produced from plantation stock and from recycled stock, so it does not involve the destruction of native forests and the destruction of our precious wildlife, including Leadbeater's possums in the forests of the central highlands of Victoria. Australia is perfectly capable of making paper and having Australian jobs—

Senator Whish-Wilson: Mr President, on a point of order. I am sitting in front of Senator Rice and I point out to the Liberal Party that Senator Heffernan's party is in half an hour, and I am trying to hear Senator Rice's motion

The PRESIDENT: Thank you. I remind all senators, particularly those who are on my left at the moment, to keep the noise down to zero whilst we listen to Senator Rice.

Senator RICE: Australia is perfectly capable of making paper that would create Australian jobs and support Australian industry that is produced from plantations and recycled sources. That is the direction we need to be heading in to make sure that we can get over this divide between protecting our forests and protecting jobs. There should not be a divide. With
85 per cent of the wood products that come from Australia already sourced from plantations, we need to increase this to 100 per cent.

**National Redress Scheme**

**Senator MOORE** (Queensland) (16:33): I, and also on behalf of Senator McLucas, I move:

That the Senate—

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

(i) the hurt and distress suffered by many children in institutional care,
(ii) a National Apology,
(iii) redress for their suffering, and
(iv) a Royal Commission into this national shame;

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

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

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

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

**Senator RYAN** (Victoria—Minister for Vocational Education and Skills) (16:33): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

**Senator RYAN:** Survivors have waited for many years for justice. The royal commission expressly acknowledged that its preferred option for delivering that justice, a single national scheme, might not be achievable within a time frame acceptable to all survivors and, indeed, to all Australians, who have been rightly outraged by the heinous abuse inflicted on children. Regrettably, discussions which the Commonwealth has led with the states and territories have shown that national consistency can only be achieved sufficiently swiftly through a nationally consistent approach. This aligns with the commission's alternative recommendation. The Commonwealth will, therefore, continue to work through first ministers' departments towards agreement on a nationally consistent approach to redress.

Question agreed to.

**Defence Procurement**

**Senator WHISH-WILSON** (Tasmania) (16:34): I move:

That the Senate—

(a) notes:
(i) the decision of the government to award the contract to DCNS for the construction of new Barracuda-class submarines, and
(ii) That the pump-jet propulsion used in the Barracuda-class submarines has only ever been powered by nuclear reactors; and
(b) calls on the Government to unequivocally rule out the use of nuclear reactors to power Australia's new submarines.

Senator RYAN (Victoria—Minister for Vocational Education and Skills) (16:34): I seek leave to make an exceptionally short statement.

The PRESIDENT: Leave is granted for one minute.

Senator RYAN: The Minister for Defence made the government's position on this issue clear in question time yesterday. The government is not proposing a nuclear-powered submarine.


The PRESIDENT: Leave is granted for one minute.

Senator WHISH-WILSON: The reason we put this motion up was because of the minister's statement in question time yesterday. We did not read it as being an unequivocal statement. In fact, I think she said, more or less, that it is not under contemplation or consideration at this moment in time. This motion is very simple. Let me read it to a lot of the senators who just get told where to go by their whips:

That the Senate—
(a) notes:
(i) the decision of the government to award the contract to DCNS for the construction of new Barracuda-class submarines, and
(ii) That the pump-jet propulsion used in the Barracuda-class submarines has only ever been powered by nuclear reactors; and
(b) calls on the Government to unequivocally rule out the use of nuclear reactors to power Australia's new submarines.

My party, the Greens, and our supporters, our members and our voters have significant concerns about any future nuclear power being used in submarines. We want the government to rule this out now before we support this proposal. (Time expired)

Question agreed to.

Student Income Support

Senator SIEWERT (Western Australia—Australian Greens Whip) (16:36): I move:

That the Senate—
(a) recognises that income support for students:
(i) is an important part of Australia's safety net, and
(ii) helps to make educational opportunities more accessible for young people, including from regional and remote communities;
(b) notes reports:
(i) of a current backlog of 27500 students with claims waiting to be processed, and earlier peaks of 90000 students waiting for claims to be processed, and

___________________________________________________________________________

CHAMBER
(ii) suggesting that up to 30000 applicants may have been rejected incorrectly; and
(c) calls on the Government to take urgent action by:
   (i) reviewing rejected applications,
   (ii) restoring adequate funding to the Department of Human Services, including funding for
        ongoing staffing increases, and
   (iii) investing in high-quality information technology systems.

Senator RYAN (Victoria—Minister for Vocational Education and Skills) (16:36): I seek
leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator RYAN: This government knows the critical importance of providing support to
students. That is why more than 750 staff are processing student claims each day, a fourfold
increase on last year. The department is on track to be back to normal business levels by 10
May this year. Long processing times have occurred for many years. For the future, the
government is investing heavily in faster, simpler, more user-friendly IT. These investments
will also speed up claims processing.

The government's record of investment in Centrelink's IT stands in stark contrast to the
record of those opposite. While they stand in the way of progress, we are getting on with
building the innovative 21st century Infrastructure Australia needs.

Senator SIEWERT (Western Australia—Australian Greens Whip) (16:37): I seek leave
to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator SIEWERT: This motion is even more important in light of the government's
budget yesterday where they cut further the staff and support for the Department of Human
Services, the very department that this motion refers to. So the situation is only going to get
worse when Centrelink is further defunded and has to actually also provide an efficiency
dividend. Please support this motion. It is even more important than ever.

Question agreed to.

Her Majesty Queen Elizabeth II—90th birthday

Senator SMITH (Western Australia—Deputy Government Whip in the Senate) (16:38): I
move:

That the Senate—
   (a) notes:
      (i) that 21 April 2016 marked the 90th birthday of Her Majesty Queen Elizabeth II, Queen of
Australia,
      (ii) that Her Majesty's reign has now continued through the tenure of 14 Australian Prime
Ministers — Menzies, Holt, McEwen, Gorton, McMahon, Whitlam, Fraser, Hawke, Keating, Howard,
Rudd, Gillard, Abbott and Turnbull, and
      (iii) the vital and enduring role that Her Majesty has played in Australia's democratic strength and
constitutional stability throughout the many years of her reign; and
   (b) extends to Her Majesty its warmest wishes on this significant personal milestone, as well as its
continued appreciation for the gracious manner in which she fulfils her duties as Queen of Australia.
I seek leave to make a short statement.
The PRESIDENT: Leave is granted for one minute.

Senator SMITH: The 90th birthday of Her Majesty Queen Elizabeth II is about more than observing a personal milestone; it is another reminder of the stability and unifying power of the Crown within Australia's own institutions.

It was in her first address to our parliament at the age of 27 in 1954 that the Queen underscored the central place of the Crown within Australia's parliamentary structure. At the outset, she quoted the first section of the Australian Constitution, which establishes that legislative power will be vested in a federal parliament which shall consist of the Crown, a Senate and a House of Representatives.

She went on to say:

It is therefore a joy for me, today, to address you not as a Queen from far away, but as your Queen and as a part of your Parliament. In a real sense, you are here as my colleagues, friends and advisers.

Many decades later, I am confident this is an attitude that endures and is reflected in the gracious way our sovereign continues to fulfil all her duties.


The PRESIDENT: Leave is granted for one minute.

Senator DASTYARI: In acknowledging the incredible role of Her Majesty and her service, I also want to acknowledge the parents of the roughly 568 Australians who were born today who cannot hope to be Australia's head of state under our current arrangement and our current laws.

I also want to make a note: there are a lot of other Australians whose birthdays fall today, including my four-year-old daughter, Hannah, who today turns five, whose birthday I cannot be at. I do want to note that there have been some who have referred to this Senate ungraciously at times as the ‘bar scene from Star Wars.’ I note that my daughter's birthday does fall on what is known as Star Wars Day.

Question agreed to.

MATTERS OF PUBLIC IMPORTANCE

Budget

The PRESIDENT (16:40): A letter has been received from Senator Moore:

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

The Turnbull Government's Budget that puts high income earners and big business before families, students, patients, pensioners and low-income earners.

Is the proposal supported?

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

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

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (16:41): I rise to speak on this matter of public importance. It is the last afternoon, the last opportunity,
for us as a Senate chamber to review and pass judgements on the Turnbull government's attempt to buy its way back into office.

What we saw last night was Mr Turnbull's priorities exposed for all to see. The coalition government spent the best part of five years pretending Australia had a debt and deficit crisis, making claims like Australia was heading down the path of Greece—the Deputy Prime Minister would make that claim regularly. Whereas what we saw last night was no attempt to address those issues.

I have many words I wanted to say today but I was captivated by an article written by Andrew Bolt today, who had the following to say about the budget:

It's the 'Gunna Budget'—a promise by a scared and clueless Turnbull Government that it's gunna do the right thing one day. But not yet.

Treasurer Scott Morrison said this 'was not just another Budget' and he was right. It's a fraud. None of the important things you were promised have been delivered in this pathetic document.

Spending restraint? Spending is actually up next year by another $19 billion.

Cutting taxes? This government will grab an extra $21 billion from us next year.

Tackling the debt crisis? The government plans to put another $85 billion on the national credit card over the next four years.

He goes on to say:

But if this Budget is short on delivery today it’s huge in promises for tomorrow. And here’s where the spin gets mad.

Remember how—

and I am quoting directly here—

Turnbull sent poor Morrison to talk up the massive tax revolution they were planning that would cut your taxes, boost growth, cut the deficit and splash cash on hospitals?

'Everything is on the table,' the Prime Minister said. But then he got cold feet and now there’s almost nothing left on that table but a bunch of IOUs. And so Morrison in his Budget was left to feebly promise the government is gunna cut business taxes to 25 per cent to make them ‘internationally competitive’—but not until 10 years from now, should Turnbull still be PM.

He promised the government was gunna start repaying our debt—but not for another five years, and even that depended on shaky China not tanking, global financial markets not freaking and the Senate finally passing the kind of cuts it’s blocked for years.

He goes on to say:

As I said, it’s the Gunna Budget. All promise, no delivery.

But some of the spinning of this dud is astonishing. Of course, I feel for Morrison but, really, how can he boast of his '10-year enterprise tax plan' to gradually cut business taxes when this government would need to be elected four times to see it through?

Talk about a boy with a finger in the dyke.

That sentiment of broken promises, talking to the hypocrisy of those opposite, as I said, captivated my attention.

What we saw was Mr Turnbull's priorities: a cut for millionaires of $4,000-odd and a cut for big business. But the funny thing about this is that he has promised a 10-year benefit. He has modelled the benefits of a 10-year cut in tax, but he has refused to reveal the costs of the
10-year plan. So you have to ask: what does the government, Mr Turnbull and Mr Morrison, have to hide? Is it $20 billion? Is it $30 billion? Is it $40 billion? Is it $50 billion, $60 billion or $70 billion? Come clean. Senator Cormann in question time today refused to tell the Australian people the price of the priorities favoured by the Prime Minister, Malcolm Turnbull, and the Treasurer, Mr Morrison. Come clean. Seventy-five per cent of Australians get not one cent of a tax cut, but the millionaires and the big banks get billions and billions of dollars—tax cuts for the big banks and tax cuts for millionaires.

With all of this, in the lead-up to the budget, it drew little comment that Mr Turnbull promised not to introduce a GST in the next three years—but we know that it is in the DNA of the Liberal Party. If you scratch the surface, you know that every single one of those senators from the coalition sitting opposite want to increase the GST and put it on food. So I am not reassured by Mr Turnbull's promise that he will not introduce it in the next three years, because what that is code for, we all know, is that he plans to propose a GST in the next three years. He plans, ultimately, to increase the cost of food in this country with a GST—15 per cent if he gets his way. He wants to spread the base to cover all goods and services. So do not be reassured, people of Australia, that if you vote the coalition government in you are not going to end up with a higher GST on food and other items currently exempt.

This is a government that wants to look after the big end of town. It is giving its paymasters, the Business Council, everything they want, but just a little bit slower than they wanted, so that they can pretend. Last year Labor proposed a small business tax cut and it was absolutely voted down, opposed and attacked by the government and then we had the farcical situation last night where they come in and say, 'Actually, we do want to steal another of Labor's policies, a small business tax cut.' And then what do they do? They start redefining what a small business is. A $2 million turnover has become a $10 million turnover and, ultimately—in what can only be described as the most ironic conversation you can have—a small business has a turnover of a billion dollars. I think there might be three or four big banks and Telstra and BHP that might escape in those first few years. The absurdity of the desperation of Mr Turnbull to give a tax cut to the big end of town was on show for all to see.

Then this morning when debating housing affordability, we found out what Mr Turnbull's housing affordability plan was: get rich parents to give you money to buy you a house. How out of touch can this Prime Minister be: 'If you are locked out of the housing market and you are a first home buyer, get your rich parents to give you a house or a loan.' (Time expired)

Senator LINDGREN (Queensland) (16:51): First of all, I would like to assure those listening out in the public that the coalition's 2016 budget is an action budget. It is a budget for all Australians. It is an economic plan for jobs and growth. This budget ensures Australia continues to successfully transition from the mining investment boom to a stronger, more diversified economy, opening up export opportunities which will help more than 100,000 young people into jobs.

The coalition's budget is injecting $840 million for a youth employment package which will help up to 120,000 young people secure jobs. As a former teacher, I know how innovative and needed this package is. The Youth Jobs PaTH package equates to prepare, trial and hire. It increases the employability of today's young people, providing them with real work experience in the real world. It responds directly to business feedback, allowing young people to tailor a pathway that better suits their needs, and builds on their experiences and
individual strengths. This package sets up young jobseekers to achieve successful job outcomes.

We must not forget our hardworking young Australians and the Australian businesses that employ them. They, too, will benefit from the coalition's 2016 budget. They will receive tax relief so that they can earn more without being taxed more. This includes at least 870,000 businesses that employ 3.4 million Australians.

We must remember that from 1 July this year, the middle income tax bracket will be increased from $80,000 to $87,000 per year. This increase of the income tax bracket is the real winner for families. In my home state of Queensland, every person earning over $80,000 will get a tax cut from July. This tax cut will be worth as much as $315 per year. This will stop around 500,000 taxpayers from facing the 37 per cent second-top marginal tax rate in each year.

There will be no removal or limit on negative gearing, ensuring no further increase or tax burden on Australians who are simply trying to improve their futures. Those earning less than $80,000 a year in taxable income make up two-thirds of those who use negative gearing. They are the backbone of our society—teachers, nurses, police officers, Defence personnel, office workers and tradespeople.

We have a resilient economy. Last year, our economy grew by almost $40 billion, and 300,000 jobs were created—the most jobs in a single year since 2007, including more than 50,000 new jobs for young people in the last 18 months.

The budget is still casting a targeted welfare safety net for vulnerable Australians, establishing a $1.7 billion dental scheme for children and adults, prioritising spending to capture those most in need of these services. There is also room to support hospitals and schools, and to protect our strong social safety net. We have already announced an additional $2.9 billion in funding over three years for public hospital services, focusing on improving patient safety, quality of services and reducing avoidable hospitalisations.

Australia is growing faster than any other advanced country. This is occurring by fixing the problems in the tax system, and that enables us to sustainably cover the government's responsibilities for the next generation. Governments, like families, understand that they need to live within their means—budgeting and balancing their incomes—something those opposite are yet to understand. This budget keeps Australia on a sustainable path to bring the budget back into balance by policies that continue to control spending while not increasing the tax burden on average Australians.

**Senator SIEWERT** (Western Australia—Australian Greens Whip) (16:56): I rise to make a contribution to this debate because the Turnbull government's budget has put high-income earners and big business before families, students, patients, pensioners and low-income earners.

They are giving the big end of town $12 billion worth of funding in tax cuts and tax breaks. They will be giving high-income earners $6 a week in a tax return. Six dollars a week does not even by you a sandwich. But imagine what you could buy with $12 billion? You could certainly afford to raise Newstart, because people on Newstart are currently living below the poverty line and keep dropping, fairly rapidly, under that poverty line.
The government could then not require people with disability who are on Disability Support Pension to be reviewed against the new eligibility criteria. They are the people who have been on DSP, but who were not reassessed before the new eligibility criteria came in. We estimate that the government plans to drop about 36,000 people off the Disability Support Pension and onto Newstart, costing them nearly $7,000 a year. Already, estimates show that nearly half of people with disability living in households are living below the poverty line. This government now wants to drop those people below the poverty line. And that is supposedly the funding for the NDIS.

The NDIS is fully funded anyway, so potentially what we are going to see are people getting an NDIS and not having Disability Support Pension. How are they supposed to pay for their food, basic living requirements and accommodation? Obviously, they cannot when they are living on Newstart. This is a ludicrous situation. The government could be funding that with the $12 billion they are giving back to the big end of town.

They are taking the Clean Energy Supplement from aged pensioners and people on Newstart—again, costing people who are already living either on the poverty line or just above it if they are an aged pensioner, or below the poverty line if they are living on Newstart.

And the government is saying, 'We've got this new plan for youth. We'll have them as interns.' The potential for exploitation of young people is phenomenal and mind-blowing. Senator Lindgren just let the cat out of the bag: it is what business want. I bet they do, because they are going to get a source of extremely cheap or free labour from the government. Of course they will be lining up!

What does the government think is going to happen to the people who are currently employed at those particular workplaces? The experience from England is that people were sacked so that the businesses could get access to free or very cheap labour. To say that it is voluntary is absolutely ludicrous, because the government also has legislation in the parliament—and there are already sanctions on the books—that if you do not agree to your employment pathway plan, you will be breached. In other words, you will be dropped off your income support. If your jobactive and job services provider says that you have to do this and you do not agree, you could be breached. So to say it is voluntary is absolute nonsense. It is good to see that the government has finally admitted that Work for the Dole is ineffective.

This budget is also conspicuous by the absence of any significant new funding for Aboriginal and Torres Strait Islander peoples. In February we had the Prime Minister with his hand on his heart saying, 'We're going to do whatever we can to close the gap'. Well they are not, because there is no funding in the budget for the Aboriginal and Torres Strait Islander health implementation plan—no funding for that. There is no redress, no support for putting funding back into the half a billion dollars that the former Abbott government took out.

And of course this is on top of those harsh cuts that the Abbott government's two budgets delivered. Income support payment cuts and family tax benefit cuts, which this Senate has resisted supporting. I hope the new Senate continues to resist supporting those cuts to family tax benefits. This government still wants to leave young people with no income support for five weeks. That legislation was resisted by this Senate, but this government, the Turnbull government, which is supposed to doing things differently, is supporting all of those harsh, unfair budget measures that the community so clearly rejected. This Turnbull government has put them all back in there again. They are counting them in there, thank you very much. So
this is an unfair budget that unfairly targets the most vulnerable members of our community. (Time expired)

Senator SINGH (Tasmania) (17:01): The Turnbull government's budget makes it clear that it is absolutely no different from the previous budget counterparts of the Abbott government: it has also been a complete let-down for the majority of Australians. 'Let's protect the higher income earners'—that is the mantra of the Turnbull Liberal government—'and let's do it at the expense of families, let's do it at the expense of workers, let's do it at the expense of young people.' What a lost opportunity last night was indeed.

How can you have a plan for jobs and growth and then make massive cuts to infrastructure spending and be absolutely silent on tourism and the arts? Indigenous Australians have been completely forgotten, let alone the environment. How can it be fair that you have someone who earns $300,000 getting a $2,600 tax cut, yet average Australian families, the majority of which make up the country, earning $60,000 a year will face cuts of $5,000? Where is the fairness in that? Those who earn more than $80,000 may look forward to this tax cut, but if you look at Tasmania 80 per cent of its workforce earns less than $80,000. That is how out of touch the Turnbull government is with the states that it is supposed to be thinking about and providing for, as it was last night in its budget. Four out of five Tasmanians earn less than $80,000. They are the people who are going to be affected.

And where are the Liberals standing up for Tasmania? Where is Senator Abetz, Senator Bushby or Senator Colbeck—who knows that in his portfolio of tourism there was a big ask on the table that would have created jobs, that would have created investment in our state with the Cradle Mountain Master Plan. It was completely left off the table. What about the Cadbury money that we were promised in the lead-up to the last election by Tony Abbott—the $16 million that the whole state is still wanting. The state was led down the garden path into believing that if they voted for a Liberal government, they would receive some funding in that sense. It still has not come, and we are now nearly three years on. So not only have there been cuts to schools, to Medicare, to family benefits, to higher education, to veterans' hospitals and of course the GP tax by stealth, there has also been a complete disregard and disconnect for the people who actually live in my home state—let alone the other families around Australia who also earn under $80,000 who very much rely on the services that this government chooses to cut.

A Labor government will stand in stark contrast to this Turnbull Liberal government. In fact, the contrast now could not be any starker. We, of course, will put people first. We will put families first. And while the 2016 budget has shown Mr Turnbull and the Liberal Party will look after those higher income earners and multinationals, Labor will look after all Australians. And, yes, we will tax multinationals so that they do pay their fair share of tax. We will crack down on the tax that they should be paying, rather than avoiding; we will look after families who rely very much on their government to provide the services that are a mainstay of any government provision, and the things that they pay their taxes for, that they do not hide their taxes for, in order to get by and to live. Medicare is a very good example of that, and it continues to be in the spotlight for this government—where Liberal government changes means people have to pay more to go and see a doctor for vital tests like X-rays and blood tests and ultrasounds and Pap smears and the like. That is still there, along with cuts to our hospitals of up to some $54.1 billion.
Our schools are still not fully funded using Gonski, a needs-based funding model. The work has been done, so why won't this government fund it? Again, we have to ensure all of those children who are in such desperate need get the funding so that they do have the quality education they so deserve. University degrees: young people will not be fooled. Students know that it has been shelved, but they also know that after the election—if, dare I say it, the Liberals are re-elected—those opposite will bring it back onto the table. And of course a fairer tax system is what we all really need, and that means a big corporation has to pay their fair share of tax and not given huge tax cuts like the Liberals are continuing to protect them to do. (Time expired)

Senator REYNOLDS (Western Australia) (17:06): I too rise today, but this time to congratulate the Turnbull government for the 2016-17 budget, and I especially commend the Prime Minister, the Treasurer, the finance minister and all of our economic team on a truly outstanding budget. It is a budget that really is preparing Australia for the long-term economic future, and I am absolutely thrilled with the benefits that it will provide for the people of the great state of Western Australia.

I agree with those opposite: the difference between this side and that side has never been starker. The difference is not that those on the opposite side want to make sure that Australians, and in my case West Australians, are looked after in health, education and all of the other services we need; the difference is we understand that these services actually have to be paid for, and that as a nation we have to live within our means. If we want to spend it, we also have to work out how we pay for it, and that is one of the things about this budget that I am so happy and pleased about. It is a realistic plan for the long-term future of our country.

I stand here, having listened to Senator Conroy trotting out all of the old left-wing rhetoric and class warfare rhetoric and criticising the government for having a 10-year economic plan. If that does not also highlight the differences between this side and the other side, then nothing else will. This is what good government looks like—it is actually planning to live within our means and growing as we can afford to. Every family in this country knows that they have to live within their means, and it is about time that this country also lived within its means. That means this government making an economically responsible long-term plan to grow and to live within our means.

I have to say that one of my proudest moments so far as a senator for Western Australia was last night when the Treasurer, in his budget speech, referred to Western Australia, to Perth, as a shipbuilding hub for this nation—something that, just 12 months ago, would have been inconceivable. It just goes to show what can happen when federal and state politicians, businesses and other organisations get together for a common cause. This acknowledgement in the budget last night shows that Western Australia is successfully diversifying from the resources sector into other areas of economic opportunity. We have so many skills that are transferrable from the resources sector into manufacturing, into shipbuilding and into other high-end industries, and it never just happens. This is a fantastic endorsement of many thousands of jobs for the future for Western Australia.

In the last few months alone the federal government, through the defence white paper—and this is now contained in the budget—has had nearly $6 billion of new spending in the Western Australian defence industry and shipbuilding. That means thousands of new jobs not only for the long term for Western Australians but also for the supply chain, which goes right through
hundreds, if not thousands, of other businesses—mostly small mum-and-dad businesses—in the manufacturing and other support sectors.

_Senator Lines interjecting—_

_Senator REYNOLDS:_ Senator Lines might want to sit there and heckle, but I tell you what—I will always stand up, as I have stood up, for Western Australia's jobs and for getting new jobs and new industries for our state. While an extra $5 billion to $6 billion is a great additional investment in Western Australian jobs there is still much more to be done, and this budget puts us on the right path for the future.

How is it supporting and helping Western Australians? It is helping hardworking Western Australian small business owners. Those opposite do not understand. They talk about class warfare and about big businesses being the antithesis of support for families, but they are the ones that employ Western Australians, they are the ones that give people long-term jobs and they are the ones that put food on our families' tables. Mostly it is the small businesses that will benefit so much from this budget, because it encourages those small family businesses and other businesses to grow. The more they work, the more they will be rewarded and, as Liberals and as Western Australians, we know that that is the right thing.

Western Australians absolutely understand that where there is investment and where there is economic growth there are jobs. It also means that we are prosperous and that we can afford to pay for the services that we all want. There is no magic pudding, where the money to pay for all of these services just appears. That is why the Turnbull government is putting in place this long-term economic plan.

How else do Western Australians benefit from this plan? Tax relief and a reduction in red tape for small business will mean that more than 74,000 companies in Western Australia will pay less tax, so they can get on with the job and employ more people. The feedback I have had today from small business people—a lot of them family businesses—has been overwhelmingly positive. They believe that they will do better. For our regions there will be more development assistance, with a focus on infrastructure. But probably the thing I am happiest about is the jobs program for our youth. In Armadale in Western Australia there is 17 per cent youth unemployment and many children grow up in families where neither parent has ever had a job. This plan is probably the most encouraging and wonderful thing that we have had. There is help for young people in Western Australia to get their first job, to get their foot in the door, to keep a job and to have long-term employment security. No Australian, and no young person, should ever be written off and condemned to a life of welfare.

The government is also ensuring that the 54,090 hardworking average wage earners in Western Australia are not slugged with 37 per cent marginal tax for the coming year. These are not the wealthy, as those opposite would like to have us believe; these are average, hardworking Western Australians who did not deserve to go into the next higher tax bracket. Additionally, for the 313,779 low-income earners in Western Australia, who are often women and mothers working part time while supporting a family, there will be new tax settings on their superannuation to ensure they are able to start to afford more superannuation. These are just some of the very tangible benefits for Western Australians.

Another pillar for the Western Australian economy is the additional infrastructure funding. In this budget the government has committed more than $1 billion for infrastructure projects.
across Western Australia, which is on top of the $5 billion Northern Australia Infrastructure Facility. Here I would like to indulge very briefly to note a fantastic appointment for Western Australia today. Our own Sharon Warburton has been appointed Chair-designate of the Northern Australia Infrastructure Facility, and I would like to congratulate Sharon on her appointment. I have absolutely no doubt she will bring the wealth of her experience in construction, resources, agriculture and infrastructure to this very important role for northern Australia. Congratulations, Sharon.

The alternative for Western Australians is the budget black hole of those opposite. Their shadow Treasurer last night said a $20 billion error was merely a rounding mistake. Today it has come up to about $100 billion. All Western Australians know that that actually means the money has to be paid back by them because it is the taxpayers who have to pay.

The people of Western Australia want a plan. They want a sound, safe and carefully considered long-term plan for their economic future. This government's plan does set out a clear path to future prosperity for Western Australians. It is a plan that will deliver positive, genuine effects in the lives of hardworking Western Australian men and women, their families, their children and their small businesses.

The Turnbull government's national economic plan will also boost opportunities for Western Australian regions and agriculture and infrastructure sectors along with previous policies announced by the government such as the national continuous shipbuilding program and the National Innovation and Science Agenda, which offers Western Australia so many new opportunities.

In conclusion, unlike those opposite, I am incredibly optimistic about Australia's future and particularly about Western Australia's future as we transform to the new economy. I am proud to be part of a government that has the courage, leadership and commitment to deliver not some shiny new policies that we cannot afford but a plan that will secure jobs and our economic future.
election sweeteners and will be good for those at the top end of town, but typically this is at
the expense of low- and middle-income earners and Australian families.

I am proud of my role in having blocked the worst excesses of the government's unfair
2014 budget. If I get another chance, I can assure all Victorians and all Australians that I will
use my vote to block the worst excesses of this attack on Australian families.

Senator LINES (Western Australia) (17:18): Make no mistake; the Turnbull government's
budget is about winners and losers, and the losers in this case are the Australian community.
Almost every Australian on an average income, working hard and paying their taxes has been
punished by the Turnbull government. From day one of the election of this LNP government
they have done nothing but bring havoc onto ordinary Australian families and ordinary
Australian workers. Quite frankly, I do not know how LNP members can stand in this place
and somehow cheer the budget. They are totally, absolutely out of touch with reality.

Of course, Labor is always concerned when governments such as the Turnbull government
target families and pensioners first. The Turnbull government is happy to give multinationals
a big tax cut but hits families and pensioners hard for the third budget in a row. And what
about this quote: 'a grab for money, it's a political statement and I don't like it'? Guess who
said that. The Minister for Health, Sussan Ley, said that about Labor's tobacco plan. And what
have we seen today and last night? An exact copy of our tobacco plan. Those opposite were
absolute hypocrites and slammed us for that policy, which we put out months and months
ago, but suddenly they pick it up last night in their budget.

Where else have they been hypocrites? Superannuation for low-income earners. Labor had
a really good plan in place for low-income earners—particularly women—whose super
balances need a boost. What did they do? They stood in this place and criticised us but, as
soon as they could, they got rid of that. Suddenly it is back because it is another good idea
that they suddenly saw and put in place for themselves, somehow now sprouting a policy for
women. This budget is nothing about women. It does harm to women. All they have done is
put back something they already took off people.

And what about small business? Suddenly the Turnbull government has discovered small
businesses. Labor already knew about them. We had good incentives in place. I remember
when they removed those incentives. Small business people were up in arms about it.

And look at what they have done to young people. I do not know what young people have
done to upset the Turnbull government. They probably did not vote for them. That is the
mistake they made. The first budget said you had to wait six months for the benefit and
introduced the Work for the Dole scheme, which Labor said from day one would never work,
and now they have to admit it does not work.

And what have they done? They have swapped apprenticeships, which lead to proper skills,
a trade certificate and a career for the future, with these internships. Who in their right mind
would give a subsidy to employers like Coles and Woolworths to put interns on? What is that
going to do?
We all know on this side what it is going to do: it is going to mean young people are sacked,
they are put on internships on $4 an hour, and somehow they should be grateful for that, and
they can just keep rolling these internships along. In just the same way that Work for the Dole
was a failed strategy, internships will also be a failed strategy.
Then guess what they are doing: they are giving the employers more money than the poor worker on an internship. Imagine. Why would a large employer have someone on $4 an hour working alongside someone on $20 an hour? We know on this side what is going to happen to that part-time or casual worker who is earning 20 bucks an hour: they will be sacked in favour of this worker on an internship. Quite frankly, if the Turnbull government think the way to fix youth unemployment is to give big employers like Coles and Woolworths a subsidy for employing the young people they already employ then they have well and truly lost the plot. Just like Work for the Dole and just like their punishing of young people, this internship nonsense will fall on its face. Why would you abolish apprenticeships and come up with this wishy-washy internship notion? What an insult! Get real. (Time expired)

Senator IAN MACDONALD (Queensland) (17:23): Last night's budget was just what Australia needs right now: steadfast leadership; an economic plan for Australia, for jobs and growth into the future; no frills; no inducements; careful management of our finances; and guaranteed spending on health, on education and on help for those in our society less fortunate than us.

Perhaps the centrepiece of the budget was real help for small business, the groups of people in Australia who create the real jobs in Australia. Coming from the North of our country, from the North of Queensland, and having a passion for northern Australia, I was particularly pleased to see the budget confirmed spending commitments in northern Australia: an additional $9 million for new northern Australian water infrastructure feasibility studies; $2 billion for a concessional loan fund for water infrastructure, most of which, I would hope, would be spent in the North; $2.4 billion for Roads to Recovery, which is so important to all of the councils across northern Australia; $600 million for the priority roads and $100 million for beef roads in northern Australia; the $1 billion National Stronger Regions Fund, comprising 162 job-creating infrastructure projects in regional and disadvantaged communities across Australia; the $75 million Cooperative Research Centre for Developing Northern Australia, so very important in the North; and, perhaps best of all, confirmation of the money for the Northern Australia Infrastructure Facility, for which we passed the bill through the Senate just this week. This budget was good news for northern Australia, as it was good news for Australia.

Those people like the Labor Mayor of Townsville, who was disappointed because there was not a long list of roads in her city—she has done nothing and the state Labor government have done nothing—do not understand what federal budgets are all about. Budgets set the parameters and the plan and allocate moneys to various departments of state, and in the future the relevant ministers and departments will allocate those moneys to specific projects right across Australia. I know that there will be a significant number of projects going to northern Australia, because this is a government that believes in northern Australia and that has followed up its beliefs with a firm northern Australian plan as part of the overall Australian economic plan.

Contrast this with the Labor Party: no plan and no real initiatives—just a return to the old tax and spend. Already the Labor Party have committed over $100 billion for projects that they have no money for. When they made a mistake of $20 billion in their calculations, they just passed that off as a rounding error. You can never trust Labor with money. That is why I
was so proud of Mr Morrison, Mr Turnbull and our government last night. Here we have a sensible plan for Australia's growth into the future and for jobs.

In the North at the moment—in Townsville, Mount Isa and Mackay—there is some unhappiness. There are a lot of small businesses struggling because of the downturn in the mining industry and because some people—some Queensland senators—want to tax the sugar industry, one of the big industries in northern Australia—an industry that does so much for the North. You would not believe that there is a Queensland senator who wants to introduce a tax on sugar. There are Queensland senators who keep denigrating the Great Barrier Reef, who keep telling lies about the Great Barrier Reef and about mining, who want to shut down mining and who want to shut down the Trans-Pacific Partnership, perhaps the best thing that has ever happened to two of Queensland's most significant industries, the beef cattle industry and the sugar industry. There are Queensland senators who want to shut those down. There are Queensland senators who, as I say, want to denigrate the Barrier Reef and chase away the tourists that mean so much for jobs and growth along the Queensland coast.

On the other side of that, you have a government that is again providing money for research and tangible support for the Great Barrier Reef. You will not hear any of the Greens political party or their fellow travellers on the crossbench recognise the work that this government has done with our marine areas and particularly the Great Barrier Reef. And whilst the Greens and the crossbenchers and the Labor Party will never recognise that, I proudly display some work by the Marine Conservation Foundation, which has issued a booklet called *A Big Blue Legacy*. It talks about the Liberal-National tradition of marine conservation and it clearly shows that if you are interested in marine conservation—and I add to that to say any sort of environmental protection and support—you can only look at a government like the one we have now, because in the past it has been Liberal governments that have done real work for the environment. Last night's budget continued that approach with real funding for the environment, for the support industries that protect what is so wonderfully Australian and all of our natural resources.

I am also delighted to see the emphasis in last night's budget on the provision of jobs for young people. Regrettably, because of the work of the Greens in trying to shut down mines in the Great Barrier Reef and the Labor Party not giving the support that they should have in a timely way to projects like the Adani mine, unemployment is in some difficulty in Mackay, Townsville, Mount Isa—places where I live and visit very regularly. I was calling upon the government to do something tangible for that. The encouragement they have given to small business in last night's budget will help those small businesses and it will help with employment for young people. The PaTH program that was unveiled last night is something that will work. It is tangible. I hear the Labor Party people criticising it. These are people who have never employed anyone in their lives. They have always worked for the government, for the union, for another politician. They have never actually had to employ people and understand what works. What works is training young people, giving young people real jobs and giving them hope for the future.

Last night's budget is, as I said, just what Australia needs at this time. It is not something of outlandish promises that will never be met. We all know the Labor Party will promise everything and deliver nothing. We have a government now with a sensible economic plan for the next decade that will provide real growth and real jobs and that is what Australia needs at
this time. We do not need uncontrolled spending that will blow out the budget deficits to $500 billion, as was the case under the last Labor regime. We want a sound government who can manage the finances, who understands that governments do not actually have any money; they only use taxpayers' money. It is important that we manage taxpayers' money in a very sound and sensible way. That is what last night's budget does. All congratulations to Mr Morrison and Mr Turnbull on a wonderful budget.

Senator LAMBIE (Tasmania) (17:33): I rise to contribute to today's matter of public importance. If you are a banker or a politician, this budget will put a smile on your face because you are going to receive a number of tax cuts and benefits. However, if you are an aged pensioner, after the delivery of this budget—its official—the Liberals and Nationals hate you. And if you are an age pensioner who is sick and needs to visit the doctor, the measures in this Liberal budget regarding health and Medicare show that they really actually hate you.

If this tricky budget, with $13B of Tony Abbot's cuts to family welfare still embedded in it, is allowed to pass this parliament after a double dissolution election then 2.5 million Australian pensioners, including the 70,000 pensioners in Tasmania, 800,000 in New South Wales, 470,000 in Queensland and 615,000 in Victoria—and I guess you will not be getting any of those 470,00 votes in Queensland, Senator Macdonald—will all be severely financially disadvantaged and out of pocket. What is that going to do to economic growth and job creation for Australia, with all those broke pensioners living below the poverty line?

Malcolm Turnbull's Treasurer quoted statistics from the OECD in order to justify cuts to company tax. Instead of quoting OECD statistics on company tax rates, he should have quoted the OECD report which found that more than one-third of Australian pensioners are living below the poverty line. The OECD report indicated that our government is: (1) ranked second lowest on social equity, with 36 per cent of pensioners living below the poverty line; and (2) spends 3.5 per cent of our GDP on the pension, below the OECD average of 7.9 per cent.

Australia will borrow at least $50 billion over the next 10 years to give away in foreign aid. My plan is simply to redirect $25 billion of foreign aid into the age pension and boost the average single Tasmanian age pension by $50 a fortnight for singles and the couple age pension by $76. (Time expired)

Senator POLLEY (Tasmania) (17:35): I rise to speak about the Turnbull government's budget that puts high-income earners and big business before families, students, patients, pensioners and low-income earners. This morning in my home state of Tasmania, four out of five workers who make less than $80,000 woke up to find out that they were getting nothing from Turnbull's government's budget. Eighty-two per cent of the working population in Bass have been left off the map and will not get a tax cut.

With this budget, Tasmania's federal Liberal MPs have put their credibility on the line. They have let themselves and have certainly let Tasmania down. We know they backed Tony Abbott, and now Tasmania is seeing the result of this loyalty. The three amigos—Andrew Nikolic, Brett Whiteley and Eric Hutchinson—clearly have no influence here Canberra. The budget offers nothing positive for Tasmanians. It puts big business and high-income earners before families. We all know that Malcolm Turnbull likes rich people, but this budget proves how out of touch he is with everyday Australian families. We are right on the eve of having the election called, and the three amigos have done absolutely nothing to stand up for the
Tasmanian community, particularly over the last three years. This is the third budget in a row that Tasmanian federal Liberal MPs have failed to stick up for Tasmanian families.

Malcolm Turnbull's budget does not pass a fairness test and has left Tasmania off the map. It still includes Tony Abbott's cuts to the family tax benefits and cuts to paid parental leave. It will still see Tasmanians working until they are 70. It fails to set up a Tasmania for the future by cutting services, infrastructure investment, skills and education. Along with that we know that there have been cuts as far as health is concerned, which is having an enormous impact on the Tasmanian community. There is no additional funding to replace the nasty cuts that they have that are crippling our hospitals in Tasmania. There is no money being put forward towards Tasmania's roads, rail or public infrastructure. It has failed to match Labor's $150 million investment in the future of jobs and education in Bass—the most comprehensive plan for education and jobs that northern Tasmania has ever seen. Even the local The Examiner newspaper has paid credit to the Leader of the Opposition, Bill Shorten, for his commitment to the future education of Tasmanian young kids in being able to access university.

The three amigos have talked big on a whole range of projects, but have failed to deliver on any of them. Malcolm Turnbull's budget has also put the high-end of town ahead of vulnerable older Australians. We know that Malcolm Turnbull's budget offers—

Senator Bernardi: Acting Deputy President, on a point of order: I ask Senator Polley to respect the office of the Prime Minister and refer to him and indeed members of the House by their appropriate titles.

The ACTING DEPUTY PRESIDENT (Senator O'Neill): Thank you. Senator Polley has the call.

Senator POLLEY: We on this side of the chamber know that this government has brought down an unfair budget. We know that each and every one of the last three budgets they have brought down has had a cut to aged care in this country. We on this side of the chamber know that, for whatever reason, it is not just unemployed kids that the government do not like; they do not like older Australians. We know that they have no concern when it comes to those people who are living with dementia. We have seen the cuts that they have made to support for those people with dementia and their carers trying to live in the community. We know after almost three years that this government have no other plan other than the plan to secure their own re-election that has been propped up by the budget.

The Australian community will have a very stark choice when they go to the ballot box. Labor will put up further policies. We already have out there 100 policies that are costed. They will have a stark choice. The Liberal government has continued to make cuts to health, education, aged care and dementia care. We know that they cannot be trusted. Whatever they say today and before the election on 2 July, we know they will not deliver on their promises. That has been proven time and time again. They shafted a Prime Minister because they thought they might win an election. What do we do? We have a Prime Minister who talked about innovation. What has he delivered? Nothing but a backward-looking budget—a budget that will do nothing at all for the Australian community and certainly nothing for the Tasmanian community.

Senator LAZARUS (Queensland—Leader of the Glenn Lazarus Team) (17:40): This budget is bad news for Queensland average income earners. Changes to Medicare will mean
that people will have to pay for blood tests and other pathology and rising prescription costs. Most Queenslanders earn under $80,000 and none of them will receive a tax cut. Struggling families will miss out on extra childcare assistance. There is no money for Brisbane's cross river rail. There is no money for the M1 Gateway upgrade. The Gonski education reforms are drastically under-funded, so needy kids will miss out. There is no funding for the Townsville sports entertainment precinct. The Cairns consortium missed out on the Pacific patrol boat tender. Last of all, the fact that Queensland was not mentioned once in the Treasurer's speech speaks volumes.

The ACTING DEPUTY PRESIDENT (Senator O'Neill): The time for the discussion has expired.

DOCUMENTS
Consideration

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

DELEGATION REPORTS

Parliamentary Delegation to the 134th Inter-Parliamentary Union Assembly in Zambia

Senator BERNARDI (South Australia) (17:42): by leave—I present the report of the Australian parliamentary delegation to the 134th Inter-Parliamentary Union Assembly held at Lusaka, Zambia, from 19 to 23 March 2016. I seek leave to move a motion in relation to that report.

Leave granted.

Senator BERNARDI: I move:

That the Senate take note of the document.

I am pleased to present the report of the Australian parliamentary delegation that participated in the 134th Inter-Parliamentary Union Assembly held in Lusaka, Zambia, from 19 to 23 March 2016. This delegation was led by the Deputy Speaker, the Hon. Bruce Scott MP, and comprised the member for Werriwa, Mr Ferguson, the member for Forrest, Ms Marino, Senator Lines from the Labor Party and me. Once again this was a hardworking and successful delegation. All members of the travelling party played an active role at the various proceedings of the assembly.

The delegation attended all formal sessions of the assembly and its governing council and participated in meetings of the Asia-Pacific and 12-plus geopolitical groups. Our participation in the geopolitical groups allowed members the chance to raise matters with like-minded colleagues and workshop issues before debate in the plenary session. The three key resolutions under consideration at this assembly were: global cooperation to counter terrorism and protect democracy, protecting cultural heritage and the freedom of women to participate in the political process fully and safely. I should add with great pride that this last resolution was proposed by the Australian delegation at the last IPU Assembly in Geneva last year.

During the assembly Mr Scott participated in the general debate on the topic of rejuvenating democracy and explained the various measures that organisations, such as the Australian Electoral Commission and the Parliamentary Education Office, are undertaking to
ensure that the next generation of Australians are ready to participate in our democratic processes. This is particularly topical in an election year in Australia.

Another important business item of the assembly involved two sessions of the Meeting of Women Parliamentarians, which Senator Lines attended.

Once again, the delegation participated in the work of the various standing committees. Senator Lines was a panellist at the proceedings of the Standing Committee on Democracy and Human Rights as it considered a resolution, originally proposed by an earlier Australian delegation in 2015, on the participation of women in the political process. The member for Werriwa, Mr Ferguson, attended the four sittings of the Standing Committee on Peace and International Security as it debated and drafted a resolution on terrorism. In recent times, the Australian delegation has played a lead role on the Standing Committee on Sustainable Development, Finance and Trade. Once again, the member for Forrest, Ms Marino, continued her work as a member of the steering group for that standing committee and chaired an extended drafting session on a complex resolution concerning the protection of cultural heritage.

In addition to the formal program, IPU assemblies offer the chance to meet with a wide range of representatives from other parliaments and international organisations. On this occasion, in addition to many informal discussions, Senator Lines and I had a meeting with the Fijian delegation and received an update on recovery efforts since parts of the country were devastated by Cyclone Winston in February this year.

This was my third opportunity to participate in the Australian delegation to the IPU during the 44th Parliament. While any gathering involving more than 600 parliamentarians speaking a wide range of languages will present logistical challenges, I have found these meetings to be interesting and worthwhile. Above all, the IPU Assembly fosters an understanding of different parliamentary models and strengthens parliament-to-parliament relationships.

On behalf of the Australian travelling party, I would like to thank everyone who contributed to this successful delegation. In particular I wish to acknowledge the support provided by the Australian Deputy High Commissioner to Zambia, Mr Joel McGregor, who provided a wide range of practical support and local advice to the delegation while we were in Lusaka. His Canberra based colleagues at the Department of Foreign Affairs and Trade, Mr Matthew Neuhaus and Ms Natalie Boyes, also provided detailed and useful briefings to the delegation.

I would like to extend the delegation's thanks to the staff of the Parliamentary Library for providing comprehensive and timely briefing materials prior to departure, and to staff in the International and Parliamentary Relations Office for their support. I would also like to extend my thanks to the representatives of the Department of the Senate and the Department of the House of Representatives who accompanied us on this trip. They were exemplary in their advice and their coordination of it.

Finally, I am happy to advise the Senate that the Australian delegation is highly regarded by a range of people associated with the Inter-Parliamentary Union, and this is due to the hard work, cooperation and good humour of my fellow delegates. I commend the report to the Senate.
Senator LINES (Western Australia) (17:47): As Senator Bernardi outlined, I too was a delegation member to the IPU Assembly. It was also the third time I have attended IPU meetings. They take a little bit of getting used to, but the assembly is a really important group for Australia to participate in. It is the only organisation where parliamentarians actually come together.

As a member of the Labor Party, I am partisan with my politics. I am sure that would come as no surprise to anyone—though I can see Senator Bernardi shaking his head in disbelief over there. But this is a chance where as a delegation we put politics to one side and work together. Even though we might be a very long way apart on some major issues amongst us, it is an opportunity for us to work together as parliamentary colleagues. We see that right across the IPU.

I would also, as Senator Bernardi has done, sincerely thank those who support us, in particular those from the Australian parliament, both from the Senate and the House of Representatives. We are well supported. There are many countries there that do not have that sort of support. To have people from the Senate and the House of Representatives whose knowledge you can rely on, who are very thorough and who work many more hours than we do is an absolute credit to the way that our democracy works and the way the Australian parliament works. Our embassy staff also worked incredibly hard to brief us. We got good briefings before we left and once we were in Zambia. Again, it is an opportunity for us as politicians to see how hard our embassy and consular staff work. Nothing was too much trouble.

This year we continued with a motion we put up at the last IPU in Vietnam, where we talked about the representation of women in the member parliaments of the IPU. I am pleased to say it is something that the IPU takes very seriously. Countries that do not have women among their delegation are penalised in their voting and so on. This time we looked at how we could increase the representation of women parliamentarians across the world. The work that we have done here, or that I have done in particular, will form part of the motion that Australia will pursue in Geneva. That initial motion was initiated by the government and this time was picked up by me—again, it really shows how we can work in a bipartisan way that I do not often see in this place. We, as the Australian delegation, have put together a motion in partnership with Kenya on how we look at increasing the participation of women across the world.

In the session where I was the rapporteur it was incredible to hear of the struggles of women right across the world. It was also somewhat ironic—and I did draw it to the men's attention—that we had countries with all-male delegations telling us how we needed to improve the participation of women. I think they need to hold a mirror up and have a good look at where they are going with that.

It was really interesting to hear how women struggle; for example, in Tibet. Something that stops women participating there is that people have to travel across rugged terrain to boarding schools, which in the past had boarding facilities only for males. Women were not even able to get to school. It was an incredible insight for me to hear firsthand how countries are really challenging the lack of representation of women and to hear, too, how countries you would not expect were tackling the notion that it is a woman's role to remain at home with children;
that they were saying: ‘No, that is not really what we want. We want to see much better participation.’

I look forward to whoever is on the next delegation taking that motion forward.

Question agreed to.

Parliamentary Delegation to Japan and the Republic of Korea

Senator GALLACHER (South Australia) (17:52): I table and present the report of the Australian parliamentary delegation to Japan and the Republic of Korea, which took place from 9 November to 21 November 2014. I seek leave to make a statement in relation to the document.

Leave granted.

Senator GALLACHER: I move:

That the Senate take note of the document.

The delegation had several aims. These included discussing our trade relationships, particularly in the context of the free trade agreements being finalised with each country at the time of the delegation's visit. We also wanted to explore Australia's role in energy and mineral exports in the Japanese and South Korean economies, and the countries' approaches to energy policy in the aftermath of the Fukushima nuclear accident in Japan.

Amongst our other appointments, the delegation had the honour of meeting the Presiding Officers of the National Diet of Japan, the Speaker of the Korean National Assembly and held meetings with the parliamentary friendship groups in both countries. We were deeply honoured by the generous hospitality extended to us. We thank the parliamentarians in Japan and South Korea for making the time to hold informative and friendly discussions with us.

The dominant impression gained by the delegation was the extent to which Australia is relied upon as a partner for Japan and South Korea in the secure supply of energy resources, minerals and food products. The visit gave us new insights into the deeply complementary trade relationships between our countries and the extent to which Australia fuels the Japanese and Korean economies.

Australia is Japan's largest supplier of energy resources, providing 25 per cent of Japan's total energy needs. This includes 64 per cent of Japan's coal imports, 21 per cent of natural gas and 19 per cent of its uranium imports. In addition, Australia supplies 59 per cent of Japan's iron ore and over 50 per cent of its beef imports.

The delegation was pleased to see firsthand Australian energy and mineral resources being used to fuel the Japanese economy. For instance, the delegation had the opportunity to visit the Isogo Power Station in Yokohama, the world's most advanced coal fired power station. Employing ultra-supercritical technology, the plant uses Australian coal and produces 25 per cent fewer carbon emissions than the global average per coal power plant. The delegation saw Australia's strong common interest with Japan in seeing that low-emission coal-fired technologies are widely deployed.

We visited the steelworks of Nippon Steel and Sumitomo Metal Corporation in Osaka, which sources 50 per cent of its iron ore from Australia. We saw this being transformed into rail wheels for use both in Japan and here in Australia for our mining projects.
At the Sakai LNG Centre, which is one of dozens of LNG terminals in Japan, some 1.5 million tonnes of Australian LNG arrives each year from Woodside's Pluto project. The gas is used in the Kansai Electric Power Company's gas-fired power stations to provide electricity to millions of customers in the Kansai region.

I am pleased to report that the Japan-Australia Economic Partnership Agreement and the Korea-Australia Free Trade Agreement had widespread political support in both countries. It was encouraging for the delegation to hear from parliamentarians we met in Japan that the relationship with Australia has never been closer. In addition to our already very strong economic and people-to-people links, it was emphasised to the delegation that Japan would like to see the security and, ironically, the military, relationships grow in the years ahead.

Finally, the Republic of Korea was most impressive. It is worth recalling just how extraordinary South Korea's economic development has been. In 1953, shortly after the Korean War, South Korea's gross domestic product stood at US$41 million, and income per capita was just US$67 per year—the country among the poorest in the world. By 2014—just 60 years later—South Korea's GDP had grown more than 31,000-fold and is now over $1.4 trillion. The Republic of Korea is today the 13th largest economy; an extraordinary achievement in less than one generation or lifetime. Nothing better epitomises South Korea's economic development than the fact it now exports its own indigenously-developed nuclear power plants.

In the very short time remaining to me I want to say that, tragically, the leader of the delegation, the former member for Canning, Mr Don Randall MP, died in 2015. The delegation expresses its sincere condolences to the family and appreciation for his leadership of the delegation.

Question agreed to.

COMMITTEES
Economics References Committee

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (17:58): On behalf of Senator Ketter, the Chair of the Economics References Committee, I present an interim report on non-conforming building products.

Ordered that the report be printed.

Senator BILYK: I move:
That the Senate take note of the report.
I seek leave to continue my remarks.
Leave granted; debate adjourned.

Economics References Committee

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (17:58): On behalf of Senator Ketter, Chair of the Economics References Committee, I present four interim reports of the Economics References Committee on the impact of Commonwealth legislation,
policies and guidelines, together with the *Hansard* record of proceedings and documents presented to the committee.

Ordered that the report be printed.

**Senator BILYK:** I move:

That the Senate take note of the reports.

I seek leave to continue my remarks.

Leave granted; debate adjourned.

**Select Committee on Health**

**Report**

**Senator BILYK** (Tasmania—Deputy Opposition Whip in the Senate) (18:00): On behalf of Senator O’Neill, Chair of the Select Committee on Health, I present the sixth interim report of the Select Committee on Health, *Big health data: Australia's big potential*.

Ordered that the report be printed.

**Senator BILYK:** I move:

That the Senate take note of the report.

I seek leave to continue my remarks.

Leave granted; debate adjourned.

**Senator Siewert:** Acting Deputy President, could I ask that we return to the order of the list of the reports, as was agreed in whips that we would do?

The **ACTING DEPUTY PRESIDENT (Senator O'Neil):** I am informed that we do not have that order at the table, but I am happy to work my way through the list as published.

**BUDGET**

**Consideration by Estimates Committees**

**Senator FAWCETT** (South Australia—Deputy Government Whip in the Senate) (18:01): On behalf of the respective chairs, I present additional information received by committees relating to the following estimates:

- Budget estimates 2015-16—Finance and Public Administration Legislation Committee—Additional information received between 14 October 2015 and 2 May 2016—Parliamentary departments.
  - No. 153—4 May 2016 4239
  - Budget estimates 2015-16 (Supplementary)—
    - Environment and Communications Legislation Committee—Additional information received between—
      - 19 October 2015 and 28 January 2016—Environment portfolio.
      - 11 November 2015 and 9 February 2016—Communications and the Arts portfolio.
    - Finance and Public Administration—Additional information received between 3 February and 2 May 2016—Parliamentary departments.
      - Additional estimates 2015-16—
      - Education and Employment Legislation Committee—
        - Additional information received between—
11 March and 3 May 2016—Employment portfolio.
15 April and 3 May 2016—Education and Training portfolio.
Hansard record of proceedings and documents presented to the committee.
Finance and Public Administration Legislation Committee—Additional information received between 2 March and 2 May 2016—
Finance portfolio.
Indigenous matters across portfolios.
Parliamentary departments.
Prime Minister and Cabinet portfolio.
Foreign Affairs, Defence and Trade Legislation Committee—Additional information received between 23 March and 3 May 2016—
Defence portfolio.
Foreign Affairs and Trade portfolio.
Legal and Constitutional Affairs Legislation Committee—Additional information between 4 March and 4 May 2016—
Attorney-General’s portfolio.
Immigration and Border Protection portfolio.
Rural and Regional Affairs and Transport Legislation Committee—Additional information received on 22 April 2016—Agriculture and Water Resources portfolio.

COMMITTEES
Publications Joint Committee
Report
Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (18:01): On behalf of Senator Reynolds, Chair of the Publications Committee, I present the 24th report of the Publications Committee.
Ordered that the report be adopted.

Parliamentary Joint Committee on Human Rights
Report
Ordered that the reports be printed.
Senator FAWCETT: I seek leave to have the tabling statement incorporated in Hansard.
Leave granted.
The statement read as follows—
I rise to speak to the tabling of the Parliamentary Joint Committee on Human Rights' Thirty-eighth Report of the 44th Parliament.
The committee's report examines the compatibility of bills and legislative instruments with Australia's human rights obligations. This report considers bills introduced into the Parliament from 18
to 19 April 2016 and legislative instruments received from 18 March to 14 April 2016. The report also includes the committee's consideration of three responses to matters raised in previous reports.

One new bill is assessed as not raising human rights concerns and the committee will seek a further response from the legislation proponent in relation to one bill. The committee has also concluded its examination of one bill and two regulations.

This report includes consideration of the Road Safety Remuneration Repeal Bill 2016. The bill sought to repeal the Road Safety Remuneration Act 2012 in order to abolish the Road Safety Remuneration Tribunal and all orders made by the tribunal. By abolishing the tribunal and repealing its orders, the bill engages and limits the right to just and favourable conditions of work by removing the minimum protections provided by the tribunal and its orders. The statement of compatibility for the bill acknowledges that the bill may limit the right to just and favourable conditions of work and states that the bill was necessary to prevent any unnecessary and irreversible negative impact on the road transport industry caused by the tribunal and its orders.

The committee considered that removing a negative economic impact on owner drivers and small transport operators may be a legitimate objective for the purposes of international human rights law. However, more information as to the nature and extent of the negative economic impact is required and, accordingly, the committee will write to the Minister for Employment for more information.

This report also concludes the committee's consideration of the Building Code (Fitness for Work/Alcohol and Other Drugs in the Workplace) Amendment Instrument 2015. The instrument requires building contractors on certain building projects, to which the Commonwealth is making a significant contribution, to have a policy to manage alcohol and drugs in their workplace.

The committee recognises the importance of ensuring that building and construction workplaces are drug and alcohol-free, and that random drug and alcohol testing is an important deterrent. The committee, however, sought more information as to the safeguards that exist as part of the alcohol and drug testing regime to protect the right to privacy. The Minister's response did not provide information on this point. The committee's report notes that the Australian Border Force (Alcohol and Drug Tests) Rule 2015, which sets out the rules for alcohol and drug testing of officers of the Australian Border Force and the Department of Immigration and Border Protection, includes a suite of safeguards including that:

(a) the alcohol or drug test must be conducted in a respectful manner and in circumstances affording reasonable privacy;

(b) the test must not be conducted in the presence or view of a person whose presence is not necessary and must not involve the removal of more clothing than is necessary for the conduct of the test;

(c) if a hair sample is required, it must be collected in the least painful manner and not from an intimate area of the body;

(d) a body sample collected for an alcohol or drug test must be kept in a secure location and destroyed after a prescribed period; and

(e) information revealed by the drug and alcohol test must only be shared with individuals authorised by the legislative instrument.

In the absence of advice or reasoning from the Minister for Employment as to safeguards which are in currently place, the committee has concluded that the instrument provides insufficient safeguards to ensure that the requirement that construction workers undergo drug and alcohol testing is a proportionate limitation on the right to privacy.

Annual Report 2013-2014
I also rise to speak to the tabling of the Parliamentary Joint Committee on Human Rights' Annual Report 2013-2014 which provides information about the work of the committee during 2013-2014, including the major themes and scrutiny issues arising from the legislation examined by the committee.

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

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

Senator LINES (Western Australia) (18:02): I move:

That the Senate take note of the committee's 38th report of the 44th Parliament.

The 38th report of the Parliamentary Joint Committee on Human Rights also talks about the Road Safety Remuneration Repeal Bill 2016. The haste with which the government got rid of the Road Safety Remuneration Tribunal simply defies any kind of logic. The Turnbull government tried to paint a picture of truck drivers, owner-operators who they referred to as mums and dads, suddenly going broke and they claimed, without any information at all in this place, that they had been inundated with concern from owner-operators. They seem to completely miss the point of the Road Safety Remuneration Act.

At the time, I recall the shameful way in which the Turnbull government, with the support of some of the crossbenchers, managed to repeal the act put in place by Labor. It is shameful that members of the Turnbull government thought it was something to cheer about. Certainly I will not ever forget standing in this place talking about the deaths on our roads, the deaths of truck drivers, the loss of breadwinners to families and the deaths of innocent people caught up in truck accidents, and a senator from Turnbull government stood up and called a point of order, and proceeded to make a joke about someone's hair.

For the Turnbull government in this place to think it was okay to applaud and cheer when this act was repealed is quite disgraceful. The facts are that many, many reports have actually linked remuneration and road safety, and there is no doubt that there is a link between road safety and remuneration. There is no question about that. Indeed, the Human Rights Committee report raised this as an issue. Certainly it is an issue. I have met with people who have been caught up in accidents—Western Australian people, people in the electorate of Forrest who lost husbands and brothers because of trucking accidents. These were people whose partners were not necessarily driving trucks, nevertheless they were caught up in accidents. I recall meeting with one woman who lost her husband. He had stopped on the side of the road to help someone who had got a flat tyre. As he was helping that person, a truck hit her husband and unfortunately he died. So motivated was she, obviously by the death of her husband, that she attended the coronial inquest in Perth and without any real information, she came to the conclusion that fatigue, pressure on drivers and so on were to blame for the accident that ended in tragedy with the death of her husband. She has become a really strong advocate in this area.

It is a shame that members of the Turnbull government, particularly Western Australian members, did not sit down with her and talk about this. In their usual fashion, unfortunately, the Turnbull government made it all about trade unions because that is their fallback position—when all else fails, you fail a trade union. Of course the Transport Workers Union advocated for safety on our roads. Of course they did that—that is their job as a trade union in the same way that many unions advocate health and safety. Of course the Transport Workers union.
Union advocated strongly for safety on our roads—and I am absolutely grateful that they did that.

I know that Tony Sheldon, an official of the Transport Workers Union, has advocated long and hard for safety on our roads. Nobody could doubt Mr Sheldon's bona fides in relation to road safety. It is a disgrace, and the human rights committee does report on that. They say in their report that, despite the government saying there was overwhelming evidence that the remuneration tribunal was going to send owner-operators broke, the committee points out: they did not provide any evidence of that. Of course they did not, because there is no evidence of that. There is clear evidence that remuneration and working long hours do lead to fatigue.

I know my colleague Senator Sterle, a long-time truck driver—and a proud truck driver and a proud member of the Transport Workers Union—has told me horror stories of the very long hours and the pressure put on truck drivers to breach the standards which are put in place. Those pressures come from the big suppliers like Coles and Woolworths. We need to have a strategy that covers the entire chain, not just owner-drivers.

Owner-drivers are one small part, but the point the Turnbull government missed here is that thousands and thousands of owner-drivers are members of the Transport Workers Union and indeed did not agree with this action taken by the Turnbull government. Of course they took the action to be political. They turned trucking safety into a political opportunity. Not only had Labor said that we would sit down and be willing to talk to the government about how we could look at what decisions had come out of the Remuneration Tribunal; so did the Transport Workers Union. So it was not as if there was this wall of opposition where no-one was prepared to try and resolve issues that people raised; there was—there was absolute willingness to sit down.

Indeed the government had a very long lead time to determine there was a problem but they did nothing. They saw what they thought was a political opportunity. Suddenly, we had photos of various ministers in front of trucks. Suddenly, they discovered mum and dads and, all of this against a backdrop of shocking road fatalities caused by trucks.

There has been something like 25 deaths just this year involving trucks. For the Turnbull government, with glee, laughter and great cheering in this place, to repeal the Road Safety Remuneration Act is something that falls on their conscience. It is something that I will hold them responsible for, because they have not put anything else in place. They have just got rid of it, which is usually what they do, and somehow tried to beat it up as the Transport Workers Union's quest for membership. That is absolute rubbish.

So what if a trade union wants people to join? It is not illegal in this country—I am sure they would like to make joining a trade union illegal, because they do not like trade unions. Of course the Transport Workers Union, like any union, wants people to join, and people need to be free to join trade unions. There is nothing wrong with that, but you ask those opposite: it was somehow all trumped up by the Transport Workers Union. It was not.

I am very pleased to say that the human rights committee in its report does refer to the fact that there are many reports which link remuneration and road safety. It also calls into question what evidence the government had that this was somehow going to shut down the trucking industry. That was a disgraceful comment to make when there are deaths on our roads caused by trucks.
We had a solution in place when every party to this act was willing to sit down and work through a solution. But, no: it was a cheap political trick by those opposite to stand in front of trucks and somehow think that that was going win them votes. It is not going to win them votes, because the widows and widowers whom I have spoken to know who is responsible and will absolutely not be supporting the Turnbull government's actions in this regard. It is shameful that they thought it was something to cheer about. They should be ashamed of the actions they took, and trucks will be worse off for it.

Senator BACK (Western Australia) (18:12): I cannot help but take issue with some of the statements made by Senator Lines in her contribution to this debate. It is disappointing that we would hear them in the way we have. We think back to the days when Prime Minister Gillard was responsible for the introduction of the tribunal. Even at that time, as I recall, the Transport Workers Union, Mr Sheldon and others indicated that the tribunal would be stronger, if it had industry representation, but then Prime Minister Gillard was not interested in that.

Then we move forward to the comments made by my colleague Senator Lines in the last few minutes about the willingness of people to sit down and negotiate. If my information is correct, it is the case that the government and the Labor Party—and indeed the TWU—were willing to sit down with the tribunal prior to it bringing in its order on 4 April; however, in fact, it was the tribunal that said, 'No, we will not speak to these other parties' before they brought in the regrettable ordinances that they did.

The question that I have, obviously, given the fact that the information available to me—and Senator Lazarus, I know, has an interest in this space as well, as others do. We all have an interest in road safety, particularly, as it relates to trucks—in my own case, of course, with livestock transport, with which I have been associated for more years than I care to mention.

More than 85 per cent of deaths on the road involving trucks were not the fault of the driver. Those listening to Senator Lines this evening would be invited to think that that other 15 per cent of deaths on the road apparently caused by driver error, or whatever, would be due to owner-driver. I have seen no statistics at all to suggest that owner-drivers are largely responsible for deaths on roads involving trucks and employed drivers are not. It is reprehensible that somebody would come into this place this evening to make the case that we have to make everybody employed drivers on the basis that it is owner-drivers who cause road deaths.

Take the situation of the 35,000-odd owner-drivers who were to be or were affected. I am sure the likes of Senator Sterle, who was himself an owner-driver, and Senator Gallacher, with all their experience with the union, would know very well that if you are an owner-driver and you have mortgaged your home and your assets and probably those of your family to be able to buy a rig to run that particular operation it is highly unlikely that you are going to put yourself or your assets at greater risk than an employed driver would.

It was suggested by Senator Lines that this was just simply a gripe about unions. Well let's see what happened after 4 April. This case was presented in public, and I have never seen it refuted. Prior to 4 April an owner-driver in an agricultural area could go to a farmer—perhaps to Senator Nash's farm to her husband David—load some sheep on board and take them to the local market. It would have cost that farmer, Mr Nash, about $150 to use an owner-driver. Do know what the effect would have been after 4 April? In that analogy, if that farmer had used
that same owner-driver, the fee would have gone up from about $150 to $750. But the amazing thing is, if Farmer Nash had rung a company which had employed drivers to go to the farm to pick up the livestock and take them to the market, do you know what the fee charged by that company would have been? $150. If anyone can tell me how the difference between charging $750 for an owner-driver and $150 for an employed driver in that analogy contributes to road safety, they would be a better person than I am, because there is no logic.

Senator Lines says there was no effect on owner-drivers. I was one of those—and I know Senator Nash was also one—who went out to the area north of the city early in the morning to meet with drivers. I drove into the city with one of the drivers, Mr Ian Haig, from Wagga. What I learnt from him was absolutely incredible. I said to him, 'How do we improve road safety?' He said, 'There already is a heavy vehicle regulator.' There was a heavy vehicle regulator when then Prime Minister Gillard bowed to the unions at that time to introduce the road safety tribunal. It already existed. I said to him, 'Where are the faults? Where are the errors? What can we learn?' It was interesting. The first thing he said to me was that we outsource our vehicle servicing these days, but industry tells us that as soon as a truck comes back from being serviced they have to check themselves to make sure that all of the work has been undertaken correctly. I say: what nonsense! I would say: we will license heavy vehicle servicing companies and we will hold them to account to ensure that when they release a truck after it has been serviced that, indeed, all of that work has been undertaken. That company should be at risk of being delicensed if they do not do that work adequately. In fact, the inspectors in the heavy vehicle space should be called to go to those servicing facilities—not the same ones all the time; they should do it on a random basis so that you do not form friendships—to crawl over those trucks, so that when the trucks go back onto the road we all know that they are safe.

For the first three or four minutes spent out there near the racecourse at the showgrounds in the morning—Senator Gallacher would know this very well, of course—this gentleman, as he was preparing to leave, had a board, and he was drawing lines. He had a ruler and he was turning pages. I said, 'What the billyo are you doing?' He said, 'I am filling in the log.' I said, 'To go from the racecourse to Parliament House?' He said, 'Yes.' I said, 'When does the log get checked?' He said, 'At some time in the future. There will be inspectors. If I have used a blue pen rather than a black pen then I could be up for a severe fine.'

In today's world we have kids in restaurants who take our orders on an iPad, and that order is immediately conveyed to the kitchen to provide our meal. Is someone telling me that we should not be using an electronic log that the driver fills in? With GPS and all the wi-fi that exists, it can be sent to two sources: firstly back to the trucking company and, secondly, to a central heavy vehicle regulator database. If that driver has been driving for too long, for too many hours or without a break that could surely be red-flagged both at the company and at the regulator immediately. What in heaven's name are we doing with 13th century technology when we have 21st century technology?

The question of safety does not relate to whether it is an owner-driver or an employed driver. That is simple nonsense—absolute nonsense. If the objective of the tribunal was to get rid of owner-drivers so that they would all become employed drivers, or they would go bankrupt, which some of them already had—and, regrettably, we learnt of at least one suicide as a result of the events that took place on 4 April—we must stop that. We must say that the
greater good for the heavy vehicle industry is road safety. If driver fatigue is an issue—and it is—then the solution that I have mentioned here today is one that solves it.

Back in the year 2000 I wrote a document to be presented to the heavy vehicle regulating industry at that time. At the time I owned my own trucking fleet. We moved bulk fuels—600,000 litres a day, six days a week—so I suppose I did know little bit about it. At that time I was so concerned that I put in place measures that could become electronic. I remember presenting that document to the industry and saying that this was how we could stop those drivers driving for too long a period across the Nullarbor or between our major cities. Why have we not learnt? But I tell you this one thing: it would be very, very difficult to prove to anybody that because someone is an owner-driver they are a greater risk to the wider community than someone who is an employed driver. Is that what we want in this country? Do we want to have six or eight major trucking companies where everybody will be an employed driver? There would be no owner-drivers; there would be no small business; there would be no competition—and we all know what would happen to prices.

And that, in fact, was endorsed by the fleet manager of Toll, who wrote a very good article in The Fin Review the very day we had the issue about which Senator Lines has spoken. He made the point about how important it is to have an owner-drivers in our fleet, to have that level of competition, to have that opportunity for all in this industry to be able to contribute to greater safety on the roads. But I do have to say to you it is not a question about whether everyone is a unionised driver; it is a question about choice. It is a question about the opportunity for small business people in Australia to survive, thrive and expand.

Senator GALLACHER (South Australia) (18:23): I too rise to take note of the report. A number of very salient points have been made in the chamber by both sides. The Road Safety Remuneration Tribunal was never about getting rid of owner-drivers, it was never about lessening their competitive influence in the economy. It was always about the ability for them to pay their fixed, variable and labour costs for transport and operate in a safe way. What has been characterised here, in a very polarising debate, is an absolute tragedy for the transport industry. There will continue to be people who will lose their livelihoods, their trucks, their homes and, in some cases, their lives, through unfortunate means and also through accidents in road safety. This was the first ever attempt to put a base in the industry, through which you could not fall, for the true costs of business, your fixed costs of business, the cost of putting a registered, insured and viable truck on the road—to be able to put fuel, tyres, oil and maintenance into that vehicle on a measurable scale, to get some reward for your labour and, dare I say it, perhaps even have a chance of making a profit. The Transport Workers Union has always been in favour of owner-drivers making the true cost recovery model plus some profit.

Senator Back made a good point about pen and paper. You can fly an aircraft from Bankstown to Adelaide and you can lodge the flight plan on your iPad. Unfortunately, in the transport industry you have to do it by logbook—and those logbooks are checked by up to three or four different jurisdictions as you move around the country. Owner-drivers face the awful reality, if they transgress a couple of times—three times in New South Wales—of having their driving privileges removed. They can no longer drive in New South Wales if they breach their logbook or incur fines and the like.
I return to the central theme in all of this, which is that safe road practice, driven from a safe recovery model of fixed, variable and labour costs, will allow people to do their job safely, safeguard other road users and continue to contribute in the marketplace. Senator Back mentioned Toll Transport. Well, a very good friend of mine has been an owner-driver at Toll Transport for 32 years. He brings his vehicle to work, he brings his fuel to work, he brings his rego and his insurance to work and he makes a modest income. His tax bill—and I think he would be embarrassed if I tell the Senate—is in the order of $14,000 a year. That is the sort of tax bill he will pay, and that is based on a reasonable level of turnover. But you do not have to be Einstein to work out that you can get a job as a labour-only employee and pay more than $14,000 tax per year. So Toll have a vested interest in making sure owner-drivers are in the marketplace—as do Linfox and all of the major transport companies.

What really happened here, in that purely political red haze of a double dissolution, was that a number of people got all excited and threw away 20 years of research which links pay and conditions with road safety. If you buy a brand-new car—and most of us in this place will be almost given a brand-new car—every two hours it will say, 'You've done two hours of driving, have a rest.' In every new car that is sold in Australia there is a rest reminder that says, 'You've been driving for two hours, have a rest.' In the awards of the Transport Workers Union, and in the normal practice of the industry, if you had a rest every two hours you would probably get the sack. You do four hours before you have a rest—and it does not matter whether you are tired or not, it is to get the job done. This debate has been purely political, it is extremely cynical and we are going to pay the price. The Australian public is going to pay the price. The economy is going to pay the price. For as long as I am in this chamber, I will come back and report on the deaths and injuries in heavy vehicle road transport as a result of the abolition of the Road Safety Remuneration Tribunal.

Question agreed to.

Privileges Committee
Report
Senator JACINTA COLLINS (Victoria) (18:28): I present the 162nd report of the committee, entitled Possible false or misleading evidence given to the former Nauru select committee. I also table a volume of documents received by the committee.

Ordered that the report be printed.

Senator JACINTA COLLINS: I move:

That the Senate adopt the recommendation at paragraph 4.14 of the 162nd report of the Committee of Privileges that no contempt be found in respect of the matters referred.

The Senate Privilege Resolutions contain a prohibition on witnesses giving false or misleading evidence to the Senate and its committees. The rationale for this prohibition is clear. Committees rely upon the integrity of the evidence presented to them. If the evidence is deceptive or misleading, the value of the inquiry process is compromised.

The committee was asked to investigate concerns that false or misleading evidence may have been given to the former Select Committee on the Recent Allegations relating to Conditions and Circumstances at the Regional Processing Centre in Nauru.

Two matters were referred.
The first relates to conflicting accounts of surveillance of Senator Hanson-Young undertaken by employees of Wilson Security during her visit to Nauru in December 2013, a matter which has been canvassed in media reports.

According to the evidence considered by the select committee there are two different explanations of the surveillance: the first, that it had been wide-ranging and was authorised by Wilson Security managers; the second, that it was more limited in scope and had no such authorisation.

This matter is the principal focus of the report; however, the committee was unable to gather sufficient cogent evidence to finally establish the facts. The committee determined that it should not make findings against any person on the basis of evidence it is not properly able to test and, therefore, recommends that no contempt be found.

The second matter, relating to video footage of a disturbance at the regional processing centre, was raised after witnesses gave incorrect evidence, which they were slow to correct.

The further response provided to the Privileges Committee clarifies the matter, and the committee accepts on the evidence before it that the errors in the earlier evidence were inadvertent.

Accepting that the witnesses did not knowingly provide misleading evidence, the committee again recommends that no contempt be found.

The report makes some further observations about the surveillance matter. The committee was asked to investigate evidence given about the surveillance, not the surveillance itself.

Any improper interference with the functions, authority or duty of the Senate, its committees or senators may be dealt with as a contempt if it meets the threshold test in the Parliamentary Privileges Act.

There is no doubt that—in other circumstances—it would be open to the Senate to treat the covert surveillance of a senator as a possible contempt.

In this matter, however, there are significant jurisdictional difficulties which arise from the surveillance having occurred in a foreign country. Parliamentary privilege is not generally understood to have any extraterritorial application.

Regardless of the applicability of privilege, however, the committee considers that it is incumbent on those who undertake any role connected with government activities—for instance, the contractors in this matter—to deal appropriately with the Senate, its committees and its members. This includes bringing any improper conduct that interferes with the functions of the Senate or the duties of senators to the attention of the relevant authorities, the Senate or the senator concerned.

The motion I have moved provides for the Senate to adopt the committee's recommendation that no contempt be found, and I commend it to the Senate.

Question agreed to.

Senator SIEWERT (Western Australia—Australian Greens Whip) (18:33): Mr Acting Deputy President, I am just wondering whether this will go on into the future parliament, in terms of what happens with this. I am thinking particularly of Senator Hanson-Young being able to respond at some stage.
The ACTING DEPUTY PRESIDENT (Senator Williams): I will seek some advice from the clerk. In short, Senator Siewert, it has been adopted by the Senate and nothing would prevent Senator Hanson-Young at some time in the future taking note of the report or talking about it.

Senator SIEWERT: I move:
That the Senate take note of the report.

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

Select Committee on Unconventional Gas Mining
Report

Senator LAZARUS (Queensland—Leader of the Glenn Lazarus Team) (18:34): I present an interim report of the Senate Select Committee on Unconventional Gas Mining, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator LAZARUS: I move:
That the Senate take note of the report.

One of the first issues I became aware of as a Queensland senator was the issue of CSG mining and the plight of Queensland families living with the scourge of this foul industry.

Over the last 18 months I have travelled throughout Queensland and other areas of the country affected by CSG mining.

I have seen firsthand the devastation this industry is having on people's lives, their health, their families, their livelihoods, the environment, water, livestock and pets, farms, local businesses and rural and regional communities.

I have met and become friends with Queensland families living with the hell of these gasfields.

I promised them that in my time as a senator I would do everything I could to publicise their plight—to make people aware of how our governments and the resource sector are allowing our people to be completely and utterly decimated by CSG mining.

It is not until you get out to the gasfields that you fully understand what is happening to our people.

They have no rights. They have no rights whatsoever.

Our people cannot say no to mining companies. They are not allowed—and, if they try, they are bullied, harassed, intimidated and threatened and told that they will be taken to the land court if they do not submit to the wishes of the mining company.

In the year 2016, in an age where we are supposed to have basic human rights, governments are allowing mining companies to simply come onto people's land, force them into land access agreements and commence mining on their land.

And what does CSG mining do to their land?

It depletes their land of water, contaminates and poisons what water is left—and completely erodes the value and useability of the land.
The toxic and harmful chemicals used in CSG mining cause health and medical issues. Landholders not only have no right to say no to mining on their land—they become ill.

Families, including children, living in the Queensland gas fields are encountering nosebleeds, headaches, skin complaints, respiratory issues, heart issues and other medical problems.

Even more concerning, cancer clusters are now starting to appear.

When Queenslanders living in the Chinchilla gas fields go the doctor or a local hospital with medical issues, they are turned away.

They are told that because their health issue is a CSG health related issue they have to call 13 HEALTH.

When they do call 13 HEALTH, they are told to go to a doctor or hospital and the merry-go-round just continues on.

I believe what governments are allowing to happen to the people of Australia living with CSG mining is a form of genocide.

I believe because resource companies are paying political parties so much money in donations that governments are turning a blind eye to the damage being done to our people.

So it will come as no surprise to everyone that I, as the chair of this Senate inquiry, have to submit my own set of recommendations because the major parties including the Nationals—who have hung people of the land out to dry—are compromised due to the power and influence of the mining donors.

My list of recommendations is expansive, but most importantly they are designed to shed light on the injustice that is occurring in our own country, on the filthy corruption that is taking place across governments and the resource sector as both sectors collude to protect and take care of themselves, and on the urgent need for action to be taken to bring people to account.

I believe everyone involved in this filthy business should be held to account for what they are doing to the people and the environment.

Every politician and resource company executive in this country who has defended and stood up for CSG mining should be forced to drink the water and shower in the contaminated water that Queensland families are being forced to live with—for the rest of their lives.

I heard stories during the inquiry of CSG mining companies forcing subcontracting businesses to bury contaminated materials on Queensland family’s land—to avoid the expense of treating the toxic products off site.

I heard stories of workers who had died and been severely injured while working for ruthless CSG mining companies—due to the companies cutting corners and putting profits before people and workers.

The challenge our country has in front of us is that the resource sector is donating to the major parties.

It is a powerful sector and it is a big sector.
But I do not underestimate the power of the people. If enough people vote for Independents and microparties in the coming election and future elections, we can bring about some change.

I call on every Australian—regardless of how you vote in the lower house, make sure you vote for the crossbenchers and microparties in the Senate.

Someone has to keep the majors accountable.

Because as we have seen, if no-one is holding them to account, they will continue to engage in and attempt to get away with murder.

In closing I would like to pay my respects to George Bender.

I table the committee's documents and my documents—in honour of George Bender.

He did not die in vain.

I would also like to thank Shay Dougall, the Nothdurfts, the Benders, Joe Hill, Anne Kennedy and many others who have opened up their hearts and their families to me to show me how CSG is impacting their lives.

While I have breath in me, I will keep fighting for you and everyone impacted by CSG mining.

Unfortunately, due to the imminent election, this report is an interim report and does not include a lot of information gathered in the NT.

But I hope it will assist the people of the NT to fight and fight like hell to stop the unconventional gas industry getting a foothold.

Daniel Tapp—keep fighting, mate.

To the staff of the committee, Toni Matulick and your team—you proved to be the most professional, considerate, helpful and efficient people I have dealt with and I sincerely thank you for your support.

To my committee members—I thank you.

While I appreciate you do not share my views and my passion to help people affected by CSG—I should say that certainly Senator Waters does support my passion for this issue—I am grateful for you at least giving me quorum to conduct the public hearings.

Without the hearings people would not have a voice.

I commend this report to the Senate.

Senator IAN MACDONALD (Queensland) (18:41): I have looked at this report. I do not think there is a great deal of merit in it. But what has attracted me to speak—and I am only going to speak very quickly because I know there is a lot of business to occur tonight, and there is not much time left—is that I just dislike the way that the previous speaker continuously attacks the Labor Party and the Liberal Party for accepting donations from miners and then suggests that that is why we come to certain conclusions here.

I just remind the Senate that the chairman of the committee was elected to this parliament on the money of Mr Clive Palmer, and that money of Mr Clive Palmer comes from the mining industry. It comes from the mining industry.
The ACTING DEPUTY PRESIDENT (Senator Williams): You have a point of order, Senator Lazarus?

Senator Lazarus: What has this got to do with the committee and—

The ACTING DEPUTY PRESIDENT: Do you have a point of order?

Senator Lazarus: Yes, irrelevance. What has Clive Palmer got to do with this—and the fact that I used to be a part of Palmer United?

The ACTING DEPUTY PRESIDENT: Just let me seek some advice, please.

Senator Gallacher: On a point of order, Mr Acting Deputy President: I clearly heard Senator Macdonald impugn the character of another senator in this chamber by alleging corruption, money, bribery.

Senator IAN MACDONALD: Just on the point of order, since we are discussing it—

The ACTING DEPUTY PRESIDENT: Yes, Senator Macdonald, on the point of order?

Senator IAN MACDONALD: The chairman, as part of his speech, said that the reason why Liberal and Labor people opposed his recommendations was that they accepted money from the mining industry. I am simply pointing out that the chairman—and, if this is impugning, I cannot understand this—was elected on the money of Mr Clive Palmer. That is an indisputable fact. Mr Palmer is an iron miner. He is a miner. And Senator Lazarus—

The ACTING DEPUTY PRESIDENT: Order! Senator Macdonald, resume your seat.

Senator IAN MACDONALD: Yes, sorry.

The ACTING DEPUTY PRESIDENT: There is no point of order; it is a debating point. Continue, Senator Macdonald.

Senator IAN MACDONALD: Thank you, Mr Acting Deputy President. For Senator Lazarus to accuse the Labor and Liberal parties of having a view on a report because they allegedly got donations from a mining company is the height of hypocrisy when the speaker himself was elected not only on the money of the iron ore industry, which Mr Palmer was involved in, but on the funds from the Queensland nickel industry workers in Townsville. If Senator Lazarus and Senator Lambie had any decency they would refund, to those workers, the money that was hived out of QNI into the Palmer United Party to get him and Senator Lambie elected.

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (18:44): I will be very brief, because I understand there are a number of reports to be tabled.

The ACTING DEPUTY PRESIDENT: There are.

Senator WATERS: We Greens were really proud to support the establishment of this select committee into unconventional gas and, indeed, to expand its terms of reference so that it did look at shale and tight gas as well as coal seam gas, thus giving a platform and an ability to consider those issues right across the nation. We support the recommendations in the report and are proud that many of those recommendations endorse Greens bills that we have had before this parliament for many years, including bills to give landholders the right to know, bills to ban fracking and bills to ban donations from fossil fuel companies to political parties.

We will continue to stand with the community and listen to the science about the dangers of coals seam gas, shale gas and tight gas. It is an unnecessary energy source when we have
clean-energy alternatives that do not threaten our land, our water, our climate or our communities. This is a big election coming up, and people have a choice between the big parties—who are in bed with the mining and gas companies—or parties like the Greens and other small parties who are, at least, listening to the concerns of the community and standing up to protect the environment.

Senator PERIS (Northern Territory) (18:46): I also rise to speak on the tabling of the interim report from the inquiry into unconventional gas mining. This was an extremely important committee and report for the future of the Northern Territory and my constituents. It marks an important collection of research and testimony that will be essential for the way we approach the issue of unconventional gas mining going into the future.

The Northern Territory is a crossroad. The Northern Territory is one of the most pristine environments in the world. Its environment derives millions of tourism dollars for the territory's economy. It is sacred to thousands of Aboriginal Territorians, and the land and sea are used for everything from the live cattle trade to our recreational fishermen. This is why the issue of hydraulic fracturing is such an important issue for all Territorians. This is not just a green issue. It is not just a resource issue. It is an issue that affects all Territorians.

I have heard from hundreds of Territorians about the issue of hydraulic fracturing. Pastoralists, commercial and recreational fishermen, tourism operators, traditional owners, and everyday people are all extremely concerned about the effect, of unconventional gas mining, on the Northern Territory environment. This inquiry was about seeking input from the industry, legal and environmental experts, and the general public about the best way to protect the territory, environment and its industries.

We heard from the Environmental Defenders Office, a legal organisation. They testified and agreed that the current regulation in the Northern Territory is not adequate and does not have the ability to protect the territory's environment against the effects of hydraulic fracturing. The Amateur Fishermen's Association of the Northern Territory made a submission to the inquiry, displaying extreme concern at the prospect of fracking taking place in the Northern Territory. The CEO said:

AFANT is concerned about the impact of unconventional gas mining including coal seam gas (CSG) and shale gas mining on the groundwater and surface water environment of the NT as any negative environmental consequences may directly translate to irreversible damage of our iconic Top End rivers and valuable fisheries.

The committee also heard from pastoralist Daniel Tapp, who owns Big River Station, near Katherine. He said that the issue of fracking is a life or death issue. He said:

We've got a real strong food industry up here, potentially the food bowl of the north, and this puts it all at risk, whether it's at risk by contamination or simply by depletion. Our aquifers have been stretched to their limits already.

So it is clear that this is a big issue, which is why the Northern Territory Labor Party has committed to an indefinite moratorium on fracking if they are elected later this year. This is a policy I am extremely proud of, and I applaud opposition leader Michael Gunner for adopting this stance.

In closing, I thank Senator Lazarus for chairing this inquiry and I particularly thank the inquiry for coming to Darwin for this hearing. It was valuable for all Territorians to be able to have their say on this issue, particularly in an election year. I also thank those who submitted
to the inquiry. It was a terrific opportunity to sit and listen to Territorians voice their concerns.
It took place in Darwin only a few weeks ago. I look forward to seeing the final report.
Question agreed to.

PETITIONS

Coal Seam Gas

Senator LAZARUS (Queensland—Leader of the Glenn Lazarus Team) (18:50): by leave—I present a petitioning document relating to the royal commission into coal seam gas, which are not in conformity with the standing orders as they are not in the correct form.

COMMITTEES

Community Affairs References Committee

Report

Senator SIEWERT (Western Australia—Australian Greens Whip) (18:51): I present the interim report of the Community Affairs References Committee on Lyme-like illness in Australia together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator SIEWERT: I move:
That the Senate take note of this report.

I will make my comments extremely brief, because I am aware there is a lot of other business to get through in a very short space of time. This was a very important inquiry and we thought it was very important to table an interim report on the progress we have made. It is quite obvious that there is a lot more work to do on Lyme and Lyme like illness. It is very clear that there are thousands of people who are sick from some illness. Whether it is classical Lyme or a Lyme like illness it is very clear there are a number of people who are sick, and it is very clear that there is a disagreement on the cause of that. So it is very important that we get to the bottom of what is going on. We had over a thousand submissions. We had some very emotional submissions. It is very clear that this illness—whatever it is—is having a very significant impact on a number of Australians. The committee has made some recommendations and expressed some views. We could not reach significant conclusions, because there is further work to be done. We have recommended that the next parliament take up this inquiry again because we have only started scratching the surface on this work.

I would particularly like to thank the submitters to the inquiry so far and the witnesses that appeared at the inquiry, at quite considerable personal cost, to explain their particular symptoms. Some people have taken their lives as a result of this illness, so it is very clear that it does have a significant impact on people. There is still debate over what the cause of this illness is and there was evidence presented to the committee that the bacteria that causes this Lyme illness in Europe, America and Asia is the *Borrelia* species of bacteria. The evidence was that they have not been able to find that, although there is a bit of conflicting evidence there. There was very strong evidence around other pathogens associated with ticks and other vectors, such as fleas and leeches, which also need to be considered.
There is a limited amount of work going on. The Chief Medical Officer presented evidence, which we have in the committee report, that there is not Lyme disease in Australia, but then Dr Lum, as part of the Chief Medical Officer's office, said that there has not been enough work done on other pathogens. It is very clear that work needs to continue. We have highlighted a number of areas that we suggest a future community affairs committee—if it chooses to take this up, and we hope that it does—continue to look into.

I would also like to strongly thank our secretariat. They did an amazing job dealing with the range of submissions that we had and pulling this interim report together. I also commend Senator Madigan for bringing this issue to the chamber. I will sit down now and cede to him because I know that he wants to make some comments as well.

Senator MADIGAN (Victoria) (18:54): This was a landmark inquiry and I was pleased to co-sponsor the motion that led to this inquiry with Senator Wang. The inquiry has received more than 1,200 submissions, many of them are extraordinary accounts of debilitation and courage and in some cases desperation and hopelessness. Lyme sufferers in Australia and their families are courageous people. In the face of life-destroying sickness and uncertainty, Lyme sufferers continue to wage a fight against inaction amongst the medical community and against ignorance and often scorn. I hold the people of the Lyme community, sufferers I have met and their families, in the highest esteem.

The time for a coordinated response by health authorities is now. The lives of thousands of Australians are at risk. I hope this is only the first step in addressing this astonishing injustice. I thank my fellow committee members and the secretariat for their work to date. I look forward to us going forward with this in the next parliament and addressing these people's concerns and getting justice for them. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Treaties Committee
Report

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (18:56): I present report Nos 161 and 162 of the Joint Standing Committee on Treaties. I move:

That the Senate take note of the reports.

Question agreed to.

Senator FAWCETT: I seek leave to incorporate the tabling statement in the Hansard.

Leave granted.

The statement read as follows—

Mr President, today I present two reports for the Joint Standing Committee on Treaties: Report 161 and Report 162.

Mr President, Report 161 contains the Committee's views on an agreement to strengthen the Niue Treaty, two international shipping codes and a taxation treaty with Germany. Report 162 provides a summary of the seminar held to mark 20 years of the Committee's work.

The Niue Treaty was implemented in 1993 to assist Pacific Island nations enforce their fisheries laws and deter breaches. The agreement on strengthening the Niue Treaty is intended to improve the management and development of the fishery resources of in the South Pacific region. It will help to ensure sustainability and maximise the social and economic benefits that sustainability brings. It
provides a legal framework for cooperative regional fisheries surveillance and law enforcement activities.

Mr President, Australia plays a key role in maritime surveillance in the South Pacific and is committed to supporting regional cooperation on maritime security in the region. The proposed Agreement will assist Australia to better utilise resources in this area.

The two international shipping codes, the Polar Water Code and the Code for ships using low-flashpoint fuels, are further enhancements to the International Maritime Organization's regulations. The Polar Code addresses the specific risks of operating in polar waters. The IGF provides an international standard for ships using low-flashpoint fuels. Both will increase ship safety and security as well as providing environmental protection measures.

The taxation agreement with Germany updates and modernises our existing agreement which was implemented in 1975. Australia has used the opportunity to incorporate the OECD/G20 recommendations to prevent base erosion and profit shifting. Mr President, this Agreement puts Australia at the leading edge in this area and provides a precedent for future treaties.

Mr President, the Committee recommends that these four treaties be ratified and binding treaty action be taken.

Mr President, the second Report complements Report 160 which was tabled in March. It provides a summary of the one day seminar that the Committee hosted here in Parliament House to mark 20 years since the establishment of JSCOT.

During those 20 years, treaties have become increasingly complex. Australians are more connected to the broader world through trade, education and migration. International agreements increasingly affect not only broad issues of state but the actions and responsibilities of individual citizens.

Mr President, the seminar brought together approximately 80 participants from a diverse range of backgrounds including parliamentarians, academics, public and parliamentary servants, students and representatives from business and other interest groups. This report summarises the presentations, reflects on the Committee's work and provides an assessment of its performance. It also provides some thought provoking ideas on the future direction of the Committee's operation. It includes a full transcript of the presentations and useful statistical data.

Mr President, I am confident that the information included in this report will prove useful to experts, academics and students of the treaty making process in Australia.

On behalf of the Committee, I commend both Reports to the Senate.

Corporations and Financial Services Committee

Report

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (18:56): On behalf of the Parliamentary Joint Committee on Corporations and Financial Services, I present two reports of the committee on the impairment of customer loans and the examination of the 2014-15 annual reports of bodies established under the ASIC Act, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the reports be printed.

Senator FAWCETT: I move:

That the Senate take note of the reports.

I will need to keep my comments very brief because I am aware that other members of the committee are keen to speak on these reports. I would like to speak particularly to the report
on the impairment of customer loans. It dealt predominantly with lenders—banks in particular—but it also looked at the actions of receivers, valuers, regulators and existing external dispute resolution providers. We found a number of gaps in the system that particularly small businesses face as they are dealing in this sector or as part of the financial services sector.

The focus of the inquiry was very much around small business, but it also included some larger businesses, some listed, and it was around the constructive defaults of loans that occurred. A lot of focus was on the post-GFC period, around the takeovers by Commonwealth Bank of Bankwest and by ANZ of Landmark, but many other lenders and financial service providers were brought up by witnesses. I would like to note that many of the witnesses had been through significant trauma, and not just financially; there was also a very high human cost, in terms of lives, families and relationships, that came out of the actions of the various stakeholders in this process.

We have seen much evidence of unconscionable conduct between borrowers and lenders. The almost complete asymmetry in power between the lenders and the borrowers is something that needs to be addressed. It is not necessarily illegal, but, because of that asymmetry of power, there is much behaviour that was unconscionable. We have seen a number of actions stemming from the financial services inquiry, through things initiated by the industry themselves and with the ABA's decision to review conduct and codes, which were all commendable. The problem is that with multiple parties addressing this from multiple angles we run the risk that we will end up with the same kinds of gaps that small businesses face now, where they fall out of the purview of EDRs and, because they have been sent bankrupt, they do not have the money to actually take their claims into the courts.

In the committee's view we need to take action and we need to take it now. We believe that the establishment of the Australian Small Business and Family Enterprise Ombudsman provides a suitable opportunity and vehicle to provide some management, coordination and leadership to the activities by these various parties to make sure that we get outcomes that are fair, reasonable and transparent and to shape the relationship between lenders and borrowers across the nation in a very standardised way, getting ethical conduct and standards around things like loan contracts. Where necessary, and where we cannot join the boundaries between the existing external dispute resolution providers, this body—the ombudsman—can act as a tribunal to hear the cases of people who have a valid grievance with the banks. We need to have balance in the system.

We see in the ANZ's case them taking action to recognise that perhaps some of their conduct has been unreasonable, and they have taken action to make restitution with some customers. We commend them for that and would encourage other providers to look at that. Our recommendation is that, once the ombudsman has issued the new standards in terms of what is considered to be ethical and appropriate conduct in this sector, lenders would take action to consider legacy cases lest the tribunal need to do so.

Senator O'NEILL (New South Wales) (19:00): I know that this section finishes at 7:02 and I am going to try to give a minute to my colleague Senator Ketter. I thank Toni Matulick and Jon Bell for their incredible work and the secretariat who supported them with this report. There are 11 recommendations. In essence, the Labor members of the committee do concur with most of the findings of the committee's majority report and its recommendations for
practical action, but we see this as an interim measure to drive change—very urgently required change. However, we do not consider that we were able to determine definitively that there was no widespread or systemic illegal or unethical behaviour by the banks. That is why Labor members of the committee make a recommendation that a royal commission be established to examine the banking and financial sector and particularly widespread instances of illegal and unethical behaviour, financial services duty of care, the culture and ethical standards of the sector and the regulator's role in ensuring better access to high-quality services. I will conclude my very brief remarks in order to give Senator Ketter a moment to make some comments.

Senator KETTER (Queensland) (19:01): In my capacity as chair of the Senate Economics References Committee, I have seen the types of behaviour that this report touches on in other areas in the scrutiny of financial advice. The inquiry has seen similar examples of unethical and unconscionable behaviour within the Australian financial services industry. The Labor members of the PJC believe that there is great evidence here that there is a need for a royal commission into the financial services institutions to establish how widespread these behaviours are within the industry. We support a royal commission.

Question agreed to.

Foreign Affairs, Defence and Trade References Committee

Report

Senator McEWEN (South Australia—Opposition Whip in the Senate) (19:02): I present the report of the Foreign Affairs, Defence and Trade References Committee on Australia's bilateral aid program in Papua New Guinea, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator McEWEN: I move:

That the Senate take note of the report.

I seek leave to incorporate a tabling statement in Hansard.

Leave granted.

The statement read as follows—

I am pleased to table this report of the Foreign Affairs, Defence and Trade References committee into the delivery and effectiveness of Australia's bilateral aid program in PNG.

Australia's most important development relationship is with PNG. Yesterday's 2016-17 Budget included $477 million in bilateral assistance to PNG.

Total official development assistance to PNG from Australia will be $558 million.

PNG is the largest recipient of Australian aid and Australia is also by far the largest donor to PNG.

This illustrates the significance of the Australian aid program to the development of PNG.

However, the results of decades of Australian assistance since PNG's independent in 1975, have been mixed at best.

Recent economic growth has not translated to equitable prosperity for the people of PNG.

PNG currently ranks 158th out of 188 countries on the United Nations Human Development Index and PNG has failed to meet any of the Millennium Development Goals in 2015.
The delivery and effectiveness of Australia's aid program will have a significant impact on the future of the people of PNG. However, the challenges are immense.

Over time Australia's aid program has shrunk as a proportion of PNG's economy and it is likely to shrink further over the coming decades as PNG continues to grow.

Australia's aid budget has also been reduced in recent years, including the funding for PNG.

The PNG Government's capacity to encourage development has been impacted by falling revenue and lower economic growth.

This situation has raised a number of questions and issues regarding the best way for Australia to continue to assist development in PNG.

It is time for Australia to renew its commitment to PNG. Australia can afford to give more, and it is clearly in Australia's interest to give more to the next largest developing country in our region.

A number of Pacific countries, and particularly PNG, are likely to require a level of development assistance from Australia for the foreseeable future. In this context, a long-term perspective for Australia's foreign aid is required.

Investing in assistance to PNG to support its path to development in the next ten years will clearly benefit Australia in the future decades.

The recommendations the committee has made include:

- that the Australian Government reverse funding cuts made to the PNG aid budget as part of a broader commitment to progressively increase Australia's official development assistance to 0.5 per cent of gross national income by 2024-25;
- that the Australian Government reassess the priorities of the aid program in the context of the PNG Government's recent budgetary cuts to education, health and infrastructure;
- that the objectives of the Australian aid program to PNG explicitly include inclusive and equitable outcomes in development;
- that the key policy documents of the Australian aid program to PNG articulate how development objectives align with the Sustainable Development Goals;
- that the Australian aid program to PNG include increased support for non-government organisations, civil society and churches delivering assistance to rural and remote communities;
- that the Australian Government examine an expanded program to link institutions in Australia and Papua New Guinea for the purpose of capacity building; and
- that the Australian Government assess how cross-border initiatives with Papua New Guinea and Indonesia could contribute to the objectives of Australia's aid program.

The committee has also made recommendations in relation to social accountability programs, the combating the spread of tuberculosis, childhood malnutrition, training for primary school teachers, gender based violence programs, focusing private sector growth assistance, increasing the benefits of the Seasonal Workers Program, prioritising road infrastructure, corruption linked to Australia and PNG specific development research.

Progress in PNG towards the next internationally agreed Sustainable Development Goals is neither inevitable nor impossible. This is an area where Australia can make a real difference.

I commend this report to the Senate.

I seek leave to continue my remarks.

Leave granted; debate adjourned.
Foreign Affairs, Defence and Trade References Committee
Report

Senator McEWEN (South Australia—Opposition Whip in the Senate) (19:03): I present the report of the Foreign Affairs, Defence and Trade References Committee on contamination caused by firefighting foams at government sites other than RAAF Base Williamtown and Australian Defence Force facilities, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator McEWEN: I move:

That the Senate take note of the report.

I seek leave to incorporate a tabling statement in Hansard.

Leave granted.

The statement read as follows—

I am pleased to table the report of the Foreign Affairs, Defence and Trade References Committee's inquiry into matters relating to PFOS and PFOA contamination at Army Aviation Centre Oakey, and other Commonwealth, state and territory sites.

This report addresses part (b) of the terms of reference.

The committee concludes this inquiry with an air of uncertainty about what the future holds for the residents of Williamtown and Oakey.

The scale of this national contamination issue and the response of authorities across different political jurisdictions remains, at best, a work in progress.

The committee heard honest and at times emotional testimony from the residents of Williamtown and Oakey which highlighted the devastating impact of contamination on two communities which have little in common except for Defence's legacy contamination and feeling let down, ignored and abandoned by the authorities.

The committee was struck by the similarities in how people from different communities were affected physically, emotionally and economically once the contamination became public and in the weeks and months that followed.

The committee is deeply concerned by Defence's failure to notify residents sooner; the lack of transparency, accountability and consistency; and the effect of the delay in addressing community concerns, which fuelled a sense of crisis and fear among residents about an uncertain future.

The committee concludes that scientific uncertainty around the impact of PFOS/PFOA on human health and legal uncertainty around environmental regulation when contamination spreads from land controlled by Defence to non-Commonwealth land should no longer be viewed by government as obstacles to action.

Obtaining scientific and legal certainty is likely to remain beyond the government's reach for the indefinite future. It is not acceptable for Defence to hide behind uncertainty as an excuse for inaction.

These pollution incidents across Defence establishments have seriously damaged Defence's reputation as an environmental manager and good corporate citizen.

Defence must now accept responsibility for its inaction and engage proactively with communities on the subject of compensation, or risk damaging its already tarnished reputation and exposing the Commonwealth to unknown financial risk.

Specifically, the committee has recommended:
that the Department of Defence recommence and fund a program of blood tests for residents in the Oakey investigation area on an annual basis, and that that voluntary blood testing be made available to current and former workers at sites where firefighting foams containing PFOS/PFOA have been used, and current and former residents living in proximity to these sites, who may be affected by contamination;

that the Department of Defence ensure that mental health and counselling support services are provided free of charge to those affected by PFOS/PFOA contamination from Army Aviation Centre Oakey, and that these services continue for as long as they are required by residents; and

that the Commonwealth Government commit to voluntarily acquire property and land which is no longer fit for purpose due to PFOS/PFOA contamination from Army Aviation Centre Oakey. The committee further recommends that the Commonwealth Government assist residents who may wish to relocate to an alternative estate within the local community which is free from contamination.

While Defence needs to move forward in addressing its legacy contamination, the committee is not confident Defence is capable of managing contamination of its estate without a whole-of-government response and ongoing parliamentary oversight.

The committee also remains concerned by the lack of response by state governments to emerging legacy contamination issues when authorities were aware of the contamination for years and, in some cases, decades, but no action was taken.

As such, the committee has also recommended that it continue to monitor the Department of Defence's handling of the contamination of its estate and surrounding communities caused by PFOS/PFOA, and report to the Senate on an interim basis as required.

Furthermore, the committee recommends that it monitor the response of, coordination between and measures taken by Commonwealth, state and territory governments to legacy contamination caused by PFOS/PFOA, including the adequacy of environmental and human health standards and legislation.

I commend this report to the Senate.

I seek leave to continue my remarks.

Leave granted; debate adjourned.

Foreign Affairs, Defence and Trade References Committee
Report

Senator McEWEN (South Australia—Opposition Whip in the Senate) (19:03): I present the report of the Foreign Affairs, Defence and Trade References Committee on the partial suspension of sanctions against Iran, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator McEWEN: I move:

That the Senate take note of the report.

I seek leave to incorporate a tabling statement in Hansard.

Leave granted.

The statement read as follows—

I am pleased to table this report of the Foreign Affairs, Defence and Trade References committee into the partial suspension of sanctions against Iran.

The Australian Government's partial suspension of sanctions against Iran has the potential to usher in a new era in Australia-Iran relations.
While this development may be to the mutual benefit of Australia and Iran, a number of significant barriers must be overcome before Australia can be confident in its dealings with Iran.

Specially, the committee is deeply concerned by:

- Iran's appalling human rights record against religious and ethnic minorities, including the use of the death penalty; the use of torture and cruel, inhumane and degrading punishment; and
- Iran's continued aggression towards its neighbours and its 'conduct of ballistic missile tests which threatens the stability of the Middle East region. The committee is also concerned that Iran is a major sponsor of terrorism and is closely associated with Hezbollah whose External Security Organisation is officially designated by Australia as a terrorist organisation.

The committee is concerned by certain aspects of the partial suspension of sanctions against Iran.

During this inquiry, important questions were raised about the justification for the shift in policy towards Iran, the reasons for sanctions being lifted against some entities and not others, and the mechanisms in place to reimpose sanctions in the event that Iran breaches its international obligations.

While some clarity around these issues was provided by the Department of Foreign Affairs and Trade at the public hearing, the committee was particularly disappointed by the department's written submission which contained very few details and raised more questions than it answered.

In particular, the submission showed poor judgment in drawing a comparison between the lifting of sanctions against Iran and the lifting of sanctions against Fiji and Myanmar.

The lack of public consultation and explanation from Government were major issues raised in evidence.

This inquiry has shed light on some very real concerns that should have been closely examined prior to the sanctions being partially lifted.

Members of the community believe their concerns have not been properly addressed, resulting in a perception that new market opportunities for Australian business have been pursued at the expense of human rights.

The committee is of the view that the Australian Government must proceed with caution in its relations with Iran and, specifically, on the issue of sanctions.

Most submitters warned of the risks and complexities of doing business with Iran and recommended that the Government exercise extreme caution.

The committee has made a number of practical recommendations to improve the information available on the public record on the decision to partially suspend sanctions, together with information that will assist exporters to ensure their dealings with Iran are conducted in accordance with the law.

The committee has also identified ways to improve the process of suspending sanctions and to bring greater clarity to the process for reimposing sanctions should the need arise.

Specifically, the committee has recommended:

- that the Australian Government issue a statement that affirms the human rights values it subscribes to and condemns terrorist activities and military aggression, and affirms that Australia continues to hold concerns over the domestic and foreign policies of the Iranian regime;
- that the Foreign Minister consider undertaking public consultation on any changes to Australia's autonomous sanctions regimes, including in instances where the obligations on parties are removed or reduced;
- that the Department of Foreign Affairs and Trade publish on its website a detailed statement explaining the change in Australia's sanctions policy towards Iran and clarifying the
threshold for the reimposition of autonomous sanctions against Iran and the mechanism by which sanctions would be reimposed;

• that the Government undertake a review of all sanctions it has removed in relation to Iran to determine whether such removal is compatible with Australia's interests and present a written report on the review to the Parliament; and finally the committee has recommended

• that the Department improve the clarity and accessibility of information on its website on Iran.

I commend this report to the Senate.

I seek leave to continue my remarks.

Leave granted; debate adjourned.

Finance and Public Administration References Committee

Report

Senator McEWEN (South Australia—Opposition Whip in the Senate) (19:04): On behalf of Senator McAllister, Chair of the Finance and Public Administration References Committee, I present the report of the Finance and Public Administration References Committee on the outcomes of the 42nd meeting of the Council of Australian Governments held on 1 April 2016, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator McEWEN: I move:

That the Senate take note of the report.

I seek leave to continue my remarks.

Leave granted; debate adjourned.

Finance and Public Administration References Committee

Report

Senator McEWEN (South Australia—Opposition Whip in the Senate) (19:04): On behalf of Senator McAllister, Chair of the Finance and Public Administration References Committee, I present the report of the Finance and Public Administration References Committee on Commonwealth legislative provisions relating to oversight of associated entities of political parties, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator McEWEN: I move:

That the Senate take note of the report.

I seek leave to continue my remarks.

Leave granted; debate adjourned.

National Broadband Network - Select Committee

Report

Senator McEWEN (South Australia—Opposition Whip in the Senate) (19:05): On behalf of Senator McLucas, Chair of the Select Committee on the National Broadband Network, I
present the final report of the Select Committee on the National Broadband Network, together with the *Hansard* record of proceedings and documents presented to the committee.

Ordered that the report be printed.

**Senator McEWEN:** I move:

That the Senate take note of the report.

I seek leave to continue my remarks.

Leave granted; debate adjourned.

**Rural and Regional Affairs and Transport References Committee**

**Report**

**Senator McEWEN** (South Australia—Opposition Whip in the Senate) (19:05): On behalf of Senator Sterle, Chair of the Rural and Regional Affairs and Transport References Committee, I present an interim report on the effect of market consolidation on the red meat processing sector, together with the *Hansard* record of proceedings and documents presented to the committee.

Ordered that the report be printed.

**Reporting Date**

**Senator McEWEN:** I move:

That the Senate adopt the recommendation contained in paragraph 6.36 of the interim report to extend the time for the presentation of the report of the committee to 20 December 2016.

Question agreed to.

**Report**

**Senator McEWEN:** I move:

That the Senate take note of the report.

I seek leave to continue my remarks.

Leave granted; debate adjourned.

**Public Accounts and Audit Committee**

**Additional Information**

**Senator SMITH** (Western Australia—Deputy Government Whip in the Senate) (19:07): On the behalf of the Joint Committee of Public Accounts and Audit, I table a statement of the draft estimates for the Australian National Audit Office and the Parliamentary Budget Office for 2016-17.

I seek leave to incorporate the statement in *Hansard*.

Leave granted.

The statement read as follows—

STATEMENT BY THE JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT ON THE 2016-17 DRAFT ESTIMATES FOR THE AUSTRALIAN NATIONAL AUDIT OFFICE AND THE PARLIAMENTARY BUDGET OFFICE

Each year the Joint Committee of Public Accounts and Audit is required by legislation to consider the draft budget estimates for the Parliamentary Budget Office and the Australian National Audit Office, and make recommendations to both Houses of Parliament.
I rise today to fulfil this requirement and make a statement on whether the committee considers that the proposed funding for these offices is sufficient to carry out their respective mandates.

With regard to the Parliamentary Budget Office, the committee has been informed that the PBO is not seeking supplementation for 2016-17 beyond the expected additional departmental appropriation of $6.9 million. The PBO plans to supplement these funds with a drawdown of approximately $1.2 million from their special appropriation.

Whilst noting that the PBO has seen a substantial increase in its workload over the course of the current financial year, the Parliamentary Budget Officer has advised the committee that the PBO's resources are adequate to meet its liabilities.

The committee endorses the proposed 2016-17 budget for the PBO, and commends the PBO for its high quality work in support of parliamentarians and the public.

With regard to the Australian National Audit Office, the committee has been informed that the ANAO is not seeking supplementation for 2016-17 beyond the anticipated total revenue from government of $74 million.

The Auditor-General has advised the committee that the ANAO's resources are adequate for 2016-17, and that he anticipates completing approximately 48 performance audits over the period.

The Public Governance, Performance and Accountability Act's focus on enhanced performance measurement and reporting highlights the importance of ANAO's performance audits. Over the financial year, the Auditor-General plans to exercise the full range of powers available to him under legislation by commencing audits of the Annual Performance Statements of Commonwealth entities, as well as potentially conducting performance audits of Commonwealth partners and government business enterprises.

The committee endorses the proposed budget for the ANAO in 2016-17 and commends the ANAO for its high quality work and focus on performance frameworks.

Conclusion
In conclusion, the committee will continue to closely monitor the work programs and draft budget estimates of the PBO and ANAO. As independent authorities, the PBO and ANAO need to be sufficiently funded to fulfil their legislative requirements and adequately support the parliament.

The committee appreciates the efforts of both the Parliamentary Budget Officer and the Auditor-General in maintaining strong working relationships with the parliament, and particularly with this committee. They have made themselves available for regular briefings and provided invaluable advice to the committee on a variety of matters. The committee looks forward to continuing these productive relationships.

Hon Ian Macfarlane MP
Chair
3 May 2016

Foreign Affairs, Defence and Trade Joint Committee

Report

Senator SMITH (Western Australia—Deputy Government Whip in the Senate) (19:08): I present the report of the Joint Standing Committee on Foreign Affairs, Defence and Trade on Australia's trade and investment relationships with the countries of the Middle East.

Ordered that the report be printed.

Senator SMITH: I move:

That the Senate take note of the report.
I seek leave to continue my remarks.

Leave granted; debate adjourned.

Legal and Constitutional Affairs References Committee

Report

Senator LAZARUS (Queensland—Leader of the Glenn Lazarus Team) (19:08): I present an interim report of the Legal and Constitutional Affairs References Committee on Commonwealth payments relating to asylum seeker boat turn backs, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Senator LAZARUS: I move:

That the Senate take note of the report.

I seek leave to continue my remarks.

Leave granted; debate adjourned.

Legal and Constitutional Affairs References Committee

Government Response to Report

Senator PAYNE (New South Wales—Minister for Defence) (19:09): I present the government's response to the report of the Legal and Constitutional Affairs References Committee on its inquiry into the Impact of the 2014 and 2015 Commonwealth budget decisions on the arts. I seek leave to have the document incorporated in Hansard.

Leave granted.

The document read as follows—

Australian Government response to the Legal and Constitutional Affairs References Committee report:

Impact of the 2014 and 2015 Commonwealth Budget decisions on the Arts

May 2016

Introduction

On 16 June 2015, the Senate referred the matter of the impact of the 2014 and 2015 Commonwealth budget decisions on the arts to the Legal and Constitutional Affairs Committee for inquiry and report by 15 September 2015. In August 2015, the Senate twice granted an extension of time for reporting initially to 14 October 2015, and then to 26 November 2015. The Senate then agreed to further extend the reporting date to 2 December 2015.

The terms of reference for the Inquiry were:

a. (a) the impact of the 2014 and 2015 Commonwealth budget decisions on the Arts; and

b. the suitability and appropriateness of the establishment of a National Programme for Excellence in the Arts, to be administered by the Ministry for the Arts, with particular reference to:

   i. the effect on funding arrangements for:

      A. small to medium arts organisations,

      B. individual artists,

      C. young and emerging artists,
D. the Australia Council,
E. private sector funding of the arts, and
F. state and territory programs of support to the arts,
   ii. protection of freedom of artistic expression and prevention of political influence,
   iii. access to a diversity of quality arts and cultural experiences,
   iv. the funding criteria and implementation processes to be applied to the program,
   v. implications of any duplication of administration and resourcing, and
   vi. any related matter.

The committee received 2719 submissions from a wide range of interested stakeholders including individuals, government agencies, arts and cultural organisations, galleries and peak representative bodies. Ten public hearings were held as follows:

- Melbourne, 5 August 2015
- Perth, 1 September 2015
- Hobart, 3 September 2015
- Brisbane, 11 September 2015
- Adelaide, 18 September 2015
- Cairns, 27 October 2015
- Darwin, 29 October 2015
- Sydney, 4-5 November 2015
- Canberra, 23 November 2015

The Legal and Constitutional Affairs References Committee handed down its report 'Impact of the 2015 and 2015 Commonwealth budget decisions on the Arts' on 2 December 2015. The report included 13 recommendations and a dissenting report from government members of the committee, Senator the Hon. Ian Macdonald and Senator Dean Smith.

The Australian government's response to the report is set out below. The response addresses all 13 recommendations contained in the report.

**Australian Government Response to the Committee's Recommendations**

The government is committed to a vibrant and sustainable arts sector and invests $660 million annually to administer arts and cultural programmes and support organisations. Following the commencement of the Senate Inquiry into arts funding in June 2015, and the appointment of Senator the Hon. Mitch Fifield as Minister for the Arts in September 2015, the minister consulted widely with arts stakeholders across Australia.

As a result of the feedback received during these consultations, the minister announced *Catalyst—Australian Arts and Culture Fund* on 20 November 2015. Catalyst replaced the former National Program for Excellence in the Arts and will encourage innovation and participation across Australia, support cultural diplomacy, and promote partnerships and the leveraging of private sector support. Catalyst will prioritise funding for small to medium organisations and regional areas.

The minister also announced the reallocation of $32 million over four years back to the Australia Council. This funding will allow the Australia Council to provide further funding to its core grant rounds, support strategic projects and the operational costs of small to medium organisations.

**Recommendation 1**

The committee recommends that the government develop and articulate, in consultation with the arts sector, a coherent and clear arts policy, including priorities for arts funding supported by evidence-
based analysis, and greater clarity about the respective roles of the Ministry for the Arts and the Australia Council, as well as the other statutory arts bodies.

Agreed in part.
The government does not believe in a top down approach to arts policy. The government believes that the sector has an important role in the development of a comprehensive strategy for the arts. The Ministry for the Arts, the Australia Council and Creative Partnerships Australia are working closely together to ensure that funding to the arts is complementary and coordinated. The Catalyst—Australian Arts and Culture Fund guidelines articulate the respective roles of each agency.

Recommendation 2
The committee recommends that the Commonwealth government restore to the Australia Council the full amount of funds diverted from it in the 2014 MYEFO and 2015 budget, ensuring it has the level of resourcing identified as necessary to implement in full its 2014 strategic plan over the current financial year and the four-year forward estimates.

Agreed in part.
Following consultation with the Australia Council and the arts and culture sector, the government repurposed $8 million a year over four years (2015-16 to 2018-19) to the Australia Council primarily to support small-to-medium arts organisations.

The remaining funds support specific programmes and comprise:
- Festivals Australia programme ($1.2 million annually over four years)
- Visions of Australia programme ($2.4 million annually over four years)
- Major Festivals Initiative ($1.5 million annually over four years), and
- Catalyst ($12 million annually over four years)
- Creative Partnerships Australia's matched funding programme ($1.75 million annually over three years).

Recommendation 3
The committee recommends that, should the Commonwealth government be unwilling or unable to identify new and additional funds for the arts portfolio to support the Catalyst Arts and Culture Fund, the Catalyst fund be disbanded, and the funds presently allocated to it be returned to the Australia Council.

Noted.
As outlined in the response to Recommendation 2, the government has repurposed $8 million a year over four years (2015-16 to 2018-19) to the Australia Council primarily to support small-to-medium arts organisations. The government believes there is a genuine need for a mix of funding sources from the Australian government. Many countries deliver funding for the arts through a mix of grants made at arm's length from government and those delivered through the relevant department of state.

Recommendation 4
The committee recommends that, should the Catalyst fund proceed, the Ministry for the Arts further develop and clarify how the Catalyst fund will:
- complement (and not duplicate) the role of the Australia Council;
- ensure small-to-medium organisations will be prioritised, whether through a quota or some similar system; and
- ensure the spread of funds across the year, given that the funding program exists on a first-in-first-served basis.
Agreed.
The guidelines for the Catalyst fund were developed in consultation with the Australia Council and Creative Partnerships Australia to ensure they complement the activities of each agency. The Australia Council's programmes emphasise artistic excellence and are delivered at arm's length from government. The Catalyst fund emphasises access and participation, geographical spread and diversity, arts education and promotes leveraging of private sector support.
The Catalyst fund prioritises funding to small-to-medium organisations. Catalyst funds are managed to ensure a spread across the year. There is a notional quarterly allocation. However, at the same time there is flexibility so the fund can be responsive to the priorities of the sector.

Recommendation 5
Should the Catalyst fund proceed, the committee recommends that, in order to reduce bureaucratic duplication and ensure the integrity of funding decisions, the peer review register and process presently maintained by the Australia Council also be used for assessing applications to Catalyst.

Noted.
The Ministry for the Arts retains a register of independent assessors that is utilised for a number of programmes across the Ministry including Catalyst. The Catalyst fund and other programmes administered by the Ministry, such as Visions of Australia, have a broad remit requiring a wide range of assessor expertise.

Recommendation 6
The committee recommends that the government provide emergency transition funds in 2016 to assist small-to-medium organisations and individual artists who have been immediately impacted by these changes. These funds need to come from outside the existing arts funding envelope.

Noted.
The Ministry and the Australia Council will continue to work closely with the small-to-medium sector. Within the current fiscal environment there is not scope to provide additional funding to small-to-medium arts organisations from outside of the existing arts funding envelope in 2016.

Recommendation 7
The committee recommends that the Ministry for the Arts work with the Australia Council, the state and territory governments and the arts sector to develop and implement streamlined and coordinated grants processes and timelines, to the greatest extent possible, in order to minimise the administrative burden on applicants seeking funding from different bodies and programs.

Agreed.
The government has committed to reducing the cost of unnecessary or inefficient regulation imposed on individuals, business and community organisations and regularly consults with all relevant stakeholders to avoid creating cumulative or overlapping regulatory burdens. The government will continue to work with the Australia Council, the state and territory governments and the arts sector on streamlining grants processes to reduce the administrative burden on the arts sector.

Recommendation 8
The committee recommends that the Australia Council give careful consideration to how it may particularly prioritise support to individual artists in its funding programs, in recognition of their exclusion from the Catalyst fund.

Agreed.
The Australia Council will allocate a significant portion of its core grants budget to development and project grants for individuals. For example: in the council's September grant round 57 per cent or 166 of
the 290 projects funded were from individual artists. The council will continue to closely monitor the success rates for individual artists.

**Recommendation 9**

The committee recommends that the Australia Council give consideration to the viability of re-launching a specific program for the development of early career individual artists, along the lines of the highly successful ArtStart program which was abandoned following the 2015 budget.

**Agreed in part.**

Individual early career artists are eligible to apply through the council's development grant category for career development support, acknowledging that the competition for these funds is high.

**Recommendation 10**

The committee recommends that, without compromising principles of qualitative and merit-based assessment, the Ministry for the Arts, the Australia Council and other funding bodies continue to work with the states and territories toward increased equity in arts funding between the states and territories, and between urban, regional, rural and remote communities.

**Agreed.**

The government will work closely with the Australia Council, other funding bodies and states and territories to develop the capability of arts and cultural organisations, to improve sector competitiveness, and to identity and redress gaps in support.

**Recommendation 11**

The committee recommends that the government and the council continue ensuring that support for Australia's arts takes full advantage of the spectacular diversity of our artists and audiences, and that the diversity of Australian artists and people is included and represented in decisions about arts funding, including on assessment panels.

**Agreed.**

The government recognises the diversity of Australia's artists and audiences and will continue to monitor diversity to ensure its programmes support and celebrate our multicultural society. Assessment panels, including those of the Australia Council and the Ministry for the Arts will continue to have representation from a diverse range of people including Aboriginal and Torres Strait Islanders, individuals from cultural and linguistically diverse backgrounds and people with disability.

**Recommendation 12**

The committee recommends that the Commonwealth government reverse the funding cuts to Screen Australia imposed in the 2014 budget, and refrain from implementing further cuts to film and television funding over the forward estimates.

**Noted.**

The government is committed to budget repair. To achieve this, savings have been sought from all portfolios. The government has made significant efforts to minimise these savings wherever possible.

**Recommendation 13**

The committee recommends that the Commonwealth government restore a program for funding innovation and development in interactive gaming, whether through reinstating the Australian Interactive Games Fund previously managed by Screen Australia, or through another appropriate government entity.

A report from the Senate Standing Committee on Environment and Communications inquiry into *The Future of Australia's Video Game Development Industry* is due on 1 April 2016.

The government will consider the committee's recommendations after the report is tabled.
Health Funding

Order for the Production of Documents


Senator GALLAGHER (Australian Capital Territory) (19:10): I seek leave to make a statement of no more than five minutes.

Leave granted

Senator GALLAGHER: I thank the Senate for allowing me to make some comments in relation to the order for production of documents.

Yesterday, the Senate agreed that the government should table the legislative instruments that will implement the government's cuts to pathology and diagnostic imaging. We understand these regulations have been drafted and approved by the executive council, yet the government has not yet registered them. Today, the government refused to provide the regulations referred to in the order for production of documents, instead sending a letter that they have now tabled.

Unfortunately, for Australians, we know that the government is trying to hide their latest attack on Medicare. From 1 July 2016, the government will cut Medicare payments for pathology and diagnostic imaging services to the tune of $650 million. Reducing bulk-billing incentives for vital tests and scans can only force the bulk-billing rates down and co-payments up. For example, the Australian Diagnostic Imaging Association estimates that pregnant women may have to pay almost $200 up-front for an ultrasound. Of course, the cuts will hit hardest those Australians who have cancer and other serious chronic health conditions and who need multiple tests and scans. For example, the up-front costs of the scans needed to diagnose and treat melanoma could be as much as $1,500.

Of course, Malcolm Turnbull has stood by Tony Abbott's attack on Medicare, but these cuts are all of the Prime Minister's own making. They were announced in the MYEFO in December and confirmed again in last night's budget. Australians have made very clear what they think of these cuts, with already over half a million Australians signing Pathology Australia's petition against the cuts. It is no wonder that the government are trying to hide these cuts. They know that if they tabled these instruments they would be rejected. They are deliberately avoiding the scrutiny of the Australian people and their elected representatives by failing to register them and therefore activate the timetable for tabling and disallowance as set out in the Legislation Act 2003. But Australians will not be fooled. These cuts are set to take effect on 1 July, as the minister's letter makes clear, and all Australians will be able to tell the government what they think of them at the federal election the next day.

Senator HANSON-YOUNG (South Australia) (19:12): I seek leave to make a short statement in relation to the ministerial statement.

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

Leave granted.
Senator HANSON-YOUNG: Thank you, Mr Acting Deputy President. Firstly, just following up from Senator Gallagher—the refusal of the government to allow the Senate to actually disallow this move to cut the ability for patients to have properly bulk-billed pathology tests is a disgrace. You either are prepared to stand by your policy and put it to the test in this chamber or you are not. The fact that you have been to cowardly to do that tonight speaks volumes. Australians, rightly, have rejected this and will so now, I imagine, at the ballot box.

The second issue I wanted to touch on is the absolutely shocking admission by Sophie Mirabella, the former member for Indi in Victoria, who announced that Wangaratta hospital did not get $10 million because, at the last election, voters voted for somebody other than the Liberals. It seems under this government that unless you do what they say the bunny gets it. (Time expired)

BILLS

National Disability Insurance Scheme Savings Fund Special Account Bill 2016

First Reading

Bill received from the House of Representatives.

Senator PAYNE (New South Wales—Minister for Defence) (19:14): I move:

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

Question agreed to.

Bill read a first time.

Second Reading

Senator PAYNE (New South Wales—Minister for Defence) (19:14): I move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

National Disability Insurance Scheme Savings Fund Special Account Bill 2016

This Bill will establish a new ongoing special account that will assist the Commonwealth to meet future financial commitments to the National Disability Insurance Scheme. The special account will be known as the National Disability Insurance Scheme Savings Fund Special Account.

The National Disability Insurance Scheme (known as the NDIS) is one of the largest social and economic policy reforms in Australian history. The NDIS supports Australians who are born with, or acquire, a permanent and significant disability before the age of 65 to lead a more independent and inclusive life.

The NDIS provides this support by assisting people with disabilities to meet the costs associated with their conditions. Importantly, the scheme empowers people with disabilities to make their own decisions about how they are supported.

NDIS trials are well underway across Australia and, by the completion of the trials in June 2016, there will be around 30,000 people with disability participating in the scheme. From July 2016, the NDIS will begin a large-scale expansion, being introduced in a staggered and well-managed transition over the next three years.
By 2019–20, the NDIS will be supporting around 460,000 Australians with disability. At that time, the NDIS will be injecting $22 billion each year into the Australian economy.

The NDIS provides the support directly to each eligible person, rather than to a service provider to then deliver the required support. As a result, the NDIS will also change the landscape of the disability sector. New opportunities will be created by empowering people with disability. A new source of demand will be created within the wider economy for disability support services. As the scheme grows, it will create a national market for care and support based on empowerment, choice and control – a market that drives innovation and creates greater efficiencies and effectiveness.

The Productivity Commission concluded that, over time, the economic benefits of the NDIS will outweigh its costs and will add close to one per cent to GDP. The NDIS is not only good for people with disability, it is good for the Australian economy and it will drive jobs growth over the long term.

In 2019–20, the NDIS reaches 'full scheme' with $22 billion of funding. The Commonwealth's share of the total funding will be around $11.3 billion per year. At that time, eligible people with disability who are currently receiving support through Commonwealth and state disability programs will be receiving support through the NDIS.

The Government is fully committed to properly, adequately and sustainably funding the NDIS. It is for these reasons that the Government is bringing forward the National Disability Insurance Scheme Savings Fund Special Account. The special account will give a clear line-of-sight of the funding set aside by Government for the NDIS.

It is critical that the Commonwealth manages its funding in a way that is transparent and quantifiable, and meets the Commonwealth's funding commitments to ensure the NDIS is fully funded.

The Government is 100 per cent committed to delivering and funding the NDIS in full. We have supported the NDIS from day one and this special account demonstrates that ongoing commitment.

In addition to this special account, the Commonwealth is redirecting existing disability-related spending and the DisabilityCare Australia Fund toward the cost of the NDIS. In 2019–20:

- existing Commonwealth disability funding redirected to the NDIS is estimated to be $1.1 billion;
- the Commonwealth share of the increase in the Medicare Levy through the DisabilityCare Australia Fund is estimated to be $3.3 billion; and
- redirected funding, which is currently provided to the states for specialist disability services, is estimated to be $1.9 billion.

In total, the Commonwealth will direct $6.3 billion from these sources to the NDIS. Because of the failure of the previous Labor Government to specifically set aside funding for the NDIS, this will leave a funding shortfall of $5.0 billion from 2019–20 onwards, which this Government will meet.

While the Medicare levy is an important contribution to the NDIS, it only provides a portion of the Commonwealth's annual new contributions to the NDIS at full scheme.

It falls to this Government to set aside the remainder, which equates to $5.0 billion funding shortfalls from 2019-20 onwards.

This special account is the mechanism for securing that funding shortfall. It's proof of the responsible and sustainable way that this Government follows through on its NDIS promises.

The National Disability Insurance Scheme Savings Fund Special Account, which will be created by this Bill, will be in the form of a special account. The special account will be administered by the Department of Social Services, with its funding sitting within the Consolidated Revenue Fund. This will ensure that savings deposited into the special account are not returned to the Consolidated Revenue Fund itself and effectively lost for NDIS purposes.
The special account will allow the Government, over future budgets, to identify savings from existing programmes and set aside those savings to assist in meeting the Commonwealth's future financial commitments to the NDIS. Effectively, the Government will, over successive years, put aside savings that are clearly identified, quantified and defined so that the $5.0 billion annual funding gap from 2019–20 is met within existing funding.

By clearly identifying savings in the special account, it will provide an enduring response to the concerns raised by the disability sector in relation to how Government will fund the shortfall for the NDIS. The previous Government had identified savings to assist in meeting the funding requirements of the NDIS from 2019–20. However, those savings were not set aside to meet future NDIS costs and were effectively lost for NDIS purposes.

The special account provides a sustainable way to meet the funding gap from 2019-20 onwards that does not require borrowings for the NDIS that would need to be paid back by future generations.

This Bill gives the Government the flexibility to identify savings from any portfolio, not just the Social Services portfolio. That approach will ensure that many areas of Government contribute to supporting people with disability.

There will be an upper limit on the balance of the special account – it will only hold enough money to fund the future value of the Commonwealth's NDIS commitment. Over the next few years, savings can accumulate in the special account to meet future funding commitments. From 2019-20, when the NDIS reaches full scheme, if the balance of the special account becomes greater than required, the excess will be returned to the Consolidated Revenue Fund.

Further, a review of the special account will be conducted in 2026–27.

Identification of savings to be deposited into the special account will be a decision of Government. Those savings to be credited to the special account will be committed over a 10-year period. The quantum of individual savings will be consistent with the Budget Process Operational Rules. The Minister for Social Services will be the responsible Minister, with responsibility for the policy and management of the special account.

The Government will establish the special account with an opening balance of $162.4 million in 2015–16 from the Consolidated Revenue Fund.

The Government will make further deposits into the special account as soon as the Budget in May 2016. Further deposits will be made over coming financial years.

In bringing this Bill forward to create the National Disability Insurance Scheme Savings Fund Special Account, the Government is providing a robust and enduring solution to meeting the Commonwealth's funding commitments for the NDIS.

Debate adjourned.

Omnibus Repeal Day (Autumn 2015) Bill 2015

Social Services Legislation Amendment (Miscellaneous Measures) Bill 2015

Tax and Superannuation Laws Amendment (2016 Measures No. 1) Bill 2016

Returned from the House of Representatives

Message received from the House of Representatives agreeing to the amendments made by the Senate to the bills.
Supply Bill (No. 1) 2016-2017
Supply Bill (No. 2) 2016-2017
Supply (Parliamentary Departments) Bill (No. 1) 2016-2017
Tax and Superannuation Laws Amendment (Medicare Levy and Medicare Levy Surcharge) Bill 2016
Water Amendment (Review Implementation and Other Measures) Bill 2015
Northern Australia Infrastructure Facility Bill 2016
Northern Australia Infrastructure Facility (Consequential Amendments) Bill 2016

Messages from the Governor-General reported informing the Senate of assent to the bills.

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

REGULATIONS AND DETERMINATIONS
Social Security (Administration) (Trial Area—East Kimberley) Determination 2016

Disallowance

Debate resumed.

Senator SIEWERT (Western Australia—Australian Greens Whip) (19:16): I was speaking on this at about the same time last night, and I was in the same situation too. To remind people: this is to disallow the regulation that sets in place the trial area in the East Kimberley for the cashless welfare card. Where I got up to last night was talking about some of the negative impacts that have occurred with the card in Ceduna and the fact that there are concerns about it in East Kimberley. I have had people on the phone expressing their concerns about people who were not aware that they were going to be subject to the card and that they thought it was an opt-out situation. As I articulated last night, it is not an opt-out situation.

Since then I have received a copy of a letter that has been sent to the Prime Minister, which I talked about in the chamber during adjournment last night. Aboriginal organisations in Geraldton have clearly said that they do not support the cashless welfare card. This coincides with a lot of the feedback that I got at the public meeting that I held in Geraldton, where other community members expressed their strong concern about the cashless welfare card and the impact they would have on their community. They actually had a very clear understanding of what was involved with the cashless welfare card and the significant impacts that it would have on the community, as did the Aboriginal organisations.

Many of them have had a number of meetings with either the minister or representatives from Prime Minister and Cabinet and the Department of Human Services, and I think Social
Services as well. They clearly understood the decision that they were making. They have clearly talked about it at length. They did not make a rushed decision. They have clearly now said 'no' to the cashless welfare card.

In fact, I understand today there is news that the local Nationals member—the local Nationals member; one of the government's own team at the state level—does not support the cashless welfare card, because he has obviously been listening very closely to the voices of the community. He came to the meeting that I hosted in Geraldton, and listened very closely to the people who were very strongly and passionately articulating their opposition to this particular program to the government. I have had news today that he has come out and also rejected the cashless welfare card, having listened to the voices of the community. This is particularly important because the minister and the government have always said, 'This will be in consultation with the community'. This did not occur in Ceduna and did not adequately occur in East Kimberley, where the government, as they had tried to do in Geraldton—and the letter to the Prime Minister clearly pointed that out—only went to certain people.

Debate interrupted.

Sitting suspended from 19:20 to 20:00

BUDGET

Statement and Documents

Debate resumed on the motion:

That the Senate take note of the statement and documents.

Senator DI NATALE (Victoria—Leader of the Australian Greens) (20:00): This budget, Malcolm Turnbull and Scott Morrison's first, is a massive let-down for the people of Australia. Just as they have been let down by Malcolm Turnbull as Prime Minister, the people of Australia have been let down by this budget. It is a budget that does not properly address the fact that we have a revenue problem. It is a problem that was brought to us by John Howard and Peter Costello when they wasted the rivers of gold from the resources boom through round, after round, after round of tax cuts. It is a budget that hands out corporate tax cuts while locking in cuts to hospitals. It is a budget that hands over money to the highest income earners but cuts support to the most vulnerable families. It is a budget that spends billions harming people by locking them up on Nauru and Manus Island. It is a budget that continues to subsidise fossil fuels but rips funding away from clean energy. And it is the Treasurer who cannot even mouth the words 'global warming'—the biggest economic and environmental challenge of our generation. Australia needs and deserves better. It deserves some courage and vision.

The budget projections in the Treasurer's speech are heroic; some would say fanciful. While revising near-term growth figures down to 2.5 per cent, the government banks on them magically rebounding to three per cent in 2017-18. Consider the context: we have low commodity prices, we have a slowdown in housing construction, we have wages that are flat and we have low inflation. Worse still, the government banks on investment in the non-mining sector growing to 3.5 per cent in 2016-17 and a magical 4.5 per cent by 2017-18—all this on the same day that the Reserve Bank cut the interest rate in an effort to stimulate lending. I know whose projections I trust, whose advice I trust, and it is not this government's.
The growth forecast is magical thinking. The fairies do not live at the bottom of the garden anymore; they live at the top end of town in Liberal Party headquarters.

Australians deserve an honest budget, a fairer budget, a better budget, and that is what the Greens would deliver. Malcolm Turnbull promised that he would lead a transition to a new economy. He likes talking about the new economy a lot, does Malcolm Turnbull. He says that this budget is a plan for jobs and for growth. Well, at the heart of a transition to a new economy is the need to move away from those polluting sources of power to clean, cheap renewable power. We need steelworkers and manufacturers to make the blades and turbines that will capture the energy from the wind. We need tradespeople to install those turbines and the solar panels that capture energy from the sun. We need scientists to continue to work and develop concentrated solar, thermal and wave technology. We need to be installing batteries to bring on the energy storage revolution. We need workers to manufacture the electric cars and the electric buses and trucks of the future. We need people to maintain this infrastructure to keep things humming along. And we need to ensure that workers, their families and communities are not left behind as coal goes into terminal decline. But this budget has no plan for that transition. It is completely silent.

The Greens have a plan. We have a detailed plan to renew Australia—a plan that would see 15,000 jobs across Australia in the design and construction of clean renewable energy projects right out to 2030. It is in line with global trends, which saw clean energy employ more than 7.7 million people across the world in 2014, according to the figures published by the International Renewable Energy Agency. The rest of the world knows that this future is coming and that this century belongs to those nations that embrace this challenge, that embrace the transition, but our Prime Minister and Treasurer are stuck in the last century. Scott Morrison's budget uses the language of transitioning but it leaves huge fossil fuel subsidies for dirty, polluting industries intact and it shovels more money into the exploration for more mining, more drilling and more fracking right across northern and southern Australia.

Following the signing of the Paris agreement, as we experience the shattering of records for global temperatures and witness the bleaching of our reefs and the burning of those ancient forests, a better budget would transition away from those old polluting industries to bright, new, clean renewable energy. And we have choices. We do not have to rely on an arbitrary two per cent of GDP defence spending target or $30 billion on armaments to support jobs in manufacturing. We can be building turbines rather than tanks. We can be building solar cities rather than strike fighters.

Given this government's track record, it is hardly surprising that they are not up to the task, but I have to say that Labor's position is disappointing. They express concern for global warming but their clean energy and emissions reduction targets take us to the brink of two degrees and possibly beyond, triggering catastrophic global warming. We had both the government and the Labor Party on a unity ticket slashing the renewable energy target and we have them on a unity ticket when it comes to expanding our coal export industry. I call on Bill Shorten, tomorrow night in his budget reply speech, to categorically rule out any support for Malcolm Turnbull's slashing of $1.3 billion from the Australian Renewable Energy Agency—funding that has helped create renewable energy technologies that are so vital for job creation, and investment that Australia so desperately needs. I commit the Greens to fighting tooth and
nail so that we have a better budget that ensures that we have renewable energy to create a better, jobs-rich future.

The Australian Greens will stand up for a fairer Australia. This budget should have been about reducing income inequality and securing the government's revenue base to fund schools, hospitals and other vital infrastructure. But instead, what did we get? We got growing inequality by providing huge corporate tax cuts and income tax cuts for people on high wages. We have our schools and hospitals desperately in need of investment. We have economic challenges ahead. Now is not the time for unaffordable and unfair tax cuts that are effectively election bribes. The government is ripping $4 billion out of schools and hospitals for a $6-a-week tax cut for people on above the average wages—offering them the old sandwich-and-a-milkshake tax cut without the milkshake. The budget flagged $3.3 billion for schools and hospitals, but that does not come close to bridging that huge hole, that $80 billion that was ripped out of health and education.

I ask the Prime Minister and the Treasurer: how can you look Australians in the eye and rip $6 billion out of universities, out of social support, out of Medicare and out of public sector jobs when you are giving more than $12 billion in tax cuts and tax breaks to businesses, to high-income earners and to the super wealthy?

The Greens welcome the government's very small steps towards cracking down on multinational tax avoidance, including the Google tax, the beneficial owners register and the whistleblower protections. They have taken some of the ideas that the Greens released only two weeks ago in our comprehensive 18-point tax plan. That is a good thing.

I have to tell you that I am really proud to be leading this team; a team of people who are, in fact, at the forefront of the economic debate in this country. Whether it be on tax avoidance, whether it be on reform to superannuation or whether it be negative gearing, the Greens have been leading the economic debate in this country.

We welcome the one-off injection to the Australian Taxation Office for their crack team of specialists, but let us also look closely at the budget papers and realise that what we see is a continued reduction of the resources to the ATO. We know that the ATO has suffered from huge cuts over time, allowing those companies and individuals to avoid paying their fair share of tax. We think more needs to be done. There need to be more efforts in diplomacy to force tax havens to share information, greater penalties for companies that use secrecy jurisdictions and real, genuine support for whistleblowers.

The change to superannuation is welcome, but it is also a missed opportunity for much bolder and much fairer reform in the super system. Malcolm Turnbull and Scott Morrison had the support and goodwill of business groups, civil society, the unions and indeed the whole parliament to clamp down on those unfair tax breaks in the super system and to raise the money we desperately need to fund schools and hospitals. They were not up for it.

Just think about this: someone on $250,000 continues to pay the same 15 per cent tax rate on their contributions as someone on $60,000. That is not fair, yet we have the two old parties in this place who continue to support it. Genuine reform of our super system would have brought in four times as much revenue, made the system fairer and ensured that super worked in the way that it was intended.

CHAMBER
Schools, vocational education, higher education and research sectors should be the engine room for ideas, for innovation and for growth in the new economy that the Prime Minister just loves to spruik. But this budget starves all of these sectors, all for that tax cut worth a sandwich a week. High income earners, like those of us who are politicians in this place, get two tax cuts out of this budget—two of them! We get the removal of the deficit levy and we get the change in the marginal rate from $80,000 to $87,000. I can tell you, we do not need it. Our colleagues: we do not want it. We think that those people, the average Australians—three-quarters of them on less than that $80,000 figure—deserve something under this plan, and yet they get nothing. They get absolutely nothing. This government is the very epitome of an unfair budget.

Consider those people who receive income support. They will get less money because of the removal of the Clean Energy Supplement. How is it that it is morally right to be reducing the income of people already on very low incomes and raising the incomes of people like us—those of us on higher incomes—with a double tax cut? That is not right; it is not fair.

The Treasurer talked a lot in his budget about growth. The IMF actually tell us that if we are concerned about growth, then the most effective strategy is to reduce inequality and raise incomes at the bottom end of the income scale, yet this government has none of it. It is a budget that pays no heed to the advice of the IMF, or to other leading economists, to reduce that income inequality, because we have a Prime Minister and a Treasurer who just do not care.

As a result of this budget, large corporations will benefit from a lower company tax rate. It is a tax cut that is purported to target small business, but let us look a little closer. Over the next four years the government is proposing to increase the turnover threshold to $100 million. That is a weekly turnover of close to $2 million. Within eight years the threshold will increase to a billion dollars—a weekly turnover of $19 million a week. Tell me how many small businesses turnover $1.9 million every week, let alone $19 million every week? That is not a small business. The government's company tax cuts are simply Liberal corporate welfare for big business disguised as support for small business. What do they do? Of course, they disadvantage small businesses because they lose the tax advantage that they have compared to medium and large companies.

The Greens will not support these tax cuts at a time when so many Australians are doing it tough and we do not have the revenue to fund schools and hospitals.

We call on the Labor Party to change their position and reject this government's tax cuts.

Also, one of the centrepieces of the Treasurer's economic plan is a new initiative for youth employment. We welcome the government finally recognising that Work for the Dole has been an expensive experiment, one that has failed to provide meaningful employment for young people. It is overdue, but it is a welcome development.

But we have very, very serious concerns about the internships proposed by the government in an attempt to reduce youth unemployment. It is open to young people being exploited and it will deliver very dubious long-term employment outcomes.

Our proposition is very simple: surely if a job exists, a young person deserves to be paid a decent wage for it. It also raises some serious questions about people already in employment...
losing their jobs to make way for a young person who comes with a subsidy for an employer. This has the potential for some very serious unintended consequences.

This budget is yet another attack on the higher education sector, cutting 20 per cent of funding from the university sector in the 2017 forward estimates and beyond. The government keeps saying that deregulation is off the table, that deregulation is gone, that it is dead. We think it is simply hibernating until after the next election.

The budget confirms that the government has abandoned the Gonski needs-based funding formula as well. We know that it has only restored $1.2 billion of the $30 billion that Tony Abbott ripped out of schools over the next decade.

Sadly, students with disabilities have been treated under this budget with complete contempt. The paltry additional funding of $118 million is a shortfall of $2.3 billion over what we know is required for the next two years. It is a massive underfunding in the future potential of this nation and it lets down students and their families.

The Greens have a fully costed plan to assist young students who have disabilities. It is a plan that is costed by the Parliamentary Budget Office at $4.8 billion and, again, we call on the Labor Party to support it where the government has failed.

The government's stubborn refusal to act on evidence that negative gearing is forcing people out of the housing market shows just how out of touch they are. Negative gearing has created a housing market dominated by speculative investors, a housing market where first-time buyers are increasingly shut out. We are one of the few countries that make it easier for someone to buy their second, third, fourth and fifth property than to buy their first.

The current capital gains tax discount encourages negative gearing and speculation in the property market. It drives up housing prices, it locks out first home buyers as well as creating a rental market that is stacked in the favour of investors rather than tenants.

The Greens have long argued for the removal of negative gearing and capital gains tax to end that subsidy for property investors and help ease the way for renters and new buyers.

This budget also ignores the needs of social housing supply and, indeed, homelessness. We have annual funding for homelessness services worth $115 million ending next year, creating massive uncertainty for vulnerable people.

We have a budget that locks in Tony Abbott's harsh cuts of $600 million to the affordable rental and housing programs, and we have an extension of Tony Abbott's asset divestment program, selling off hundreds of government-owned buildings and land that could have been used for affordable housing. We believe that much more needs to be done in this space.

In addition to the Greens policies on negative gearing and capital gains tax, we agree with the majority of economists that stamp duty should be abolished and replaced by a much fairer and more efficient land tax. Land tax is economically efficient, it is progressive, it cannot be avoided by fancy accountants and, importantly, it is a potential mechanism to generate greater public investment in infrastructure. That is what real reform looks like. It just takes a bit of courage and a bit of vision.

On the question of infrastructure, let me turn to the Governor of the Reserve Bank, who recently said, 'We are reaching the limits of monetary policy.' The budget papers do show that
investment in the mining sector and the non-mining sector went backwards last year, and they project a big slowdown in housing construction.

Against that backdrop, the Greens have a plan for the government to borrow and invest in productivity-enhancing infrastructure. It is a common-sense position. It is a position that is held by most economists and, indeed, by the International Monetary Fund.

The Prime Minister himself has said that infrastructure is absolutely critical to Australia's future. A lot like the Prime Minister's words, if only this budget was true to his word. The budget includes only $1.2 billion in new money for infrastructure.

The Greens would get the Australian Infrastructure Bank established to get money flowing where we need it—into clean energy projects, into public transport projects and into the import local government projects.

The Greens welcome the funding to progress the east coast inland freight rail link, but this is one bright spot on an otherwise very, very gloomy landscape. The government has stuck with its misguided toll road agenda, continuing to support traffic-inducing projects—projects like WestConnex in Sydney for goodness sake, what a lemon; and the Perth freight link in Western Australia, another dud.

They have included a nod to the East West Link in Melbourne, despite the fact that Victorian voters have said, 'We don't want it.' Building these mega roads to fix congestion is fixing obesity by loosening our bowels.

The budget extends the freeze on Medicare. This is a freeze that has been going so long it is now more of an ice age. We have a GP co-payment being introduced by stealth, by freezing the indexation on Medicare. What is does is that it forces GPs to charge higher out-of-pocket costs to stay afloat, passing those costs on to patients, making it harder for them to see the doctor.

We have got the government's dental plan, which rips over a billion dollars out of the system. It abolishes Medicare funded dental care, which should be built up rather than torn down.

This is a budget that locks in the $50 billion of cuts to health. We have seen $180 million cut from front-line health services through reductions in the flexible funds program, which provides money for drug and alcohol treatment and illness prevention—those cuts building on a billion already gone. There is now tripartisan support for an increase in the tobacco tax. That is a good thing. But let's now turn our attention to other areas, like alcohol taxation for the same reason.

The Treasurer used the word 'Indigenous' just once in his budget speech. When you consider that Aboriginal life expectancy and incarceration rates remain a source of national shame and for all the fine rhetoric on closing the gap, there is still no funding for the National Aboriginal and Torres Strait Islander Health Implementation Plan. We have to do better. The budget also leaves women and children in danger, because it fails to reverse the harsh cuts to front-line domestic violence services and leaves other crucial Aboriginal and Torres Strait Islander services underfunded and facing an uncertain future. Crucial specialist homelessness services for women fleeing domestic violence have again been left in limbo.

Despite the community—and, indeed, the Senate—rejecting cuts to family tax benefit B, it remains on the government's agenda. The budget also reveals plans to drop more people off
the disability support pension to help pay for the National Disability Insurance Scheme. Why is that we feel the need to hurt one vulnerable group in order to help another one?

After the gutting of Australia's foreign aid budget by over $11 billion since 2013, the government has savaged it by a further $224 million, plunging our aid investment to a shameful 0.22 per cent of GNI. This is the lowest level of Australian aid since records began over 50 years ago. It is an indictment of the coalition. One of those submarines—just one of them—at the cost of $4.17 billion, is more than our foreign aid will be in 2016-17. The government talks a lot about national security. The best investment in our national security is poverty alleviation in the region and around the world.

Billions of dollars continue to be spent on keeping people in offshore detention centres, despite the fact the Nauru and Manus Island camps are in crisis. Next year the government is planning to spend approximately $400,000 to detain each man, woman and child in Nauru. There is no increase next year to Australia's humanitarian intake, despite the biggest global flow of refugees since World War II. A better budget, a more decent budget, would close Manus and Nauru and invest in safer pathways for asylum seekers.

Last week the Greens Treasury spokesperson, Adam Bandt, and our finance spokesperson, Senator Peter Whish-Wilson, released the party's Budget Principles for the 2016 Budget and Federal Election. They are very simple and very straightforward. We will raise the revenue we need so that everyone can get world-class public health care, education and other services. We will increase GDP, by growing the new, clean economy. We will get money moving from unproductive areas—like those unfair tax breaks and the huge fossil fuel subsidies—and we will get that money working in the new economy. We will grow the new economy and restore revenue before returning to surplus. We will bring forward budgets that promote sustainability and wellbeing that reduce inequality.

The Greens' statement of economic principles represents a coherent, progressive and responsible approach to economic management. We are the ideas boom in Australian politics. We are the disruptors. We are the innovators. We have led the way for the other parties to follow, where we chip away at those sacred cows of public policy long before it is popular. We have already announced fully costed policies by the Parliamentary Budget Office: let's make the deficit levy permanent—worth $1.5 billion; the removal of fossil fuel subsidies—$21 billion; the Buffet Rule for a high-income tax guarantee so that people pay their fair share—$7 billion; the removal of negative gearing and the capital gains tax—another $7 billion; the most comprehensive tax avoidance plan this country has seen to raise a minimum of $5 billion; and an infrastructure bank to release up to $75 billion into nation-building projects over 10 years. Those policies are fully costed by the Parliamentary Budget Office.

If we had a government with courage and vision, we would be able to enact this plan. If we had a government with courage and vision, we would see some leadership and work to establish a financial transactions tax, sometimes called a Tobin tax or a Robin Hood tax, at an international level. Putting a tiny levy on financial transactions would discourage those high-frequency transactions that add no benefit to the economy—pure speculation for no-one's benefit—and help stabilise our financial system by pricing the risk that financial transactions pose to the broader economy. It would bring in billions.

I call on the government to reconsider its budget priorities and bring forward programs that fast-track vital renewable energy investment. Let's bring the clean energy generation online.
Let’s phase out coal-fired power. And let’s also recognise that battery storage is where the future lies. Tomorrow the Greens will announce a plan to drive the uptake of batteries for households and businesses at a cost of approximately $2.8 billion. How will we pay for it? It will be completely offset by removing accelerated asset depreciation for aircraft in the oil and gas industry. Now is the time to jump-start the battery industry, to encourage the uptake of storage technologies and to help make Australia a leader.

I will finish by saying that the Turnbull budget fails the challenge to transition our economy to the jobs-rich, clean energy economy. It starves our schools and hospitals of funding. It chokes our cities with traffic. It prices young people out of the housing market. It wastes money on the brutal and harmful policy of offshore detention.

Senator LAMBIE (Tasmania) (20:30): I rise on behalf of Tasmanians to participate in the 2016-17 Senate budget debate. I would love to be able to say that it looks like there are exciting times ahead, but that is certainly not the case. If you are a banker or a politician, this budget will put a smile on your face, because you are going to receive a number of tax cuts and benefits. However, if you are an age pensioner, after the delivery of this budget, it is official: the Liberals and the Nationals just hate you.

If you are an age pensioner who is sick and needs a doctor, the measures in this Liberal budget regarding health and Medicare show that they really, really hate you. If this tricky budget, with $13 billion of Tony Abbott's cuts to family welfare still embedded, is allowed to pass this parliament after a double dissolution election, 2.5 million Australian pensioners will be severely financially disadvantaged and out of pocket. What is that going to do to economic growth and job creation for Australia, with all those broke pensioners living below the poverty line?

Malcolm Turnbull's Treasurer talked about a 10-year plan to help the people who donate large sums of money to the Liberal Party in order to justify the Liberal's tax cuts, which will advantage the companies and people who have a long track record of failing to pay their fair share of tax and donating millions of dollars to the Liberal Party. Malcolm Turnbull's Treasurer quoted statistics from the OECD. That was just the first of a number of serious mistakes he made in his underwhelming, tricky and fundamentally heartless budget presentation. Instead of quoting OECD statistics on company tax rates, he should have quoted the OECD report that found that more than one-third of Australian pensioners are living below the poverty line. The OECD report indicated that our government is, firstly, among the worst performers in the world for the financial security of older people and contributes less to old-age benefits than other OECD countries; secondly, ranked second lowest on social equity, with 36 per cent of pensioners living below the poverty line; and, thirdly, spends 3.5 per cent of our GDP on the pension, below the OECD average of 7.9 per cent.

The average single Tasmanian age pensioner receives $873.90 per fortnight while an age pensioner couple receives $1,317.40 per fortnight. The Australian government must find ways of boosting age pensioner incomes and cash flows and exempting or limiting price rises for the basics in life. At the very least, we must help our age pensioners live above the poverty line. This budget does the opposite.
Prime Minister Turnbull's Treasurer said that these are extraordinary times. So let's take extraordinary measures. My plan is simply to redirect half the $50 billion foreign aid budget—that being $25 billion—into age pensions. That would provide a boost to the age pension of approximately 5.8 per cent. It is a start, and it is $25 billion more than any other political party is advocating for the people who made our nation great. It will mean the average single Tasmanian age pensioner payment will increase by $50.69 and an age pensioner couple will receive an increase of approximately $76.41.

Tony Abbott's government tried to manipulate the political electoral cycle three years ago with a horror budget—which was about as subtle as an ice pick to the head. The fact that there is still $13 billion of Tony Abbott's cuts to families, pensioners and veterans' entitlements buried in this budget is proof that this Liberal government has not really changed, and the ice pick has not been removed; it is just covered up with some political window-dressing. The rich vested interests are still calling the shots in the Liberal Party; the puppets have simply changed.

The Liberals are still dishonest, arrogant, tricky and mean, and they are just waiting for an opportunity to increase the GST to 15 per cent. And I guarantee you that, should they control the lower and upper houses of the parliament after a double-D election, they will raise the GST by another five per cent—a $35 billion tax which will target the poor. Indeed, the dark secret of the Liberal's 10-year plan is that it relies on a 15 per cent GST rate to save Australia from a downgrade in our credit ratings. This budget, with its unrealistic growth predictions, its failure to properly tax the super-rich and its overreliance on trade with an aggressive, corrupt and faltering China, is built on shifting sands and has set up Australia for recession and fiscal failure.

The government have not abandoned university deregulation; they have just delayed it, while announcing $2.5 billion of cuts to universities just for the entree. The Liberals are just dying to change the laws to give their corporate mates and political donors access for the first time in Australian history to the billions of dollars of university funding. That way they can turn a blind eye—as they did with the state VET systems—and let their generous corporate friends rot and rip off billions from our students, our universities and our taxpayers. I also note that the Liberal government refused to deal with childcare and paid parental leave before the election—and I will leave you to draw your own conclusions as to what that will mean.

Extending the pause on the Medicare Benefits Schedule fees for all services provided by health practitioners, as proposed in the Turnbull-Morrison budget, will cut $1 billion over two years from Medicare. That is just another step towards privatising Medicare, which we know is on the conservative government's agenda. What does this cut mean, though? This measure will not change the way people qualify for treatment, but rather the amount of out-of-pocket costs they may experience for these services. When the government pauses indexation on the MBS fees and pulls $1 billion worth of income from the health professionals, these health professionals will, as we know, pass that cost onto the consumer. Patients can expect higher out-of-pocket costs for health services. And this is on top of the $650 million cuts to the bulk-billing incentive the government refuses to drop. The Liberals have essentially ripped $1.5 billion out of Medicare in their move to privatisate it. If the Liberals are allowed to govern there will be no way to stop the complete privatisation of Medicare and cuts to bulk-billing.
What is also concerning is the fact that the government announced the $650 million in cuts to Medicare last December. At about the same time, their mid-year economic report set aside nearly $650 million to resettle Syrian refugees over the next four years. When I reminded the government of this in parliament during a question in the Senate in February, the minister responsible for rural health refused to answer directly whether the cuts to Medicare and women's cancer tests were agreed to so that Australian could afford to resettle Syrian refugees. Women do not know how they will be able to afford to participate in regular Pap smears, diabetics will not be able to properly monitor and keep on top of their disease and you can forget early intervention for cancers—she is 'all over red rover'.

I recently spoke to Richard Hanlon, Manager of Sonic Health Care—one of Tasmania's largest pathology companies—and a medical scientist. He says that after the Liberal government's cuts, women's cancer tests and Pap smears could cost $30 up-front, because of the removal of the bulk-billing incentive payment for all pathology. What about the extra load that will be placed on our hospitals, our doctors and nurses and public health systems in the future, because the government, for short-term financial gain, took the focus away from our primary and preventive health care?

Gold cards for our veterans: an unprecedented veterans' suicide and homelessness crisis grips Australia today. The crisis was created because of poor management of Australia's military resources and Defence personnel. Governments compounded their error by attempting to cover up the true nature and scale of our veterans' suicide and of our homelessness crisis. Yet the Turnbull-Morrison 2016-17 budget does not offer any measures that come close to being as effective as my automatic gold card would. My automatic gold card would ensure all veterans, including peacemakers, peacekeepers or former members of Australia's Defence Force and the Australian Federal Police who have served in war or war-like operations and for related purposes are provided medical and psychological treatment free of charge as a right of their service; the best medical treatment Australia has to offer—that is, through gold card health benefits.

A major cause of Australia's obscene veterans' suicide rate, apart from systematic underresourcing and an overcommitment to international operations, is that they do not receive medical care in a timely manner and by the unnecessary psychological damage caused during our veterans' bureaucratic fight for gold card-guaranteed medical treatment. When the issue of cost is raised, the saying that comes immediately to mind is that if we cannot afford to properly care for our wounded veterans when they come back from war or war-like service, then we should not send them there in the first place.

China's growing influence: over the course of my time as a senator, I have warned the government of the dangers of putting all our eggs in China's basket. Media investigations have backed up my calls for greater scrutiny of Chinese political donations and investment in Australia. When accused of discriminating against China, my response is, 'Yes, I am guilty of discrimination.' I proudly discriminate on the basis of whether you support democratic values and our rule of law or not. I will discriminate against any company who comes from a country that is not democratic. It is wrong for this Liberal government and the Foreign Investment Review Board to treat companies from New Zealand, Japan or South Korea in the same way as companies from China. Higher standards and more questions have to be asked by our
The release of the Panama Papers is quite clearly proof of that. The Foreign Investment Review Board needs to be given greater powers to scrutinise such investment from China. Yet I did not see any evidence of this in the budget papers last night. China's corrupt money is artificially inflating the Australian property market and buying up prime agricultural land. Yet the Foreign Investment Review Board has come out and said the dirty money is beyond their scope. The dirty money is beyond their scope! Well, who is responsible for the dirty money that is beyond the FIRB's scope? Unfortunately for Australia's future generations our food, water and energy and national and workers' security has been undermined by the lack of political will. The Liberal and National parties have to fix this problem of corrupt Chinese government funds purchasing Australian property or Australian political party favours.

Jobs and youth training: the Liberal government has proposed a $450 million spend on defence, but, yet again, there is no mention of Tasmania. Tasmania's businesses have been ignored for two decades when it comes to the fair awarding of Defence contracts, and this budget is no different. Tasmania has the skills, equipment and experience necessary to take on more Defence procurement. Tasmania also has the economic need for major projects like Defence procurement. With Tasmanian manufacturing companies promising to boost apprentices and trainees, Defence procurement could and would turn Tasmania's economic future around. When the US is choosing to buy Tasmanian-made equipment and vehicles it causes me to wonder why Australia will not.

Tasmanian businessman Michael Grainger of Liferaft Systems Australia said recently:

It is ironic that we are dealing with the major defence forces around the world but not our own country. When it comes to the fair awarding of Defence contracts, Tasmanian Liberals have been weak in their representation for 20 years. As a result, Tasmania has been taken for granted, guaranteeing that Tasmanian businesses, including those associated with the LAND 400, will continue to be ignored for another 20 years.

The Liberal government's preference for all things overseas is also clear in the 457 visa scam, where Australian workers' jobs are being taken by cheaper foreign labour that is not held to the same standard as Australian labour. After talking to maritime workers who are about to lose their jobs to foreign workers—more of them—it is time that all Australians stood up and said no. It is time to say no to the conservative government's 457 visa scam and start looking after Australian workers first. The 457 visas are only supposed to be used when there are no skilled Australians to do the job. It is quite clear that there are plenty of skilled Australian professionals who can service and run refuelling vessels.

The Liberal government also needs to look after our youth. Already the Liberals' Youth Jobs PaTH program has been targeted as slave labour. It is not that much different to Work for the Dole, a program that clearly does not work—I do not know how many times this has been tried over the last decade. The youth program supposedly prepares youth and allows them to trial a workplace with the final step being 'to hire', where the government provides employers with a sum of money for employing the youth in the program. The JLN, however, proposes that youth earn, learn or serve before they become eligible for welfare payments.
The JLN supports voluntary national service trainee and apprenticeship schemes which allow our youth to build vital workplace skills and experience, providing the necessary foundation to participate in the workforce long term and contribute back to society.

The ice response. The Turnbull-Morrison budget is missing a response to the growing use of ice in Australia. Despite the government’s line that there is no ice epidemic, the drug is cheap, easily accessible and highly, highly addictive. The government is underestimating its impact. Ice is a completely different beast to other illicit drugs and needs to be dealt with accordingly. There is no room for experimentation with this drug: one hit can hook; one pill can kill. We need zero tolerance, early intervention and involuntary detox of our children. Australian parents need to be educated about their lack of rights under Australian law to protect their children from themselves. All governments must work closely together and provide properly resourced and staffed detox facilities if we are to save generations from this misery. Emergency departments, paramedics and police need to be trained on how to deal with the violence that often comes with an ice high, because our frontline staff are being violently abused and injured with no recourse.

This is a national crisis that has been ignored in the budget. There is no funding for extra resources for rehabilitation centres, police or emergency departments. There is no funding for early intervention and prevention strategies, and I am damned if I know what is happening with the $300 million that was promised months ago—I still have 10- and 11-year-olds running around with ice pipes in their mouth! When is that money going to be delivered?

Senator Nash: 1 July.

Senator LAMBIE: Six months later—great!

While the Liberal government is being tricky with its higher education policy, the budget papers clearly state that $100,000 degrees are not being abolished but merely delayed. This is just another attack on a fundamental Australian social right—namely, an attack on access to free public education. It goes hand-in-hand with the ideological and political attack the Liberals have carried out on universal access to public health care and access that young people have to higher education. If the JLN holds the balance of power after the 2 July election, I will fight for every Australian to have a free first degree and I would push to uncap the number of two-year associate degrees in this country. I would also guarantee one per cent of GDP expenditure on education. If the coalition is re-elected, I guarantee they will bring back those $100,000 degrees—dragging Australia back into the past and undoing decades of hard work by those fighting for equality.

National security. It is clear that many Islamic people can peacefully practice their religion without supporting and advocating for sharia or terrorist law. I support and praise those peaceful Islamic people, and I call on all Australian Islamic leaders and leaders of other religions to condemn those who do support sharia law, because it shows: firstly, a clear sign of extreme radicalisation; secondly, a split or divided loyalty to Australia and proof of allegiance to hostile foreign powers; thirdly, an attack on democratic principles found in Australia’s Constitution; and, fourthly, discrimination against women and gay people. I am strongly opposed to sharia law being imposed in Australia either formally or informally. If the JLN have the balance of power, we will promote a policy of undivided loyalty to the Australian Constitution and its people. Support for sharia law—given that its law, culture and
way of life are supported by Islamic State terrorists—is therefore also a clear sign of seditious or treasonous behaviour worthy of investigation and possible charges.

It is an indisputable fact, backed up by many daily gruesome and brutal examples, that states, countries and communities that support and enforce sharia law allow: the death penalty by beheading or stoning to be imposed from a religious court on those found guilty of being homosexual, adulterous or who choose to become atheists; governments to torture, maim and remove the limbs of those, including children, found guilty by a religious court of property offences, including theft; governments to strip women of basic rights; discrimination against women by making it illegal for them to attend sporting fixtures, drive, drink alcohol, smoke, have sex before marriage, appear in public without a male chaperone and be educated; governments to encourage, tolerate or turn a blind eye to female genital mutilation and forced marriages; and allow governments to encourage, sanction, tolerate or turn a blind eye to the re-introduction of human trafficking and slavery.

Both sides of politics are too soft on Australian terrorist supporters. The chief of ASIO told me during Senate estimates questioning that they are officially watching 190 Australian citizens who are actively recruiting and providing support for Islamic State enemies. This stunned me because if our government authorities have proof of Australian citizens supporting our enemies, why haven't those 190 traitors been arrested and charged with serious crimes? Why has the government let these known Islamic State supporters remain in our communities where they can—and have—caused harm to innocents? The last time that happened, we ended up with the Sydney cafe siege and the unnecessary deaths of innocent Australians.

Local government federal assistance grants. A freeze placed on federal assistance grants has caused Tasmanian local governments to suffer at the hands of the Liberal government since its placement in the 2014-15 budget. This freeze has cut $925.2 million out of local government budgets for four years. Tasmanian local governments alone will lose $18 million in that time as a result of this pause to the indexation of the local government financial assistance program. Our ratepayers have already lost $1.9 million; they will lose $3.9 million worth of local government services this year and $5.9 million in the next financial year. Finally, they will lose $6.1 million in 2017-18. These figures are a disgrace for the Liberal members of this parliament from Tasmania; indeed, they are a disgrace for all the Liberal and National members of this parliament from every Australian state and territory. The fallout can only mean a higher cost of living and a greater number of Tasmanians leaving the state.

Tax the rich. Again the Liberal government has bowed down to their rich mates and political donors and delivered a budget that takes from the poor and gives to the rich. At least you are consistent in one area! This budget also busts the myth that the Liberal Party are good managers of public funds, which I would like to question by stating some facts. The Howard Liberal government made a grand total of $59.8 billion from public asset sales: $4.4 billion from airports, $48.6 billion from Telstra and $6.8 billion from the Commonwealth Bank. The Liberals under Mr Howard and Mr Abbott sold $59.8 billion of public assets and paid back $57 billion of Labor debt, leaving us with $108 billion of outstanding bonds and unfunded public service super.

How much revenue would have been raised to date had we not sold those public assets? In the last six months, the Turnbull Liberal government has failed to present a viable tax plan to
the Australian people. Turnbull's suggestions to increase the GST to 15 per cent and to double tax Australians by giving the states the power to impose income tax were quickly retracted, and that failure has added to the chaos and confusion that the Abbott Liberal government first created for this parliament.

I am not in the pocket of Australia's rich so I am not afraid to stand up for the everyday Australian who is struggling to make ends meet. I have identified an extra $94 billion over 10 years for our budget, if only the government had the courage to tax their super-rich mates. Australia could have a super-rich death tax, remove the capital gains tax exemptions for properties worth more than $2 million and have a financial transactions tax. Just those three new taxes would raise an extra $94 billion over the next decade, and those figures have been independently costed and proven. We could collect $94 billion without putting an additional tax burden on the majority of Australia's population.

In regard to buying local, Australia must look after its own backyard and implement a 'buy Australian' policy to protect our manufacturing industries, such as steel and paper. New South Wales South Coast Labor Council Secretary Arthur Rorris spoke to me after he gave evidence to a Senate committee in Wollongong about a scam that was being carried out in the steel industry. Mr Rorris indicated that overseas countries come to Australia, take our iron ore and coal, effectively sell the product to themselves overseas at a loss and avoid paying their fair share of tax in Australia. Those countries then use our iron ore and coal to make steel overseas and then dump that steel at unfair, subsidised, below-cost prices back in Australia. Those actions alone have caused the closure of Australian steel manufacturing and threatened the loss of more Australian jobs and manufacturing know-how. Australian federal governments have made the situation worse because a previous Senate committee hearing informed me that we do not have in place a national policy to buy local steel or any other manufactured products. When it comes to our $50 billion infrastructure budget, why won't this government buy local?

What about the fast cat? I do not want to talk down Tasmania. We live in paradise. However, if you want a future where our children and grandchildren are able to easily find a career and employment at home, then it is time for some strait talk—and when I say 'strait talk' of course I am talking about the Bass Strait. This unique body of water and our government's management of transport across it are the reasons why Tasmania has become economically disadvantaged and why our children, when compared with those from mainland states, do not have the same job and career opportunities. The problem with Bass Strait is that it costs so much to travel or ship goods across it. Those extra costs of quickly connecting to other Australian states have acted like a handbrake on our economy and have held back job creation and business growth in Tasmania for decades.

There are simple solutions to this freight problem which will better connect Tasmania to the economy, wealth and jobs of Victoria and other states. Lindsay Fox is one of Australia's most respected and successful businessmen. He established one of Australia's biggest transport companies and he, like me, wants to establish a fast cat ferry service to connect north Tasmania with the international freight airport at Avalon. This Victorian city is about a 50-minute drive west of Melbourne—or a 10-minute chopper flight if you are a Liberal politician. Lindsay Fox's proposed Bass Strait fast cat freight and passenger service would be far superior and more efficient than any existing Tasmanian monohull service that we
currently have. Sleek, new, 21st century, multihull vessels powered by jet turbines, using LNG as fuel and travelling at over 50 knots per hour would slash the current 12-hour Bass Strait trip by nearly a third—that is two to five hours turnover time.

One of the most respected and admired builders of these 21st century jet-powered ships is Incat, a Tasmanian business. Why aren't we supporting our own shipbuilders while investing in a Bass Strait sea transport system designed to enhance our children’s future? If the 21st century multihull vessels built in Tasmania are good enough for the US military, Denmark, London, Japan, Sydney and Argentina, then why aren't they good enough for the Tasmanian Liberal government? Bill Shorten, to his credit, has said that if he wins the next election he will have no problem investing money in a feasibility study for the fast cat, and I thank him dearly for that. Tasmanians deserve better—more than any other Australians—because we live in an island state of an island nation. We know how important it is to have a modern, efficient, affordable and reliable shipping industry.

Debate adjourned.

BUSINESS
Rearrangement

Senator NASH (New South Wales—Minister for Rural Health, Minister for Regional Development, Minister for Regional Communications and Deputy Leader of The Nationals) (20:57): by leave—I move:

That government business order of the day no. 7 (Australian Crime Commission Amendment (National Policing Information) Bill 2015 and related bill) be called on, and that the question for the adjournment of the Senate shall be proposed immediately after that order has been finally considered.

Question agreed to.

BILLS
Australian Crime Commission Amendment (National Policing Information) Bill 2015

Australian Crime Commission (National Policing Information Charges) Bill 2015

Second Reading

Debate resumed on the motion:

That these bills be now read a second time.

Senator McEWEN (South Australia—Opposition Whip in the Senate) (20:58): On behalf of Senator Collins, I seek leave to incorporate her second reading speech on these Australian Crime Commission bills in Hansard.

Leave granted.

Senator JACINTA COLLINS (Victoria) (20:58): The incorporated speech read as follows—

Mr President, I rise to speak about the Australian Crime Commission Amendment (National Policing Information) Bill 2015 and the Australian Crime Commission Amendment (National Policing Information Charges) Bill 2015 — which were discussed in this chamber earlier today.
As already stated, the purpose of the Australian Crime Commission Amendment (National Policing Information) Bill is to amend the _Australian Crime Commission Act 2002_ to merge CrimTrac and its functions into the Australian Crime Commission, and make consequential amendments to other Acts.

Established in 2000, CrimTrac is a "joint venture partnership" between the Commonwealth Attorney-General’s Department (AGD) and the state and federal police agencies, and is an executive agency within the Attorney-General’s portfolio.

CrimTrac is headed by a Chief Executive Officer and as at June 2015, had 207 employees.

It operates under a self-funded model, with most of its revenue coming from charges paid by police and other agencies for its National Police Checking Service.

The charges are paid into the National Policing Information Systems and Services Special Account and go towards operating expenses and police information services to all jurisdictions.

**Australian Crime Commission**

The ACC commenced operation on 1 January 2003. It has its origins in the April 2002 Council of Australian Government Leaders Summit, which agreed that a new national framework was needed to meet the challenges of multi-jurisdictional crime.

It replaced and combined the strategic and operational intelligence and specialist investigative capabilities of the National Crime Authority, the Australian Bureau of Criminal Intelligence, and the Office of Strategic Crime Assessments.

It has a specific focus on serious and organised crime of national significance. According to its latest Annual Report, the aim of the ACC is to "reduce serious and organised crime threats of most harm to Australians and the national interest".

To achieve this aim, the ACC has a range of special coercive powers such as the capacity to compel attendance at examinations, production of documents and the answering of questions (similar to a Royal Commission).

The ACC also has an intelligence-gathering capacity and a range of investigative powers common to law-enforcement agencies, such as the power to tap phones, use surveillance devices and participate in controlled operations.

The ACC’s main functions, as set out in the _ACC Act_, are to:

- collect, correlate, analyse and disseminate criminal information and intelligence and to maintain it in a national database
- undertake intelligence operations
  - investigate matters relating to "federally relevant criminal activity" (where relevant criminal activity is serious and organised crime or Indigenous violence or child abuse) and
  - report on the outcomes of its operations and investigations and provide criminal information and intelligence to the ACC Board.

Operations and investigations must be approved by the ACC Board, which also determines whether the operation or investigation is a "special" operation or investigation, in which the ACC’s coercive powers (broadly equivalent to those of a Royal Commission) may be used.

The ACC is a statutory agency within the Attorney-General’s portfolio. It is headed by a CEO and as at June 2015, had a staff of 581, plus 36 secondees from other Commonwealth agencies and state and territory law enforcement agencies.

The ACC Board includes the heads of the state and territory police agencies, and reports to an Inter-Governmental Committee comprising the Commonwealth Minister for Justice and a minister from each state and territory.

**Merger**
The 2014 Commission of Audit considered whether agencies responsible for criminal intelligence and information should be merged. It concluded the agencies were working effectively together, but recommended CrimTrac be merged with the ACC "to better harness their collective resources" and "better support law enforcement operations by the Australian Federal Police (AFP) and other Commonwealth and State agencies".

The Commission of Audit noted that implementing its recommendation would require consultation with state and territory governments, stating, "It is critical that their interests are reflected, including through the continued representation of the State police commissioners on the Australian Crime Commission board".

The Commonwealth consulted state and territory governments through the ACC and CrimTrac boards on options to "improve collaboration" between the two agencies.

In November 2015, the Law, Crime, and Community Safety Council, comprising justice ministers from all Australian jurisdictions, agreed to the Commonwealth taking the necessary steps to merge CrimTrac and the ACC.

The Minister for Justice, to whom both agencies are responsible, stated:

State and Territory Attorneys-General and Police Ministers gave historic in-principle agreement to embrace the new national security measure that will see CrimTrac IT specialists work side by side with the ACC's top intelligence analysts to pursue and undermine evolving national security threats.

With today's agreement from each jurisdiction, the Commonwealth will work towards getting the newly merged agency up and running by 1 July 2016. This will ensure that each jurisdiction has sufficient time to make the necessary legislative changes.

This merger is vital because our law enforcement and protection agencies need accurate information and intelligence to respond to immediate threats.

Privacy Concerns

Mr President, the proposed merger of these two agencies raises legitimate questions about what the privacy implications may be. This is because the agencies collect, store and share privileged information differently.

The Minister, the AGD, the ACC and CrimTrac have provided assurances to the Opposition about these issues.

The ACC and CrimTrac are both currently 'enforcement bodies' under the Privacy Act 1988. This means they may already share personal information for enforcement-related activities, including for the prevention of crime and intelligence gathering activities.

The ACC is subject to safeguards and oversight:

- Oversight includes the Parliamentary Joint Committee on Law Enforcement, the Commonwealth Ombudsman and the Australian Commission for Law Enforcement Integrity.
- Safeguards include strict provisions regarding the circumstances in which information can be shared outside the agency, which will be strengthened through the merger legislation.
- Safeguards also include practices and systems the ACC has in place to protect its existing holdings of sensitive information.

The merger would bring CrimTrac information into this framework.

CrimTrac's primary functions revolve around facilitating national sharing of information provided by other agencies, primarily police.
The merger will not impact on an individual's rights and remedies that are available under laws that apply to those providing agencies.

To mitigate any risks, the Attorney-General's Department and the agencies are conducting a Privacy Impact Assessment. This document details how each CrimTrac system collects, stores and uses information and outlines why a Privacy Act exemption is appropriate.

Further, to ensure transparency in the agency's dealings with personal information, the agencies are working with the Privacy Commissioner to develop and publish a protocol around personal information handling.

**In conclusion**

Mr President, Labor referred these Bills to the Senate Legal and Constitutional Affairs Legislation Committee for proper scrutiny and an opportunity for stakeholders to raise their concerns, and I note the Committee recommended that the bills be passed.

Labor is satisfied that there has been proper scrutiny of this merger and will support these Bills.

Senator McKIM (Tasmania) (20:58): I seek leave to incorporate my second reading speech.

Leave granted.

The speech read as follows—


This is the second Bill from the Government that seeks to merge an entity into the Australian Crime Commission. This first was to merge the Australian Institute of Criminology with the ACC.

The Bill before us now is the result of the 2014 Commission of Audit recommendation that CrimTrac be merged with the ACC 'to better harness their collective resources' and 'better support law enforcement operations by the Australian Federal Police and other Commonwealth and State agencies.'

It is interesting to note that other reviews that have considered the question of a CrimTrac/ACC merger did not recommend it.

At the meeting of the Law, Crime and Community Safety Council in November, State and Territory Police Minister and Attorneys-General gave in-principle support to the merger.

CrimTrac was established in 2000 under an Intergovernmental Agreement between the Commonwealth and state and territory governments. CrimTrac's role and function is to bring law enforcement information from around the country and make it accessible to all Australian police and other law enforcement agencies. CrimTrac's services include:

- Police reference and information services
- National fingerprint matching
- National DNA matching
- National child offender services
- National cybercrime reporting network
- Missing persons and victims system
- National police checks
- Ballistics Identification network
An important piece of work that CrimTrac are currently working on is the National Domestic Violence Order Information Sharing System.

There is no national system that shares information about protection orders between courts and police and CrimTrac was tasked with designing, developing and testing a prototype information sharing system for domestic violence orders.

CrimTrac is self-funding and receives its income from criminal history checks. This income accrues in the National Policing Information System National Account and I understand that that account has over $100 million in it earmarked for future technology upgrades.

Instead of merging it out of existence the Government could have explored a legislative basis for its role that would formalise its oversight and information sharing provisions.

This Bill has significant implications for the privacy of Australians.

The Office of the Information Commissioner in their submission to the Legal & Constitutional Legislation Committee stated:

- It is not apparent to me why it is necessary to remove the information currently held by CrimTrac from the protections, oversight and enforcement arrangements in the Privacy Act...

- Given the volume and sensitivity of the information currently held by CrimTrac, I am of the view that there would need to be cogent reasons for exempting that information, and the activities associated with it, from the Privacy Act entirely. I consider that the objectives of the regime could be met, while at the same time retaining the protections and oversight offered by the Privacy Act. (OAIC submission p 4)

- It exempts massive amounts of sensitive information from the Privacy Act; including missing person data, criminal records, DNA profiles of victims and offenders, and the fingerprint and palm images collected by police for a variety of reasons.

- Reassurances that there will still be oversight from the Commonwealth Ombudsman and the Australian Commission for Law Enforcement and Integrity do not go nearly far enough.

- As the Acting Australian Information Commissioner Timothy Pilgrim has pointed out that the proposed privacy safeguards are not enforceable and could be changed without going through Parliament.

- Mr Pilgrim also notes that the Crime Commission would not be forced to grant access to, or correct, an individual's personal information and data.

- He notes the provisions through existing state and territory police forces, but rightly points out that jurisdictions have inconsistent privacy legislation.

- We also share Acting Commissioner Pilgrim's concerns about the possibility of data being disclosed in missing person cases where someone has exercised their right to "go missing" for legitimate, including personal safety reasons.

- It is reasonable for adults to exercise their free choice to not associate with family and friends, particularly where an individual may have been subject to a violent or harmful environment. The OAIC submitted:

- If the Bill is enacted, the Privacy (Persons Reported as Missing) Rule 2014 would no longer apply to the personal information currently held by CrimTrac (i.e. national policing information), and the ACC would not be obliged by the Rule to respect any known wishes of persons reported as missing when using or disclosing information about them.

- The Greens are concerned about the overall mission creep of the Australian Crime Commission.

- Just like the recent Bill relating to the Australian Institute of Criminology and the Australian Crime Commission, this is much more like a takeover than a merger.

- The Australian Greens do not support this Bill.
Senator NASH (New South Wales—Minister for Rural Health, Minister for Regional Development, Minister for Regional Communications and Deputy Leader of The Nationals) (20:58): I thank senators for their contribution to these Australian Crime Commission bills and commend the bills to the Senate.

Question agreed to.

Bills read a second time.

Third Reading

The ACTING DEPUTY PRESIDENT (Senator Whish-Wilson) (20:59): As no amendments to the bills have been circulated, I shall call the minister to move the third reading unless any senator requires that the bills be considered in Committee of the Whole.

Senator NASH (New South Wales—Minister for Rural Health, Minister for Regional Development, Minister for Regional Communications and Deputy Leader of The Nationals) (20:59): I move:

That these bills be now read a third time.

Question agreed to.

Bills read a third time.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Whish-Wilson) (20:59): Order! I propose the question:

That the Senate do now adjourn.

Ludwig, Hon. Joseph

Senator STERLE (Western Australia) (20:59): Tonight I wish to speak about a very humble man: Senator Joe Ludwig. Coming from Longreach in Queensland, he has been a member of the Army Reserves. He was an industrial officer, a barrister and, most recently, a member of this place since mid-1999. Ever since he arrived here Joseph has worked quietly, conscientiously, forensically and fuelled by an excess of Jelly Babies and cups of Nescafe to successfully achieve significant reform, to make many friends and to contribute positively to the future of the men and women who work hard to make this country what it is.

Some of the people who know his work the best are his current and previous staff who have worked for him over the last 17 years. They call themselves Team Ludwig and have written this speech for Joseph, a senator who has achieved much in this place as manager of opposition and then government business in the Senate, Minister for Human Services, Special Minister of State and Cabinet Secretary, Minister for Agriculture, Fisheries and Forestry, Minister Assisting the Attorney-General on Queensland Floods Recovery and a member of over 15 parliamentary committees.

I am told Joseph was a generous employer. It has been remarked in Queensland more than once that the single largest silent faction in the Australian Labor Party is former staff members of Joe's. The mark of a boss is the length of time a worker will stay and the means of their leaving. Staff members of Joseph's stayed for long periods of time and all left for bigger and better things, often at his own urging, always with a view to furthering their
careers. But Joseph had one rule: you never come back. He saw himself as a mentor and a guide, not as the pinnacle of someone else's career.

Having met and worked with his staff closely myself, I can tell you that there was not a more loyal crew than the people who worked for Joseph. There is a story—that may now be more legend than fact—of a particular round of budget discussions during a previous term of a Labor government. As these things often go, one unnamed minister tried to re prosecute an issue they had already discussed with Joe with the intent of changing the outcome in their favour. The staffer refused to be engaged against Joe's direction, despite the enticement of the intrigue that comes from such talk. The unnamed minister threw up his hands in a huff before adding, 'That's the problem with you Ludwig people: you're all too bloody loyal.' It was the greatest badge of pride amongst his staff. It was a sensibility of loyalty that stemmed not just from his union, the Australian Workers Union, and Army background but from his core.

In his meeting room is a five-painting series of the Batavia mutiny—and he still has it to this day—so, when staff from other offices or stakeholders met with Joseph, it was often with paintings of the unfortunate end of the mutineers behind his head. As he would say, they'd work you out in the end. Loyalty was expected, and in return he reciprocated in spades.

As we have heard, Joseph was critical in achieving sustainable policy reforms in each of his parliamentary and ministerial roles. His valedictory speech on Monday evening was an uncharacteristic reflection on his achievements. I can advise you it was done under great duress and his former staff pulled together to insist that it be given. Well done, gang. He did not seek or expect the limelight and was pleased for others when they achieved it. Senator Ludwig deserves credit for his role at the Labor Party national conference when the party amended its platforms to provide for the opportunity for all couples who have a mutual commitment to a shared life to have their relationship officially recognised and for the Labor government to take action to eradicate the prolific discrimination against same-sex couples that existed in texts and social security laws at the time.

As the Minister for Human Services, he truly understood the potential of information technology in reforming service delivery without the need for a national identification card. Joseph quite literally knocked down the walls between government service providers and has a framed piece of plasterboard in his office to prove it. This is the work that will continue to have remarkable impacts on the lives of everyday Australians, as the work he started will continue for many years to come.

Joseph was a representative for the workers and for the bush. As minister for agriculture, his reforms in the live export trade have guaranteed a future for the trade. These were not popular reforms at the time, but they were necessary. In fact, these were landmark reforms, were supported across the chamber and will remain in place for decades to come. This is the sophistication and utility of Joseph's work.

As minister assisting on Queensland floods recovery it is no exaggeration to say Joseph oversaw the rebuilding of half of Queensland following a series of natural disasters. More than 9,170 kilometres of Queensland's road network was affected. More than 4,700 kilometres of Queensland's rail network was affected. Four hundred and eleven Queensland schools were directly affected and in need of assistance. Joseph oversaw the national partnership agreement with the Queensland government and rebuilt these Queensland communities, providing more than $42 million in payments to affected individuals and families and more than $121 million...
in grants to small businesses, primary producers and not-for-profit organisations. At the time, he worked tirelessly behind the scenes to get this money out quickly and to where it was needed most.

I could go on for hours about our mate Joe Ludwig—and I intended to, but the whip has given me the hairy eyeball, and I'm very well aware that I don't have any more than 3½ minutes left!—so I would like to flick to further in my speech to what to me was a very important part as I read it in my office earlier.

He cared for his staff like an awkward father, often waiting until the end of a 16-hour day in a foreign country or until they were in a light aeroplane, atop a mountain or during backseat driver commentary between meetings—basically any place without clear escape—to ask questions about how his staff's personal lives were going and to give unsolicited advice about relationships, investments, weight, family and marriage and general sage advice to ameliorate the life choices they were making in order to work for him all their waking hours. It was an odd approach but one that appeared to work. He took a genuine interest in people's lives.

Joseph, your staff want to say thank you. Thanks for your policy nous, for your strategic mind, for your idiosyncrasies, for being someone that they could place their faith and trust in, and for being a man whose first instinct, after he had decided to notify the then Prime Minister of his resignation from cabinet, was to ask if his staff were okay with it and to then apologise for the disruption his decision would cause to their lives; a man who never demanded attention or flair but who has contributed positively to this country's parliament for 17 years; and a man whose staff—Simon, Michael, Merrick, Cherie, Anneke, James, Sarah, Ben, Cecilia, Elliott, Israel, Kieran, Stuart, Sean, Lydia, Brian, Katana, Melissa, Alistair, Nino, Mainaaz, Julie, Matthew, Jimmy, Stirling, Aaron, Teresa, Jacky, Peter, Stav, George, Samantha and Sam, among a great many others—will always call themselves Team Ludwig. 'Joseph, we will miss you, mate. We will miss you standing up in the chamber, pulling down your cufflinks on both cuffs, and filling the time limit no matter how much or how little you ever wanted to say.' That is from your staff, Joseph, and I was very proud to be asked to deliver that. I take on board the warning you gave me as you walked in: that, if I thought I was going to get away with this without retribution, I was wrong.

Joseph, on behalf of myself and your parliamentary colleagues, particularly on this side of the chamber, I cannot express enough words for the thanks that we want to pass on to you as a mentor to us—certainly not to Senator Conroy but to us—and a damn good mate. If we ever, in that true Australian Workers' Union tradition, knew what you were up to when you were doing it, I do not know if we would be so happy. But, Joseph, thank you, mate.

I want to take this opportunity in wrapping up to wish soon-to-be-former Senator Joe Ludwig and his lovely wife, Leanne—who will very soon be just plain Mr and Mrs Ludwig—all the very best in your life's journeys. I hope to see you in the West. There will be a spare bedroom at my place, and the boat will be fuelled up. May you have safe travels. Enjoy your retirement. Thank you.

The ACTING DEPUTY PRESIDENT (Senator Whish-Wilson): Senator Ludwig, from me personally, I hope you enjoy more well-deserved time in the surf.
New South Wales Government: Environment

Senator RHIANNON (New South Wales) (21:10): There is a great tragedy occurring in Sydney—in the centre of Sydney and in many of our suburbs. There is a slaughter of trees—a real carnage—going on under the Baird government. It is causing great distress to people, and I very much congratulate those people who are taking a stand. But at the moment the trees are not winning. The people are not winning. It is much harder because of the savage and very unfair laws that have been passed.

Probably a number of senators who may not be from New South Wales will travel in from the airport at times and go down Anzac Parade. Anzac Parade now is an area where there has just been devastation—hundreds and hundreds of trees cut down, totally unnecessarily. The government argues that it is for a new light rail system, but so many people have shown—as the government knows itself—that originally the route did not require these trees to be cut down, but now it is occurring. Some of the trees are over 100 years old; some are estimated to be 130 years old. Most of them are amazing fig trees, native to Sydney, called Port Jackson figs. There are many other species as well. Most of them are habitat trees, with a range of wildlife—many native birds, insects and reptiles. A real ecosystem can be found in each of those trees.

They are being felled for this Sydney transport project. It is a transport project people have worked on for a long time, knowing the benefits of light rail. But what we have seen here is that the company, ALTRAC, and the New South Wales government, with very little consultation—certainly no meaningful consultation—with local councils and communities, have gone ahead and rerouted their plans. There are many alternatives, as I have said. I congratulate the Greens transport spokesperson in the New South Wales parliament, Dr Mehreen Faruqi. She has identified, along with many of the other people who work in this area, where the rail line should be going and how we could have retained the trees and our green spaces that are so precious and ensured that they were protected, while bringing in light rail, which does revitalise so many areas. But the government has got it deeply wrong.

These trees, as I said, are priceless. They are so valuable locally, nationally and, I would say, internationally. I give particular emphasis to the international aspect of it, because many of these trees are along Anzac parade. Although most of them were planted before the Anzac tragedy occurred and so many young soldiers lost their lives, they were then named as part of Anzac Parade, and these trees were identified with the heritage and attributed to that great sacrifice. Many of them were planted in the 1870s by Charles Moore, who was founding father of Moore Park. For those of you not from Sydney, when you travel along Anzac Parade—as many of you would—into the city, it is on your right-hand side—a beautiful, big park beside Centennial Park. That is where so many of these trees were planted. As I said, Charles Moore was the founding father of Moore Park. Subsequently, a few decades after they were planted, the trees were dedicated to the Anzac soldiers. That happened in 1917, when what had formerly been called Randwick Road was renamed Anzac Parade. There are beautiful photos of that period, with people gathered together to mark that very important occasion of the renaming of this street and the dedication of the trees to the memory of the Anzacs. Now, nearly 100 years later, we have seen the slaughter and the destruction.

I particularly wanted to speak about it because I do not live far from there. I often go past this area. I know many people there, and I have met more people protesting. But some people
cannot go there anymore, because they are just so distressed by what they are seeing: the chainsaws, often late into the night, and the big lights blazing so this destruction can go on with great rapidity.

I particularly congratulate the Total Environment Centre. They have provided great leadership on this issue with their big 'Hands Off Our Trees' campaign.

We had a huge rally on Valentine's Day when we came together to show our love for the trees and to send a very strong message and there were many there. As I said, Randwick council has played a particularly good role. Murray Matson, a councillor; Lindsay Shurey, also a councillor; Matt Thistlethwaite, the local MP; and Clover Moore and Alex Greenwich, also local MPs from the other side of Centennial Park—and Clover Moore is now the Mayor of Sydney; she was a former MP—have also added their voice to this huge campaign that is growing all the time. The other night the protests continued—it is often late at night when much of this carnage occurs. A young mother of two was arrested. I really want to say how upset people are. They find it hard to believe that in 2016 any government would go ahead and just cut down over 1,000 trees in some of the most built up areas in Sydney.

One of those who took park in the protests the other night was James Matheson. He was very inspired to save one of the 130-year-old Moreton Bay figs. He is a former Australian Idol host who took up the cause very strongly, in very moving way. He said in one of his comments '130 years to grow, destroyed in an hour, so sad'. People are writing their own dedications, their own messages. As I said, this is having a huge impact amongst many Sydneysiders. He also went on to say the light rail project will see more than 1,000 trees affected through Sydney. 'Trees are part of our community,' he said, 'They are part of who we are. They are a thing of beauty. They provide a connection between ourselves and the land.' He appealed to people to come down to the protests. Often these protests have been quite spontaneous and often they have been organised over weeks. People drive past, they see what is happening, the word is spread through social media and people gather together. But the hardship is considerable.

I also particularly want to pay tribute to Jeff Angel, long-term leader of the Total Environment Centre. He has worked tirelessly with his colleagues in building this campaign along with John Bellamy, also a member of the Total Environment Centre, who does not live too far from this area. They have also taken up the serious problem that we have.

Sadly in New South Wales, it is not just around this area of Sydney. Under the laws that have been brought in by the Liberal-National government, because we have such weak environmental laws to protect the trees, it is very easy for a company like Altrac and for the New South Wales government itself to come forward with plans that are put in place so then the chainsaws appear, the destruction goes for hours and hours and we end up with woodchips, some sawdust and 130 years of living beauty destroyed in such quick time.

Word is that the New South Wales government is about to bring in land clearing laws that will make it even easier for this destruction in other parts of the state. So we have a very serious problem in New South Wales. I congratulate all those who feel passionate about it who are taking a stand—MPs and counsellors, activists and local residents. In this case with regard to the thousand trees around Anzac Parade and other areas, we know there is another way. The light rail should have been maintained on its original track. We could have had light rail and the beautiful green canopy that people love, that is home to so many animals and so
much unique wildlife. We could have saved both, and Sydney would have been a better city for it.

The PRESIDENT (21:18): I remind honourable senators that legislation committees will meet to consider budget estimates and again on Friday commencing at 9 am tomorrow. Program details can be found on the Senate website. The Senate now stands adjourned and is scheduled to meet again on Monday, 9 May 2016 at 10 am.

Senate adjourned at [21:19]

DOCUMENTS

Tabling

The following document was tabled by the Clerk pursuant to statute:

Export Control Act 1982—Export Control (High Quality Beef Export to the European Union Tariff Rate Quotas) Order 2016 [F2016L00624].
Fisheries Management Act 1991—
Fisheries Management Plans Amendment 2016 [F2016L00627].
Southern and Eastern Scalefish and Shark Fishery Management Plan Amendment 2016 [F2016L00623].
Judiciary Act 1903—Legal Services Amendment (Solicitor-General Opinions) Direction 2016 [F2016L00645].
Migration Act 1958—Migration Regulations 1994—
Arrangements for Student Visa Applications 2016/017—IMMI 16/017 [F2016L00630].
Categories of Visas That Preclude a Person From Lodging a Student Visa Application in Australia 2016/016—IMMI 16/016 [F2016L00638].
Class of Persons 2016/015—IMMI 16/015 [F2016L00628].
English Language Tests and Evidence Exemptions for Subclass 500 (Student) Visas 2016/019—IMMI 16/019 [F2016L00629].
Visas Attracting a Subsequent Temporary Application Charge 2016/012 IMMI 16/012 [F2016L00625].
Quarantine Act 1908—Quarantine Service Fees Repeal Determination 2016 [F2016L00637].

Telecommunications Act 1997—Telecommunications (International Mobile Roaming) Industry Standard Variation 2016 (No. 1) [F2016L00634].

Tabling

The following documents were tabled pursuant to standing order 61(1) (b):

Economics References Committee—Third party certification of food—Government’s response—Letter to the President of the Senate from the Minister for Agriculture and Water Resources (Mr Joyce), dated 3 May 2016.

Family and community services—Poker machine licensing—Letter to the President of the Senate from the Minister for Social Services (Mr Porter), dated 15 April 2016, responding to the resolution of the Senate of 23 February 2016.

Sydney Airport Demand Management Act 1997—Quarterly report on the maximum movement limit for Sydney Airport for the period 1 January to 31 March 2016.

Treaties—Bilateral—Text, together with national interest analysis and annexures—


Protocol to Amend and Supplement the Agreement between the Government of Australia and the Government of the State of Bahrain relating to Air Services (Bahrain, 8 June 2014).