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**SITTING DAYS—2014**

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

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

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

Senate Party Leaders and Whips
Leader of the Liberal Party in the Senate—Senator Hon. Eric Abetz
Deputy Leader of the Liberal Party in the Senate—Senator Hon. George Henry Brandis QC
Leader of The Nationals in the Senate—Senator Hon. Nigel Scullion
Deputy Leader of The Nationals in the Senate—Senator Hon. Fiona Nash
Leader of the Opposition in the Senate—Senator the Hon Penny Wong
Deputy Leader of the Opposition in the Senate—Senator the Hon Stephen Conroy
Leader of the Australian Greens—Senator Christine Anne Milne
Leader of the Palmer United Party in the Senate—Senator Glenn Patrick Lazarus
Chief Government Whip—Senator David Christopher Bushby
Deputy Government Whips—Senators David Julian Fawcett and Anne Sowerby Ruston
The Nationals Whip—Senator Barry James O’Sullivan
Chief Opposition Whip—Senator Anne McEwen
Deputy Opposition Whips—Senators Catryna Louise Bilyk and Anne Elizabeth Urquhart
Australian Greens Whip—Senator Rachel Siewert
Palmer United Party Whip—Senator Zhenya Wang

Printed by authority of the Senate
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<thead>
<tr>
<th>Senator</th>
<th>State or Territory</th>
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<td>Abetz, Hon. Eric</td>
<td>TAS</td>
<td>30.6.2017</td>
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<tr>
<td>Back, Christopher John</td>
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<tr>
<td>Bernardi, Cory</td>
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<td>Bilyk, Catryna Louise</td>
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<tr>
<td>Brandis, Hon. George Henry, QC</td>
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Pursuant to section 42 of the Commonwealth Electoral Act 1918, the terms of service of the following senators representing the Australian Capital Territory and the Northern Territory expire at the close of the day immediately before the polling day for the next general election of members of the House of Representatives:

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

**PARTY ABBREVIATIONS**

AG—Australian Greens; ALP—Australian Labor Party;
AMEP—Australian Motoring Enthusiast Party; CLP—Country Liberal Party;
DLP—Democratic Labour 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—C Mills
Parliamentary Budget Officer—P Bowen
<table>
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<tbody>
<tr>
<td>Prime Minister</td>
<td>The Hon Tony Abbott MP</td>
</tr>
<tr>
<td>Minister for Indigenous Affairs</td>
<td>Senator the Hon Nigel Scullion</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for the Public Service</td>
<td>Senator the Hon Eric Abetz</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for Women</td>
<td>Senator the Hon Michaelia Cash</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Prime Minister</td>
<td>The Hon Josh Frydenberg MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Prime Minister</td>
<td>The Hon Alan Tudge MP</td>
</tr>
<tr>
<td>Minister for Infrastructure and Regional Development</td>
<td>The Hon Warren Truss MP</td>
</tr>
<tr>
<td>(Deputy Prime Minister)</td>
<td>The Hon Jamie Briggs MP</td>
</tr>
<tr>
<td>Assistant Minister for Infrastructure and Regional Development</td>
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<tr>
<td>Minister for Foreign Affairs</td>
<td>The Hon Julie Bishop MP</td>
</tr>
<tr>
<td>Minister for Trade and Investment</td>
<td>The Hon Andrew Robb AO MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Foreign Affairs</td>
<td>Senator the Hon Brett Mason</td>
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<tr>
<td>Minister for Employment</td>
<td>Senator the Hon Eric Abetz</td>
</tr>
<tr>
<td>(Leader of the Government in the Senate)</td>
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<tr>
<td>Assistant Minister for Employment</td>
<td>The Hon Luke Hartsuyker MP</td>
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<tr>
<td>(Deputy Leader of the House)</td>
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<tr>
<td>Attorney-General</td>
<td>Senator the Hon George Brandis QC</td>
</tr>
<tr>
<td>Minister for the Arts</td>
<td>Senator the Hon George Brandis QC</td>
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<tr>
<td>(Vice-President of the Executive Council)</td>
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<tr>
<td>(Deputy Leader of the Government in the Senate)</td>
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<tr>
<td>Minister for Justice</td>
<td>The Hon Michael Keenan MP</td>
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<tr>
<td>Treasurer</td>
<td>The Hon Joe Hockey MP</td>
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<tr>
<td>Minister for Small Business</td>
<td>The Hon Bruce Billson MP</td>
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<tr>
<td>Acting Assistant Treasurer</td>
<td>Senator the Hon Mathias Cormann</td>
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<tr>
<td>Parliamentary Secretary to the Treasurer</td>
<td>The Hon Steven Ciobo MP</td>
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<tr>
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<tr>
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<td>Senator the Hon Richard Colbeck</td>
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<tr>
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<tr>
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<tr>
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<td>The Hon Sussan Ley MP</td>
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<td>Senator the Hon Scott Ryan</td>
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<tr>
<td>Minister for Industry</td>
<td>The Hon Ian Macfarlane MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Industry</td>
<td>The Hon Bob Baldwin MP</td>
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<tr>
<td>Minister for Social Services</td>
<td>The Hon Kevin Andrews MP</td>
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<tr>
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<td>The Hon Paul Fletcher MP</td>
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<tr>
<td>Minister for Health</td>
<td>The Hon Peter Dutton MP</td>
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<td>Minister for Sport</td>
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<tr>
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<tr>
<td><strong>Minister for Defence</strong></td>
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<tr>
<td>Minister for Veterans' Affairs</td>
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<tr>
<td>Minister Assisting the Prime Minister for the Centenary of ANZAC</td>
<td>Senator the Hon Michael Ronaldson</td>
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<td>The Hon Darren Chester MP</td>
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<tr>
<td><strong>Minister for the Environment</strong></td>
<td>The Hon Greg Hunt MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for the Environment</td>
<td>Senator the Hon Simon Birmingham</td>
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<tr>
<td><strong>Minister for Immigration and Border Protection</strong></td>
<td>The Hon Scott Morrison MP</td>
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Each box represents a portfolio. **Cabinet Ministers are shown in bold type.** As a general rule, there is one department in each portfolio. However, there is a Department of Human Services in the Social Services portfolio and a Department of Veterans' Affairs in the Defence portfolio. The title of a department does not necessarily reflect the title of a minister in all cases.
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Tuesday, 2 December 2014

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

DOCUMENTS

Tabling

The Clerk: Documents are tabled pursuant to statute. Details will be recorded in the Journals of the Senate and on the Dynamic Red.

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

COMMITTEES

Legal and Constitutional Affairs References Committee

Meeting

The Clerk: The Legal and Constitutional Affairs References Committee has lodged a proposal to hold a private meeting during the sitting of the Senate today, from 3 pm.

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

BILLS

Omnibus Repeal Day (Spring 2014) Bill 2014

In Committee

Debate resumed.

The CHAIRMAN (12:32): The question is that the amendment on sheet 7635 moved by Senator Dastyari on behalf of the opposition be agreed to.

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (12:32): As the chamber continues its consideration of this bill, I invite all honourable senators to reflect on the solemn task and great privilege given to us by the Australian people. I know all senators take their role seriously. I also know the Australian people want us to be positive and, therefore, they will not smile upon us if they get a whiff of stunts or deliberate attempts by senators to cause chaos and disrupt proceedings or lay down unrealistic ultimatums to each other.

This is the last week of parliamentary sittings, and there is a list of urgent legislation that still needs to be considered. While leaders and whips were in a meeting—a meeting where we sought to allow the proceedings of this place to be undertaken in an orderly fashion through the rest of the week—Labor, regrettably, pulled a stunt to bring on another bill not on the urgent list. The Australian people expect us to get on with the real business of restoring our nation's economic future fortunes, restoring the sustainability of various sectors, such as the tertiary education sector, and allowing the ACT government to proceed with remediating the issues of Mr Fluffy victims.

I also suggest to honourable senators that there should be some respect for the conventions and precedents of this chamber. A cause that people might feel passionately about does not
necessarily justify the means by which it is pursued. The Senate has a range of procedures available to prosecute an issue without resorting to what some might consider a breach of trust for the benefit of a by-election in a state.

**Senator Gallacher:** Like South Australia!

**Senator ABETZ:** Senator Gallacher interjects. He was the one who was first on his feet last night, bringing on a stunt so early that he got his procedure incorrect—which is, I might say, one of the other pitfalls of doing such things in these circumstances.

I invite the chamber to consider its position. I think people have made their comments clear in relation to this Omnibus Repeal Day (Spring 2014) Bill 2014. We can read the numbers in this place. We dare say that we can foretell what will happen with the amendment to this omnibus bill and then the consideration of this bill. But this is a bill that was not on the government's urgent list; there are other matters that the Australian people actually do expect us to deal with. Mr Chairman, on that basis, I move:

That the question be now put.

**The CHAIRMAN:** The question is that the question be now put.

The committee divided. [12:39]

(The Chairman—Senator Marshall)

Ayes .................33
Noes ..................37
Majority..............4

**AYES**

Abetz, E  
Bernardi, C  
Bushby, DC  
Colbeck, R  
Day, R.J.  
Fawcett, DJ  
Fifield, MP  
Johnston, D  
Macdonald, ID  
McGrath, J  
Nash, F  
Parry, S  
Reynolds, L  
Ruston, A (teller)  
Scullion, NG  
Sinodinos, A  
Williams, JR

**NOES**

Brown, CL  
Cameron, DN  
Collins, JMA  
Dastyari, S  
Gallacher, AM  
Ketter, CR  

Bullock, J.W.  
Carr, KJ  
Conroy, SM  
Faulkner, J  
Hanson-Young, SC  
Lambie, J
Thursday, 2 December 2014

SENATE

9817

CHAMBER

NOES

Lazarus, GP
Ludlam, S
Lundy, KA
McEwen, A
Milne, C
O’Neill, DM
Polley, H
Rice, J
Singh, LM
Urquhart, AE (teller)
Parker, H
Waters, LJ
Xenophon, N

Lines, S
Ludwig, JW
Marshall, GM
McLucas, J
Moore, CM
Peris, N
Rhiannon, L
Siewert, R
Sterle, G
Wang, Z
Whish-Wilson, PS
Wright, PL

PAIRS

Brandis, GH
Cash, MC

Di Natale, R
Bilyk, CL

Question negatived.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (12:42): I will be very brief because the opposition is keen to bring this bill to a conclusion—

Government senators interjecting—

The CHAIRMAN: Order!

Senator WONG: I will save my remarks about the broader issue of Senate management, or lack thereof from the government, for a debate later today in the interests—

Government senators interjecting—

The CHAIRMAN: Order!

Senator WONG: It is interesting, isn’t it? Even when you try to make a short speech, they want to blow it up. Who wants to get their legislation program through? I will make some comments later—

Government senators interjecting—


Senator WONG: I will take that interjection from Senator Macdonald, who called me ‘Precious Penny’ again. He is very good at personal insults. As I said to him a number of years ago, my mother always did tell me I was precious, so I suppose he might be right—but I suspect she meant it in a different way. I want to make a few points. The opposition is keen that this come to a conclusion prior to question time. The second is that it was described as a stunt by the Leader of the Government in the Senate. Let everybody understand that this legislation is about—

Honourable senators interjecting—

The CHAIRMAN: There is a lot of noise coming from both sides of the chamber. I call the chamber to order.

Senator Ian Macdonald interjecting—
The CHAIRMAN: Senator Macdonald, I have just called the chamber to order and I would appreciate your assistance in that request.

Senator WONG: The few points I want to make are: first, that the opposition is keen to bring this to a conclusion prior to question time; second, that the bill that Senator Abetz describes as a stunt is about holding the government to a promise it made to South Australians and to workers in Western Australia and in the 2,200 companies across Australia who have contracts with the Australian Submarine Corporation that it would—

A government senator interjecting—

The CHAIRMAN: Order! Again, I call the chamber to order.

Senator Ian Macdonald: Now you know how it feels to have someone interject constantly during question time—constantly!

The CHAIRMAN: Senator Macdonald: I have called the chamber to order and you immediately interject. I would ask you to desist from doing so.

Senator WONG: A promise was made to South Australians and other Australians that the submarines would be built in Australia. That is what this bill and the opposition's amendment are about.

The second point I did want to put on the record at this point concerned the comments by Senator Abetz about the Mr Fluffy asbestos demolition. I did want to make very clear to anybody listening: the opposition have already indicated to the government that we would facilitate passage of that and I think four other noncontroversial bills in the normal time for—

Senator Ian Macdonald: We don't believe you.

Government senators: We can't trust you.

The CHAIRMAN: Senator Wong, ignore the interjections. Again, I—

Senator Ian Macdonald: She's just so precious.

Senator Birmingham: So we won't be hearing a word from you?

The CHAIRMAN: Senator Wong has the call, and I would ask other senators to cease interjecting.

Senator WONG: I will start again. I would like to place on record in relation to the ACT Government Loan Bill 2014, which is the legislation that deals with the Mr Fluffy asbestos demolition issue, that the opposition have already placed on record that we would facilitate passage of that and—

Senator Ian Macdonald: Because it's helping your mates in the ACT.

Senator WONG: we will—

A government senator: You're so precious.

The CHAIRMAN: Again, I will ask for the chamber's cooperation to cease interjecting.

Senator Ian Macdonald: We have nothing but constant interjections from this senator all the way through every day—

The CHAIRMAN: Senator Macdonald, this is the third occasion I have called the chamber to order and you immediately then interject. I would ask you to cease doing so.
Senator WONG: I would like to indicate, again, that the opposition has expressed to the government, as I think all parties have, a willingness to facilitate passage of that legislation and three other noncontroversial pieces of legislation in the normal noncontro time on Thursday. It is important that the chamber be made aware of this—that is, we have already indicated agreement to that—given that was used as a basis to argue against the debate on this bill.

Senator BIRMINGHAM (South Australia—Parliamentary Secretary to the Minister for the Environment) (12:47): It is important that people appreciate what it is that is being debated in the chamber at present. The bill before us is about red-tape reduction. This is a bill about ensuring—

Senator Wong: You don't want the bill?

The CHAIRMAN: Order!

Government senators: Point of order!

The CHAIRMAN: No, I just called Senator Wong to order—

Senator Ian Macdonald: She's an inveterate criminal—

The CHAIRMAN: I have not given you the call—

Senator Wong interjecting—

The CHAIRMAN: I was talking; I did not hear that. But if the—

Senator McGrath: You are a hypocrite!

The CHAIRMAN: You will withdraw that, Senator. Senator Macdonald, I did not hear what was said, but if—

Senator Edwards: He didn't say a thing!

The CHAIRMAN: If you want to take the opportunity to withdraw, I will give you the opportunity, I did not hear it—

Senator Ian Macdonald: Does this concern 'you're the criminal'? If she objects to that, from one who constantly interjects during question time, then I withdraw.

The CHAIRMAN: Thank you. I would ask all senators to be mindful of the standing orders. Senator Birmingham, you have the call.

Senator BIRMINGHAM: I was emphasising to the chamber that this is a bill about reducing red tape. This is a bill about making government more efficient. This is a bill about tidying up the legislative agenda and tabling of the nation. This is a bill designed to ensure that our country can operate with the least amount of intervention from government as possible. And yet what we have had is a complete distortion of this bill by those opposite, a complete distortion of the government's agenda in relation to the legislation before this chamber, and it has all been done quite transparently for base political purposes.

I too will be brief because I spoke on this last night, but it is important in the light of day to ensure that this chamber and those listening understand what has happened here. Last night, in an ambush move, those opposite came into this chamber and plucked a bill that was not even scheduled for debate this week, put it on the agenda to disrupt the orderly process of what the government is seeking to achieve, to disrupt the orderly decision-making we hope to have through this place, and they did this so that they could run a stunt—a stunt of inserting into
this bill an amendment that is completely unrelated to the legislation before the chair, an 
amendment that has no bearing on it and an amendment that, frankly, is a gross overreach in 
terms of the actions that the Labor Party is seeking to pursue.

It was acknowledged last night by Labor senators that the submarine contract is Australia's 
largest procurement decision, and yet they want to try to guide it through this place in a stunt, 
an ambush. That is not the responsible path for decision-making in this country. We have 
committed to following the well-established proper processes that have been in place since 
2003 for defence procurement decisions—a two-part process through cabinet and based on 
sound advice of the defence chiefs. That is the type of process we have committed to doing, 
something that successive governments have done when they have had the courage to make 
defence procurement decisions—something that those opposite sorely lacked on most 
ocasions. That is the process we are committed to upholding, not the type of stunt driven 
process that those opposite are seeking to deploy.

The truth is the Labor Party are more interested in stunts than they are submarines. The 
Labor Party are more interested in gestures than they are in jobs. Last night they wanted to 
bring to a vote matters around this stunt to put a submarine clause into unrelated legislation. 
But then we just had them vote against having a vote on this matter, with Senator Wong 
standing up and saying in her own special pious way, 'We want to get this matter over with 
and bring it to a vote.' If she wanted to bring it to a vote, Senator Wong had her chance. The 
Labor Party had their chance. Instead, they all lined up to vote against having a vote. Why did 
they do that? Of course they did that just so that Senator Wong could grandstand. Senator 
Wong and everyone else had 2½ hours last night in which there was ample time to 
grandstand. But Senator Wong chose not to grandstand last night, because that would not 
have suited the media cycle as well as it would for her to come in at the time that she did.

No number of stunts, no amount of clever tactics or gestures from those opposite, can get 
away from the basic facts. The basic facts around submarines are that in 2007 the Labor Party 
promised that if they were elected to government there would be action starting in 2007 
around the procurement of submarines. Six years on and nothing was accomplished in that 
regard—six years of inaction based on a promise they took to the 2007 election and to the 
2010 election and a promise made repeatedly during their two terms in government. Six years 
of inaction is what has created the capability gap that this government confronts in relation to 
our most important and valuable defensive asset: our submarines.

Six years of inaction is what has put jobs at risk in Australia's shipbuilding industry, 
because it is six years of inaction that has created the so-called valley of death that the 
shipbuilding industry currently faces. It was not just inaction, it was not just that Senator 
Wong and Senator Conroy and those around the Labor cabinet table sat on their hands and did 
nothing for six years in relation to this major defence procurement; it was that they undertook 
damaging actions in that time. They cut the defence budget to the lowest level of GDP since 
1938. How on earth did they think they were ever going to procure submarines with a defence 
budget cut of that level? They stripped the future submarine procurement program of 
hundreds of millions of dollars. How on earth did they think they were going to make a 
multibillion-dollar procurement decision while stripping the forward budget for that very 
program? It was those budget decisions that further added to the risk of a capability gap that
we now face in making decisions about submarines. It was that slashing of the budget that created the situation of the potential valley of death and put jobs at risk.

Our government went to the last election committing that within 18 months we would make decisions about the future procurement of submarines. We went to the last election with a policy—a publicly released, written policy—something those opposite did not bother to release during the election campaign. That policy made clear that shipbuilding work would centre on South Australia's shipyards, that the Australian work in relation to submarines would centre on South Australia's shipyards. That is absolutely what will happen. We have stated time and time again that, as a result of the largest procurement decision in Australia's history in relation to submarines, there will be more jobs in the future at the South Australian shipyards. That is absolutely what will happen. They should take heart from the fact that they now have a government in place, unlike the previous one, that will work through the proper processes, the established processes, the cabinet processes and informed by the advice of the defence chiefs, and make decisions in a timely and orderly manner—decisions to ensure that Australia does not face a capability gap in our defence assets, decisions to ensure that Australian taxpayers get the best value for money out of this multibillion-dollar procurement decision, and decisions that will preserve and protect for decades to come the jobs of South Australians employed in naval and submarine shipbuilding and maintenance work.

Let us cast aside the stunts of those opposite. They may have the numbers in this place to run around with their silly stunts, but on this side we are serious about getting submarines, filling the capability gap, protecting jobs and protecting what is important for taxpayers in terms of getting value for money. We will not be distracted by those stunts. We will not be distracted by the silly game-playing of those opposite. We will simply get on with the job of delivering the best possible outcome for all Australians.

**Senator XENOPHON** (South Australia) (12:57): I indicate that I support this amendment. I know that the—

**Senator Ian Macdonald:** You are part of the stunt, aren't you?

**Senator XENOPHON:** I know a thing or two about stunts, but I regard this as a very important issue. The fact is, prior to the last election, the government in opposition made an unequivocal commitment to build submarines in South Australia. On 8 May 2013, the then shadow defence minister Senator David Johnston said during a visit to Adelaide, 'We will deliver those submarines from right here at ASC in South Australia.' Why ASC South Australia? There is only one place that has all of the expertise that is necessary to complete one of the most complex, difficult and costly capital works projects that Australia can undertake, and it is ASC in Adelaide. He went on to say:

The Coalition today is committed to building 12 new submarines here in Adelaide. We will get that task done, and it is a really important task, not just for the Navy but for the nation.

And we are going to see the project through, and put it very close after force protection, as our number priority if we win the next federal election.

Senator Birmingham did make some valid criticisms of the former government not advancing the issue of submarines more expeditiously. I think that is a valid issue. But Senator Birmingham also said—and as a fellow South Australian senator he understands the importance of this project, its strategic importance and its economic importance to the people
of South Australia and indeed the nation—that we need to have appropriate processes and good processes.

I have been part of the naval shipbuilding inquiry. I heard the evidence a number of weeks ago from Dr John White, a man who was retained by this government because of his credibility in terms of preparing the Winter White report—with Don Winter, a former US secretary of the navy—on the AWD program, the problems with that program and what needs to be done to fix that program. Dr John White is a man who is held in high esteem by the coalition, in my view because it was Dr White who was responsible for fixing up the mess of the Anzac frigate program—taking that project over and bringing it in on time and on budget. In fact, it might have been under time and under budget. That is the turnaround that he achieved. We need to listen to him. The evidence that he gave to an inquiry of the Senate economics committee was very clear. He said that we do have time, if we get on our skates immediately and ensure that there is a competitive project definition study so that we can use the best of the best. We can get the best expertise, the best ideas from around the world, in order to build a submarine, and it ought to be built right here in Australia. Abandoning a competitive process, abandoning that due process that Dr White has recommended, would be both a strategic and an economic disaster for our nation. So there are issues that we need to consider.

I agree with Senator Birmingham that we need to have due process. That due process appears to have been abandoned, judging by the remarks made by the Treasurer, the Hon. Mr Hockey, earlier today on the Fran Kelly program on Radio National, where he said that there will not be an open tender. It appears that there will not be any tender and that the deal has been done. There is an argument that the government has been effectively backfilling as a result of what appears to be an arrangement, an agreement, a process, that will guarantee that the subs will be built in Japan. I think that that is not the way that we need to go forward.

This is an inelegant mechanism—this amendment to this bill—but I think it indicates the importance of this issue to not just South Australia but the nation. If we end up exporting the manufacture of our subs to another country, effectively we will see something like $20 billion-plus worth of jobs being exported overseas. We are seeing a situation where we will ignore the ongoing economic benefits, the multiplier effect, of having the subs built here, let alone the issue of skills being retained here.

There is no reason why we cannot have the best design, even an overseas design. Those designers can be part of the project here in Australia. TKMS, the German submarine builder, which has a credible record of building submarines overseas, on time and on budget, has said as much. Indeed, in Greece, as troubled as that economy has been, it has managed to build subs, while dealing with communist unions. It built the subs on time and on budget. So I think that indicates its expertise. And there are other submarine makers that have an expertise in relation to that.

We need to listen to the experts. We need to listen to Dr John White. We need to ensure that the submarines are built in our nation. We know that, for every dollar spent here locally, there are significant flow-on economic benefits. We know, from the Royal United Services Institution of the United Kingdom, that, for every pound spent on defence procurement in that country, 37 per cent goes back into general revenue. Obviously the figure would be different
here, because of different taxation arrangements and the like, but there is a significant economic impact in respect of that.

There is also the issue of the promise. One of the reasons why I think people are so disillusioned with all of us as politicians is that, if you break a promise as fundamental as this, it just chips away at the credibility of those that break the promise and it affects all of us as politicians. I re-read a piece by Hugh Mackay from 1 August 1998. He is a social researcher, psychologist and writer. He made the point:

With trust in the political process being eroded with every bent principle, every broken promise and every policy backflip, the level of cynicism has reached breaking point for many Australians.

That was back in 1998, during the time of the GST debate. But John Howard, to his absolute credit, had the courage, had the tremendous political will, to argue an election on an unpopular measure, namely the GST. He got through, and, for that, I think John Howard needs to be acknowledged as one of the great prime ministers of this nation—for pushing through a change, a reform, and going to the electorate to seek that mandate. For that, I have enormous regard for John Howard.

Breaking this promise on submarines is not the way that the government should operate. If they believe that the ASC is not up to the task, which contradicts what was said by the Minister for Defence as shadow defence minister back in May 2013, then they need to look at the structure of the ASC. I do not necessarily accept those arguments, but, as the owner of the ASC, the government have the wherewithal to fix any problems with the ASC. We need to do this as a nation. As inelegant, clumsy and messy as this mechanism is, I am obliged, on behalf of my constituents in South Australia, to support this measure. If we do not build the submarines in South Australia, if we do not build them in Australia, with flow-on benefits to other states, then we will be making a massive strategic and economic mistake.

Senator LAMBIE (Tasmania) (13:05): It is a pleasure to contribute on the Omnibus Repeal Day (Spring 2014) Bill 2014 and associated amendments. I will focus my comments on the opposition's amendment, which guarantees that the Future Submarine project tender process is accountable and carried out with Australia's national interest in mind, in complete contrast to the way the Abbott government have proposed to carry out the build of our future naval shipping. The government have given every indication, through their Minister for Defence and Prime Minister, that they are prepared to abandon and betray Australia's defence shipbuilding industry and Australian designers, engineers, apprentices and tradespeople.

This Senate has censured the defence minister, who is responsible for Australia's naval shipbuilding industry. It is timely to remind this chamber of the points of that recent successful censure motion. I agree that the Minister for Defence has: (1) insulted the men and women of ASC by stating he 'wouldn't trust them to build a canoe'; (2) undermined the confidence in Australia's defence capability; (3) threatened the integrity of Australia's defence procurement project; (4) broken his promise made on 8 May 2013 to build 12 new submarines at ASC in South Australia; and (5) cut the real pay, Christmas and recreational leave for Australian Defence Force personnel. And, despite a clear message from this Senate to the PM, he has arrogantly refused to listen. Mr Abbott has refused to stand up for the men and women who build our ships. He has failed to stand up for the generation to come who will build our ships.
This has now become a matter of leadership, and the fact that the defence minister has not been ordered to step aside following a successful censure motion by the Senate reflects poorly on the Prime Minister. The people of Australia have stopped listening to him now. Broken promise after broken promise by the Prime Minister and his defence minister have destroyed their credibility and the willingness of the people of Australia to listen or trust. The fish rots from the head down, and this Liberal government is on the nose with ordinary Australians and the men and women of our naval shipbuilding program and, of course, our Australian Defence Force personnel.

Again I remind this chamber that the government of Australia should have followed the advice of the now Governor-General, Sir Peter Cosgrove. As the former Chief of the Defence Force Sir Peter said:
Whenever I am asked why we should build submarines in Australia, my short reply is that we can't afford not to.

Again I remind this chamber that the Australian government has identified the need to build about eight warships at a cost of $100 billion over the coming decades. Adding maintenance across the ships' lifetimes, the outlay is closer to $250 billion. I repeat that I want Tasmania to have a fair share of that $250 billion worth of Australia's shipbuilding. I remind this parliament that Tasmania can also play an important role in Australian shipbuilding for our Australian Defence Force. If this defence minister is allowed to have his way—if he is allowed to remain in this high office, undermining national security by his lack of credibility, leadership and respect for the truth—then my state of Tasmania will lose all hope of ever contributing to that $250 billion national defence-building program.

Tasmania has a maritime network taking the world by sea. Like others states, we have world-class maritime engineers, designers and shipbuilders. We have Incat, APCO Engineering, the Australian Maritime College, Cawthorn Welding, Revolution Design, Plastic Fabrications, Richardson Devine Marine, Sabre Marine & General Engineers and many more. Tasmania has world-class skills in training and research. We have the Australian Maritime College, the Asia Pacific Maritime Institute, CSIRO and Skills Tasmania. Why shouldn't Tasmanian designers, shipbuilders, tradespeople, apprentices, trainers and small business owners share in the work and the wealth that is generated by ships and other equipment built for the Australian Defence Force?

I am for Australian workers and building Australian ships and other machinery to defend our nation; this government has shown that it clearly is not. I support this bill and the amendment put before the chamber by the opposition, which will ensure a fair go for Australian workers and companies.

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (13:10): I rise to speak about the opposition amendment. The Minister for Defence's disgraceful slur against the ASC last week has cast a shadow over the entire Future Submarine project. The Senate needs to urgently address this issue and ensure that the ADF get the best possible submarine and that taxpayers' money is efficiently spent. Those are the two criteria, and they should be the only criteria when it comes to this Future Submarine project. The chamber must adopt this amendment because this project is too important to be left to this incompetent minister. The efficient conduct of government and the efficient allocation of resources should be at the forefront of every minister's mind, but that is clearly not the case with this minister.
Yesterday, the Prime Minister said he wanted ‘a really effective submarine at a fair price’. I have good news for the Prime Minister: we know how to make sure that that happens. Expert after expert told the Senate that the only way to get the best capability for the best price is to hold a competitive tender process with a funded project definition study. If the Prime Minister is serious about the Future Submarine project, he will tell his senators to support this amendment. He will tell his senators to help the minister to keep his promise to build 12 submarines in Adelaide. I do not have high hopes, though, as this government has been breaking and walking away from this promise since the day it got into government. I say to those opposite that you do not have to listen to me, but listen to experts like Dr John White, who told a Senate inquiry:

There are significant technical, commercial and capability gap risks invoked by prematurely and unilaterally committing to a preferred overseas, sole-source supplier.

Retired Rear Admiral Peter Briggs told the same inquiry that the only way to pick the best submarine:

… is to conduct a competitive project definition study where you can get the answers back to your top-level requirements …

In fact, the report of the Senate inquiry recommended:

The government … not enter into a contract for the future submarine project without conducting a competitive tender for the future submarines, including a funded project definition study.

This is what my amendment seeks to ensure.

All that we are looking to do is to ensure that the government uses the best process so that we can make sure that we get the best possible outcome. How can you oppose a competitive tender process? How can the Liberal Party—the party of free enterprise and competition—oppose an amendment like this? The government is standing in the way. We learnt earlier today that, despite all the evidence about the benefits of a competitive tender and despite knowing that there is still time to hold a competitive tender and avoid a capability gap—and that is what the experts said—the Treasurer of Australia, Mr Joe Hockey, has ruled out holding a competitive tender process. The party of free enterprise and competition and the chief spruiker of competition in this country, the Treasurer of Australia, say there is to be no competitive tender, despite the defence minister’s frequent announcements that no decision has been made. The defence minister says there has been no decision but the Treasurer says there will be no competitive tender.

Let me make it clear: it would be an absolute scandal to award this contract without a proper, fair dinkum, competitive tender process with a funded project definition study. Do not take the weasel words we are hearing from the minister at the moment and do not take the weasel words we have been hearing from various officials. This amendment to the legislation would ensure that we get a proper process. Frankly, companies from around the world which are trying to be involved in this tender process are absolutely stunned by the behaviour of this government, the champions of free enterprise and competition. They have had to resort to putting in unsolicited bids from the big submarine companies telling the government that they can build 12 submarines for a very competitive price here in Australia.

French companies, German companies and Swedish companies have been so shocked by the conduct of this government that they have, publicly in some cases, put a bid into the public sphere saying, 'We can do this.' But is this government listening? No because it is
becoming increasingly clear that they are hell-bent on their sweetheart deal with Japan. They are absolutely determined to deliver this contract to the Japanese submarine companies. We know this because we asked the minister just yesterday. His office, the Prime Minister's office and his department prepared press releases, talking points and information to announce the Japanese had won the bid. No-one in this chamber, when they vote on this, should think that there is a fair dinkum process being undertaken. This government has already made up its mind. It has already made its decision. Only this amendment will hold this government to account.

The government's outrageous bias against Australian manufacturers is getting in the way of good, sensible government. The defence minister's colleagues know this. That is why, when the minister announced to the Senate that he would not trust the ASC to build a canoe, they dropped him like a hot potato. They walked away from him. His colleagues told the media that the defence minister's statements were 'some of the most stupid words ever heard from a senior minister'. They knew he had blown the whistle on the scam, the pretence that they are going to hold a process. The Japanese have this in the bag. The Japanese know it. The Japanese President knows it. The American President knows it. The Prime Minister knows it. Those three people had a meeting just a few weeks ago at an economic summit where they discussed putting American war systems into the Japanese submarines to be built for Australia. This is a done deal. Only this amendment can give the best possible chance of getting the best submarine at the best price and built here in Australia.

This amendment should be supported because it will ensure that a proper and fair tender process is gone through before selecting a design and construction partner for the submarine project. This is not some new process we are talking about; this is the established process, the established best practice to get the best outcome for projects like the future submarines. Unfortunately, given the clear bias shown by the minister and the Treasurer's statements earlier today, it is clear the government will need to be dragged, kicking and screaming, to do the right thing. That is why this amendment should be supported and I commend it to the Senate and that is why any South Australian senator who comes into this chamber and votes with the government is betraying the people of South Australia who elected them. They were elected on the votes of people who believed that Tony Abbott and David Johnston would keep their promise to build 12 submarines in Australia.

The CHAIRMAN: The question is that opposition amendment on sheet 7635 be agreed to.

Question agreed to.

Senator WATERS (Queensland) (13:20): I move Greens amendment (1) on sheet 7642:
(1) Schedule 3, Parts 1 and 2, page 16 (line 2) to page 17 (line 19), to be opposed.

I wish to speak briefly on the remaining amendments on that sheet, which I will have to move separately, given that some of them are phrased differently from the others. Just to explain, the purpose of these amendments is to oppose the abolition of a handful of advisory councils which are currently serving a very useful function of providing expert advice to the minister and to the Department of the Environment, particularly about hazardous waste issues. We are opposing the abolition of the Product Stewardship Advisory Group, the Oil Stewardship Advisory Council and the Fuel Standards Consultative Committee, all of which have successfully provided expert policy advice in highly complex areas.
We are also opposing in the later amendments, which I will move shortly, the weakening of the hazardous waste regime, which reduces transparency and reduces safeguards for the environment and for local communities. Far from perhaps a harmless-sounding red tape reduction we are seeing a reduction in environmental standards and a reduction in community participation in important decisions that have real impacts. The government appears to be blindly implementing the recommendations of their earlier commission of audit but the fact remains that these environmental programs have been an absolute excess story.

The aim of the Product Stewardship Advisory Group is to advise the minister on products for accreditation under the Product Stewardship Act. The government says, 'It's fine; we don't need this advice any more because the department can do this in House.
Our advice from the experts is that the department may well have the will, but they do not have the capacity because this government has cut their staff. They also do not currently have the expertise, which is precisely why this expert body was established in the first place.

What we are seeing here, which is perhaps not unusual from this government, is a stepping away from evidence based, science based decision making. Instead, the government intends to put more pressure on an already underresourced department which, in these particular examples, lacks the skills and the resources to properly fill that gap.

Moving now to the Oil Stewardship Advisory Council: similarly, it is an advisory body which advises the minister on matters related to the Product Stewardship for Oil Program. This encompasses things like product stewardship, recovery, recycling, benefits, the state of oil production and oil recycling industries. Having this advisory body has been a real success story. The advice from experts is that there are two meetings per year with some very fair sitting fees per member and that the advisory body provides a very useful function to the government of the day.

The Total Environment Centre and the National Toxics Network have opposed the abolition of these bodies. The Total Environment Centre said:
By abolishing the Product Stewardship Advisory Group (PSAG) which has performed an essential function of investigating and recommending products like waste batteries and paint to be subject to recycling instead of being dumped into landfill ...
The federal government is effectively taking other harmful wastes off the national recycling agenda.
It argues the department can still do this on an ‘as needs’ basis but the department does not initiate such action and it is under a clear government direction to resist new regulation.

Clearly, industry and the department are being sent a message here: ‘Just keep on approving things; we do not value expert advice; let's just tick and flick.’

The fuel quality standards amendments are along a similar vein. They seek to abolish the Fuel Standards Consultative Committee. They insert a new consultation process which applies to the grant process and the variation of approvals process for fuel standards. The government says that the department will carry out that advisory role; but, again, this is why we have expert advisory bodies: when you have slashed the department down to so few staff, and particularly when the staff who remain do not have the relevant expertise in these areas, that is precisely when you need expert advice.

I will flag that there are some parts of this bill that we do not oppose in schedule 3, and some of those are genuinely duplicative. We have structured our amendments in a way that
we think is fair and that does not object to the abolition of particular parts which genuinely seem to be superfluous and do not have an actual on-ground impact. We are taking a reasonable approach here, but you simply cannot abolish three expert environment advisory bodies and somehow charge the department with those new responsibilities when you have sacked hundreds of those people who are already under pressure from an existing workload.

I will finish up by speaking to the hazardous waste amendments. The government is planning on gutting the hazardous waste regulation regime. They, of course, describe it as streamlining and simplifying. In fact, it is reducing the ability of local communities to keep track of what is going on and to be able to protect their health and their local environment. In particular, the government are seeking to remove the requirement for the particulars of an export application to be specified in regs before a decision is made to grant an export permit. They are also seeking to reduce the matters that must be included in import and export permits. They are removing the publication requirements of our permits from the Gazette and they are removing the requirement for a transit permit as well as introducing a new tenure limit on the Hazardous Waste Technical Group, which is somewhat perplexing and raises suspicions as to whether that is designed to hasten a particular person out. We are opposing the repeal of these hazardous waste provisions because this government seems intent on reducing environmental protection, as it is intent on reducing staff at the environment departments who are under an incredible amount of pressure to do valuable work. We need these expert advisory committees. They are performing a valuable role and assisting government in making positive decisions—if, of course, that advice is followed. We will, therefore, be opposing their abolition.

The CHAIRMAN: The question is that: schedule 3, parts 1 and 2, page 16 (line 2) to page 17 (line 19) stand as printed.

Question negatived.

Senator WATERS: I move amendment (2) on sheet 7642:

(2) Schedule 3, items 9 to 23, page 18 (line 3) to page 20 (line 10), to be opposed.

The CHAIRMAN: The question is that schedule 3, items 9 to 23, page 18 (line 3) to page 20 (line 10) stand as printed.

Question negatived.

Senator WATERS: I move amendment (3) on sheet 7642:

(3) Schedule 3, item 25, page 20 (line 14) to page 21 (line 2), omit subitems (1) to (4).

Question agreed to.

Senator WATERS: I move amendment (4) on sheet 7642:

(4) Schedule 3, item 25, page 21 (lines 6 to 22), omit subitems (6) and (7).

Question agreed to.

Senator WATERS: I move amendment (5) on sheet 7642:

(5) Schedule 3, items 28 to 37, page 22 (line 12) to page 24 (line 30), to be opposed.

The CHAIRMAN: The question is that Schedule 3, items 28 to 37, page 22 (line 12) to page 24 (line 30) stand as printed.

Question negatived.
Senator WATERS: I move amendment (6) on sheet 7642:
(6) Schedule 3, item 41, page 25 (lines 6 to 24), omit subitems (1) to (5).
Question agreed to.

The CHAIRMAN: The question now is that the bill, as amended, by agreed to.
Question agreed to.
Bill, as amended, agreed to.
Bill reported with amendments.

Third Reading

Senator RYAN (Victoria—Parliamentary Secretary to the Minister for Education) (13:29):
I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

Higher Education and Research Reform Amendment Bill 2014
Second Reading

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

Senator KETTER (Queensland) (13:30): I rise to speak against the Higher Education and Research Reform Amendment Bill. I have listened to the contributions from those opposite in relation to this bill and their arguments in support of the bill. It struck me that there is really no better illustration of the difference between the coalition and Labor than our positions on this issue. When the coalition senators look at the issue of higher education, it seems to me that they perceive something that is merely a cost to the budget. It is a bottom-line issue for them. They propose arguments such as, 'Nothing in life is free. There's no such thing as a free lunch. Somebody's got to pay.' When they look at education, what they actually see is an opportunity to address the budget issue. It reminds me of a contribution from Senator Nash on the issue of health in answer to a question I asked in question time. Again, Senator Nash raised the view that health is a drag on the budget. Unfortunately, that is also an issue which illustrates the difference between our two parties.

Those opposite see education as a market. They want to have market forces apply to the issue of education. We, on the other hand, see education as being a public good which has an overall benefit to society. We see education as an opportunity for Australians to better themselves and to have a broader range of choices for an appropriate career path. I oppose the Americanisation of our higher education system. I say that that would be a terrible outcome for our country.

As internationally renowned and Queensland based economist John Quiggin has pointed out:
"Except for the top 1 per cent of the population, US provision of undergraduate education is far worse than in Australia …
"Moving towards a stratified model on US lines would be a backward step for the vast majority of Australian students.”
According to Universities Australia, the cost of important courses such as engineering and science will have to increase by 58 per cent to make up for the cut. Nursing will need to increase by 24 per cent. Education will need to increase by 20 per cent. Agriculture will need to increase by 43 per cent. My colleagues in the National Party really should be hanging their heads in shame if they seek to support this particular bill. Environmental studies will have to increase by a whopping 110 per cent. These are not figures from the Labor Party; these are figures from Universities Australia.

In total, the Abbott government budget measures cut $5.8 billion from higher education—teaching, learning and university research. This legislation enables the delivery of $3.9 billion of these cuts, including by slashing funding for Commonwealth supported places in undergraduate degrees by an average of 20 per cent and, for some courses, up to 37 per cent. This legislation is reducing the indexation arrangements for university funding to CPI in 2016, down from the appropriate rate the previous Labor government introduced. This means $202 million in cuts over the forward estimates period. It is a major contributor to a $2.5 billion cut per annum in 10 years time, according to the Parliamentary Budget Office. This legislation is cutting almost $174 million from the Research Training Scheme, which supports training of Australia's research students, scientists and academics of tomorrow. And, of course, this legislation is introducing fees for PhDs.

One has to ask the question with these cuts, 'Why are we here?' Why are we here today even discussing these issues? When you look at the position of the coalition in the past on the funding of universities, it has been relatively clear. I go to the media release of the current education minister, Christopher Pyne, of 26 August 2012. At that point, Mr Pyne said:

While we welcome debate over the quality and standards in our universities, we have no plans to increase fees or cap places.

That was two years ago.

If we move forward to the Liberal Party policy document that came out in January 2013 in which the coalition laid out its election platform, that document said:

- We will ensure the continuation of the current arrangements of university funding.

Then in February of last year we had Mr Abbott give a speech to a Universities Australia conference in which he said:

First and most important, we will be a stable and consultative government. If we put in place a policy or a programme, we will see it through. If we have to change it, we will consult beforehand rather than impose it unilaterally and argue about it afterwards. We understand the value of stability and certainty, even to universities.

Of course, we have not seen any of the consultation or stability in this government that was foreshadowed in that speech to Universities Australia. Then just prior to the election, on 1 September, the Prime Minister, speaking on the *Insiders* program, said:

And I want to give people this absolute assurance, no cuts to education…

Then after the election, in November of last year, the minister made the following comment:

We want university students to make their contribution, but we're not going to raise fees…

And when asked by the interviewer why he would not raise university fees, Mr Pyne said in response: 'Because we promised we wouldn't before the election.' So there we have it—a reinforcement over a period of time of a relatively consistent position that was expressed, but
we now have before us the manifestation of another broken promise by this government of twisted priorities.

Not only does the Labor Party have a very strong and proud position on the issue of higher education, but I also have a very strong personal view about this issue. I was brought up in modest circumstances in terms of my family background, and I was a beneficiary of the Whitlam government's university and education reforms. I am forever indebted to the Labor government of the Whitlam era for those changes. In the late 1970s I was able to commence a university degree and to go on to complete that. In my own family, now as a father of four, I have two daughters at university and they are very concerned about the prospect of change in this area. And I have two school-aged children who are certainly facing the prospect of changes that this government is looking at. I take on board some of the contributions that have been made earlier on in the debate. I know that tertiary education is not the only path that people can take to a fulfilling life, but it is a tried and tested way in which people, particularly people from modest backgrounds under our current arrangements, can get on that ladder of opportunity, can seek to better themselves and can have a broader range of choices available to them for a fulfilling career.

As I said, Labor does have a very proud record of investment in Australia's universities. Labor boosted universities' real revenue per student, including government and student contributions, by 10 per cent—an extra $1,700 for universities to spend on quality teaching for every student. Overall, Labor lifted government investment in universities from $8 billion in 2007 to $14 billion in 2013. We committed to proper indexation for university funds. If we had kept the funding model introduced by the Howard government, universities today would be worse off to the tune of $3 billion. Labor made it easier for young people to study with student start-up scholarships, which helped more than 427,000 Australians with the costs of study. We also introduced a relocation scholarship, helping 76,000 people to leave home to obtain their degree. Importantly, Labor also boosted funding for regional universities by 56 per cent. We also invested $4.35 billion in world-class research and teaching facilities through the Education Investment Fund. That includes $500 million earmarked for regional Australia so country kids could have the same access to quality courses, and universities would be able to attract and retain world-class researchers.

As part of that commitment to education, the Labor Party not only support education in this place; we have also been conducting a campaign out on university campuses and among the general public. In August of this year I visited a number of Queensland universities to meet with vice-chancellors, staff and students, talking directly to everyone affected by the proposed changes. I wanted to talk directly with real people on the ground in our local communities who, at the end of the day, are ultimately the ones who are going to wear the brunt of these terrible changes. In August I visited the University of Queensland with Sharon Bird, the shadow minister for vocational education, and we participated in a moderated expert panel on higher education set up by the University of Queensland Student Union. There was an overwhelming response from students who had a variety of concerns and questions that they needed answering. I also participated in a forum at the Queensland University of Technology with Amanda Rishworth, the shadow assistant minister for education and shadow assistant minister for higher education, and here we participated in an information seminar on proposed changes to higher education.
Students at QUT also voiced their concerns and asked the panel various questions about the proposed changes. I have also visited Central Queensland University in Rockhampton to get the perspective of a regional campus, and I had the privilege of meeting a large number of students at CQU, with many of them voicing their strong concerns around the course cost increases, which would see them with massively high university debts. It was here at CQU in Rockhampton that we heard from an incredible number of students, telling us they did not want the Abbott government's proposed higher education changes. It is clear that these cruel reforms will hit the regions especially hard. At every point during my campus visits I observed an underlying and collective distress about what is happening to our accessible higher education opportunities in Australia.

Unfortunately it seems that it is not only in this place that our federal government is attacking the higher education system. In my own home state of Queensland, I mention as an aside that the Newman government is attacking the TAFE system. TAFE is an important public provider, delivering quality training to Queenslanders. However, the Newman government is systematically dismantling Queensland TAFEs, with cuts to staff and by reducing course offerings and increasing fees.

I have mentioned that it is regional areas which bear the brunt of these changes to the higher education system. I reiterate my point that I believe the National Party senators should hang their heads in shame if they are intending on supporting this proposed legislation. The impacts of the cuts are quite variable when we look at the changes that will occur. Based on research that has been done by the National Tertiary Education Union, if we look at the five campuses most affected by the cuts to Commonwealth funding, we see that three of those five universities are in regional areas and that two of them are in my home state of Queensland—the University of the Sunshine Coast and the University of Southern Queensland. In our estimation, the University of Southern Queensland has an 8.7 per cent cut in total revenue and the University of the Sunshine Coast has an 8.9 per cent cut. There are other universities that do not fare so badly. For example, the University of Melbourne has a relatively modest cut of 2.9 per cent by comparison, but of course that is still quite a significant amount of money. In the case of the University of the Sunshine Coast, we estimate cuts of $50 million; and, in the case of the University of Southern Queensland, $82.7 million over the period of 2016-19. In total, over that period of time, my home state of Queensland suffers a cut of $840 million in university funding.

Reducing government funding for higher education at this time of our nation's economic development would be a terrible outcome. As the mining boom is tapering off and moving from an investment phase to a production phase, our transition to a higher skills base is crucial for our nation's future productivity. As economist John Quiggin has pointed out:

Structural change in the economy over the past century has required steadily increasing levels of education. The pace of change, and the need for education has accelerated with the rise of the knowledge economy, based on personal computers and the Internet.

He goes on to say:

The complexity and informational richness of the modern workplace is such that the skills of a high-school graduate are increasingly inadequate for the majority of jobs. Increasingly, either specific technical skills, or the general cognitive skills acquired through tertiary education, are necessary qualifications.
Quite simply, what Australia's workforce needs is more, not less, access to higher education in order for us to be able to compete in a global economy of ever increasing complexity and technical advancement.

Just one example of how these reforms will affect one industry sector is provided by the Australian Veterinary Association in their submission to the parliamentary inquiry into this bill. They state in their submission:

The changes to the funding and regulation of higher education will severely impact the veterinary workforce and its ability to provide an essential service to Australia’s economy and communities.

By way of overview in their submission they made the point:

An effective, sustainable veterinary workforce is essential to Australia. Veterinarians ensure the safety of the food we eat and export, care for the health and welfare of livestock, and are necessary to help identify and respond to a serious disease outbreak.

The Australian Veterinary Association understands that this legislation is bad for Australia and that it is particularly bad for regional communities. Once again, I call upon my National Party counterparts to oppose this bill. The reason that vets are particularly impacted by this legislation is that veterinary qualifications require five to seven years of university training. The courses are expensive and vets have lower earning potential than other similar professions, with a starting salary of $47,000.

In conclusion, the proposals embodied in the higher education bill that is before us would entrench intergenerational poverty, lock people into living the lives that their parents did and smash opportunities for young Australians. This government wants to make university harder to get into, shifting debt onto students and taking away the opportunities for ordinary Australians to pursue higher education. I strongly urge senators to oppose this bill.
money, provided it is spent wisely. Higher education is a clear and obvious pathway to a more productive and prosperous Australia. Governments should be investing in our future. Cuts to education are simply a false economy because, while we may save money in the short term, you can guarantee we will end up paying a lot more in the long term.

Secondly, while I am not opposed to some reforms in the sector, changes of this magnitude should have been an election issue. The Prime Minister, when he was opposition leader, in an address to Universities Australia at a higher education conference in Canberra, on 28 February last year, said:

In an era of busy government and constant change, it’s insufficiently recognised how often masterly inactivity can be the best contribution that government can make to a particular sector. A period of relative policy stability in which changes already made can be digested and adjusted to (such as the move to demand-driven funding) is probably what our universities most need now.

Masterly activity appeared to be the policy of the government in respect of higher education. Instead, we have some quite radical reforms for this sector. I note that a number of amendments have been proposed and negotiated by the government. Those amendments will change this bill significantly and ought to be considered closely and carefully. But I still have a threshold issue, which is that more and more Australians are disillusioned with the political process. In a debate on the issue of submarines earlier, I quoted Hugh Mackay, the social researcher, psychologist and writer who, back in 1998, wrote in the *Sydney Morning Herald*:

'With trust in the political process being eroded with every principle, every broken promise and every policy backflip, the level of cynicism has reached breaking point for many Australians.' I suggest that they were halcyon days. Back then, John Howard, who did break his promise on the GST, to his absolute credit had the courage to go to the people and run an election based on the GST. He won the election and had a clear mandate for that reform. He articulated his vision for reform to the electorate. He won the election and deserved to get the GST changes through.

An incident having occurred in the gallery—

**The ACTING DEPUTY PRESIDENT (Senator Bernardi):** Order! Remove the intruders from the gallery.

**Senator XENOPHON:** I can assure you, Mr Acting Deputy President, I had nothing to do with those demonstrators.

**An honourable senator:** Anything to get on TV!

**Senator XENOPHON:** No. I do not think that that intervention from the gallery was in any way helpful. As I have said, this legislation makes significant, essentially irreversible, changes to the sector. It is not consistent with the government's election commitments and it is not something that has been taken to the people as part of an election campaign. The reason I referred to Hugh Mackay, the social researcher, is that there is a great deal of disillusionment in the community. People are worried about a whole range of measures. Let us start with the Gillard government. Prime Minister Gillard promised on the eve of the 2010 election that there would not be a carbon tax under any government she led and then introduced one. I suspect that if she had said anything different at that time she would not have won the election in 2010. I also wonder how the coalition would have fared at the last election if it had said
that there would be significant changes to higher education, that the submarines would not be built in Australia and that the ABC would be cut—that applies to a whole range of other measures. I think that is a real issue that we cannot and must not ignore.

I am concerned about policies that seek to shift public debt to private debt. There are some burdens that governments must carry, and I believe that higher education funding is one of them—again, providing the spending is wise, prudent and targeted. During my many meetings with representatives from universities and higher education providers one thing that kept coming up was the lack of certainty faced by the sector. It has been faced with cuts from both sides of politics and many institutions have reached the point where they simply feel there is no alternative than to go down the path of deregulation.

There has been a significant failing on the part of the opposition in this debate to date. The ALP has said many times that it would not support the government's legislation—fair enough—but it has not put forward a credible alternative policy of its own. It has said it is committed to public funding but it has made no announcement as to how much it would or would not commit to in government. That has made this debate far more difficult than it should be. If the higher education sector is really in financial trouble, and I believe it is, then things need to change, but the only clear policy we have on the table is the one put forward by the government, with some significant amendments by my crossbench colleagues. If we do not like the scheme put up by the government then what other solution can we put forward? There needs to be a viable alternative in this debate. I think we also need to put on the table, and have a debate about, the demand driven system and whether that system is sustainable and viable in the long term.

Australia has an excellent history of making higher education widely available, beginning with the reforms of John Dawkins under the Hawke-Keating government. The introduction of HECS, a world renowned scheme, and the consolidation of higher education providers meant that more Australians than ever could have access to affordable high quality education. I should note that I went through law school in the late 1970s, courtesy of the Whitlam government's free tertiary education, for which I am very grateful. In the mid-2000s, then Prime Minister John Howard introduced some deregulation into the sector by allowing universities to increase their fees by up to 25 per cent. Full-fee-paying student places for international students were also introduced, which allowed universities to enrol students beyond the government mandated caps. The next major change was introduced by the Gillard government, which uncapped university places and opened up the sector to greater numbers of students. Given the time, I seek leave to conclude my remarks.

The PRESIDENT: You will automatically be in continuation, Senator Xenophon. Thank you. Order! It being 2 pm, we move to questions without notice.

Debate interrupted.

QUESTIONS WITHOUT NOTICE

Defence Procurement

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:00): My question is to the Minister for Defence, Senator Johnston. I refer the minister to the Treasurer's interview on Radio National this morning, when he explicitly ruled out an open tender process for Australia's Future Submarine project. Is this the government's position?
Senator JOHNSTON (Western Australia—Minister for Defence) (14:00): I thank the senator for the question. This, firstly, is not a hysterical issue. It seeks to put national security interests ahead of Labor union mates’ interests. The government’s approach, as I have said on several occasions, is that, in order to seek to prevent a capability gap, the government will follow the Kinnaird reforms to Defence procurement. It is interesting to note—because I was quite surprised to find this when I had a look back over the records—that, since July 2007, 77 major Defence acquisitions were completed by the Labor Party. Of the 77, 70 per cent were single-source procurements. That is, there was no tender. They just simply went to the contract.

I have said that what we will do is—in the ordinary course of business, as we have always done—a first and second pass process that is open and transparent. It is clear that Labor has said more on submarines in the last six weeks than ever they did in six years. Because of inaction, ignorance and a lack of understanding of the need to have a degree of duty diligence and expedition on this program, we are facing a capability gap. That capability gap is a very serious concern to the government and to the Australian Navy. Let me reiterate: we will follow due process. (Time expired)

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:02): Mr President, I ask a supplementary question. When did the government make the decision to rule out an open tender process for Australia’s Future Submarine project?

Senator JOHNSTON (Western Australia—Minister for Defence) (14:02): You are verballing me, as you are wont to do when you do not get the answer that you want. I said to you that the government will conduct its acquisition of what is our biggest and most complex Defence acquisition. In the ordinary course of events, the Auditor-General will be looking over the government’s shoulder. Everything will be above board, according to Hoyle, and we will get the job done—

Senator Conroy: You have done a deal. You prepared the press releases.

The PRESIDENT: Order on my left.

Senator JOHNSTON: after six years of inaction and after six years of prevarication. It has gone from four options to two options that were fantasy. What a fraud was perpetrated on the Australian people: ‘We are going to have 12 submarines.’ Guess what? We have nothing. We are actually delivering the program starting from scratch, because you did nothing.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:03): Mr President, I ask a further supplementary question. Were South Australian Senators Edwards, Ruston and Fawcett consulted prior to the Treasurer’s announcement, given their previous public support for a competitive tender?

Senator JOHNSTON (Western Australia—Minister for Defence) (14:03): I will tell you that there has been a lot of consultation with South Australian senators and members. However, I obviously cannot speak for the Treasurer.
Budget
Economy

Senator CANAVAN (Queensland) (14:04): My question is to the Minister for Finance and the Minister representing the Treasurer, Senator Cormann. Can the minister update the Senate on the importance of building a stronger economy and repairing the budget?

Senator CORMANN (Western Australia—Minister for Finance) (14:04): I thank Senator Canavan for that question. We need to build a stronger economy and repair the budget to ensure that every Australian has the best possible opportunity to get ahead. We need to repair the budget and we need to build a stronger, more prosperous economy to ensure that we can protect our living standards and build better opportunities for the future. At any one point in time in our economy and in our budget, there are things that are directly under our control and there are things that are beyond our control. That is whether the Labor Party and the Greens are in government or the Liberal Party and the National Party are in government, as we are now. Commodity prices around the world are not influenced by who is elected to government at an election. Twenty per cent of our export income today comes from iron ore exports.

Senator Wong: 'We stand by our figures.'

Senator CORMANN: Senator Wong says that the Labor Party stand by their figures. But, in Labor's last budget, they estimated revenue on the basis—

Senator Wong: They are your words. You said that you stand by your figures.

The PRESIDENT: Order on my left.

Senator CORMANN: Of a price for iron ore of more than $120 a tonne. We reduced that down to just over $90 a tonne in the Mid-Year Economic and Fiscal Outlook and in the budget. What did Labor say? They said that we were too pessimistic and that we were purposely trying to reduce the level of revenue in order to make the numbers look worse. Guess what? Right now, the iron ore price is hovering at about $63 a tonne. The truth is that, whether Labor and the Greens party are in government or we are in government, that would have been the same.

What we do know is that, on the spending side, under Labor things would be so much worse. On the spending side, the Labor Party is opposing $28 billion in savings. Today, the Labor leader, Mr Shorten, has again locked Labor into another $15 billion in additional spending. Whatever the situation in the budget and in MYEFO, under Labor it would be $43 billion worse than under the coalition. (Time expired)

Senator CANAVAN (Queensland) (14:06): Mr President, I ask a supplementary question. What has been the impact of excessive government spending on Australia's economic resilience?

Senator CORMANN (Western Australia—Minister for Finance) (14:06): Australia today is sadly less resilient than we should have been and could have been if it had not been for Labor's waste and mismanagement of the budget in government. Under Labor, our terms of trade were the best in 140 years. Under Labor, the price we were able to get for our commodities was the best in 140 years. All those opportunities were squandered. But what Labor did do was lock us into expenditure and expenditure growth into the future well beyond what our nation could afford. Of course, Labor is still at it. Not only is Labor opposing $28
billion in savings over the forward estimates, but we know that Labor wants to bring back another $15 billion in spending that is completely unfunded. At the same time Bill Shorten says he is going to bring the budget back to surplus more quickly. So Labor is going to spend another $7.6 million on foreign aid and is going to bring back the schoolkids bonus and the low-income super contribution. Show us where the money is coming from. 

(Time expired)

Senator Conroy interjecting—

The PRESIDENT: Order on my left! Senator Conroy, I thought I could get to question three today without calling your name.

Senator CANAVAN (Queensland) (14:08): Unlikely, Mr President. I ask a further supplementary question. Why is it important that the Senate accepts the need for budget repair?

Senator CORMANN (Western Australia—Minister for Finance) (14:08): I go back to where I started, Senator Canavan. We need to repair the budget to protect the opportunity and to protect living standards for our children and grandchildren into the future. Right now, Australia is living beyond its means. Labor wants to lock us into a trajectory where we continue to live beyond our means at a time when the record terms of trade and the record prices we were able to get for our commodities are gone for the time being. We need to adjust our spending in order to ensure that it fits within the revenue that we can responsibly collect. I have made the point that whoever was in government now would be confronted with a circumstance where our export income from iron ore exports, in particular, was well below where it was in the past. Of course, we need to take that into account.

I want to congratulate Senators Day and Leyonhjelm for the constructive approach which they took last Thursday in coming forward with alternative proposals. 

(Time expired)

Indigenous Communities

Senator STERLE (Western Australia) (14:09): My question is to the Minister for Indigenous Affairs, Senator Scullion. Can the minister confirm that, as a result of the ultimatum from the Abbott government, the Western Australian government will close up to 150 remote communities and force more than 1,000 Indigenous people away from their country.

Senator Lines: Shame on you!

The PRESIDENT: Order on my left!

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:09): First of all, it is a question that needs to be directed to the Western Australian government. So, no, I do not have any knowledge of that—no more than I would normally read in the newspaper. Perhaps from history you may recall, being a Western Australian, Senator Sterle, that it was Swan Valley in 2003, Oombulgurri in 2011, Coonan in 2013 and Buttah Windee in 2013 that were closed by the Western Australian government. I can assure the senator of one thing: all of those things happened before I even started negotiations with the Western Australian government on taking responsibility for the municipal services contract. Why would it be the case otherwise? Why is it that the Western Australian government should, perhaps, have any sort of reason that Aboriginal people's rubbish would somehow be harder to deal with than white people's rubbish? I have to say, Mr President, I have always found that, at best, somewhat odd. Any connection, of course,
between the closures of those communities and discussions of the Western Australian government about their intent has nothing to do with this government.

**Senator STERLE** (Western Australia) (14:10): Mr President, I ask a supplementary question. I put to the Minister for Indigenous Affairs that Frog Hollow, a small homeland community 150 kilometres from Halls Creek, has 11 houses, a school and a bore. Not only would we like to hear if you could tell us what will happen to this community but can you confirm to the Senate if you have had any consultation with the Western Australia government over these issues?

**Senator SCULLION** (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:11): I can confirm to the senator that they certainly have not consulted with me. It is, after all, their activity. I would not suppose that they would have had no communication from the Western Australian government. They have not consulted with me about the closure of these communities. I have heard in the media that they are trying to draw a connection. That was some time ago. I am not actually familiar with the particular community that you are talking about. That should be unsurprising in that these are determinations made by the Western Australian government. These are, obviously, determinations made for reasons of their own, but there may be similar reasons as Coonana—which was not actually closed, although people claim it was; there is still one resident living in Coonana—with the withdrawal of services in 2013. I understand one resident still exists there. I am not really sure about the size of Frog Hollow. But, again, this really has very little to do with the Commonwealth. *(Time expired)*

**Senator STERLE** (Western Australia) (14:12): Mr President, I ask a further supplementary question to the minister, again. Balgo is a remote Indigenous community of around 400 people in Western Australia. Clearly, the state Premier, Premier Barnett, is blaming you and the federal government for these closures. Could you please inform the Senate where these 400 residents will go if they are forced out of their community?

**Senator SCULLION** (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:12): I certainly have heard of Balgo, but I certainly have not heard of any suggestions that they are going to close Balgo, I can tell you that. Again, I do not know how much clearer I can make it: if he wishes to get an answer from the Western Australia government about issues that are clearly their responsibilities, I recommend the senator write to the Western Australian government to seek their advice on this matter.

**Asylum Seekers**

**Senator HANSON-YOUNG** (South Australia) (14:13): My question is to the Minister representing the Minister for Immigration and Border Protection, Senator Cash. Minister, why were two pregnant mothers, who are now in immigration detention in Darwin after spending more than three days detained on a bus, brought to Australia from the Nauruan community where they had been residing on valid refugee visas?

**Senator CASH** (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (14:14): I have to say it is an absolute delight to have a question from Senator Hanson-Young, because I actually thought she had been benched for some time. It is good to know, Senator Hanson-Young, that you are back in the fray and you are back off the bench—which is great.
Senator Hanson-Young: I was saving up for this point.

Senator CASH: And you are back off track—well, you have never been on track. It is little hard to get off track when you have never been on track.

The PRESIDENT: To the answer, Minister.

Senator CASH: I can advise the Senate as follows. I can confirm that there was an incident that occurred at the Blaydin Point APOD following the medical transfer from Nauru. For a period of time, the two family groups were refusing to exit the transfer bus and take up their planned accommodation at the Blaydin facility. The incident has now been resolved with all individuals now settled in appropriate accommodation in Darwin.

The women and their families were temporarily transferred to Australia—to respond directly to Senator Hanson-Young's question—for medical purposes. The families hold Nauruan visas and have been settled in that country. They do not hold Australian visas. The families were informed by their case manager that they would be detained while in Australia. The information was provided to them prior to their medical transfer from Nauru.

Two IHMS midwives have been monitoring the women, and staff continue to engage with the individuals and provide appropriate support and services. So—to answer Senator Hanson-Young's question—they have been transferred to Australia for medical assistance, which we are giving them.

Senator HANSON-YOUNG (South Australia) (14:15): Mr President, I ask a supplementary question. I put to the minister that immigration detention is not an appropriate place for women who are soon to expect their babies. What visas were the two women brought to Australia on? Can the minister confirm that the immigration department cancelled these visas? If so, why and when?

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (14:16): Again, I have to say, if only Senator Hanson-Young had shown so much passion when the 1,200 people died at sea as a result of the policies that her party supported for in excess of six years—

Senator Milne: Mr President, I have a point of order. There was a specific question about the nature of the visa and the time at which the visa was cancelled. I would ask the minister to answer the question.

The PRESIDENT: Thank you, Senator Milne. I remind the minister of the question. Minister, you have 43 seconds in which to answer the question.

Senator CASH: I have to say, if Senator Hanson-Young had actually listened to the answer I gave to the first question, she would have heard me say: the families hold valid Nauruan visas and have been settled in that country; they do not hold Australian visas.

Senator HANSON-YOUNG (South Australia) (14:17): Mr President, I ask a final supplementary question. The women would have been brought to Australia on a visa, thus the reason they are allowed to be brought into the country. If so, when was this visa issued? When was it cancelled? What type of visa was it? Furthermore, can the minister confirm why these women are being held in immigration detention when legally there is no basis for it? Immigration detention is only for the purposes of deportation or issuing a visa.
Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (14:17): Again, Senator Hanson-Young has watched one too many episodes of *Sea Patrol*; a little bit of knowledge can sometimes be quite dangerous. Senator Hanson-Young, they were transferred to Australia. Being found to be refugees by Nauru does not affect their status as unauthorised maritime arrivals in Australia, which is why there is the approach of detaining the families until they are returned to Nauru. Senator Hanson-Young, you may not like the processes that this government follow, but—given that we have effectively stopped the boats, given that we have stopped the drownings at sea, given that, unlike Senator Hanson-Young and the government she supported, we are taking action to get children out of detention—I will stand by our policies every time. *(Time expired)*

### National Security

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (14:18): My question is to the Attorney-General, Senator Brandis. Can the Attorney-General update the Senate about the important amendments to national security legislation which have been recently passed by the parliament?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:19): Thank you, Senator Fawcett. That is an important question and it comes from a senator who takes a very close interest in national security matters. Earlier today the parliament passed the Counter-Terrorism Legislation Amendment Bill (No.1) 2014. That bill addressed urgent operational needs identified by our intelligence, defence and law enforcement agencies.

The number of Australians with hands-on terrorist experience who have been trained in the Middle East theatre with terrorist trade-craft is now several times greater than it was during the conflict in Afghanistan some years ago. Recent operations Bolton and Appleby, and the attack on two Victorian police officers on 23 September, serve as a sober reminder of the security threats we face. One of the key amendments which the bill makes is to strengthen the control order regime in the Criminal Code, to help disrupt those who provide support to terrorists and terrorist groups—something that was vehemently opposed in the committee stage by the Greens, I might say. The AFP is advised of cases where control orders were unable to be applied for under the existing regime in respect of individuals of serious security concern—namely, people who were supporting or facilitating terrorists or foreign fighters. That gap has been closed.

The bill also closed pressing legislative gaps and limitations in the Intelligence Services Act that emerged in the context of the Defence Force's operations in Iraq against ISIL—again, reforms vigorously opposed by the Greens. Importantly, these changes will improve the capacity of ASIS to provide timely intelligence support to ADF operations, including in emergency circumstances.

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (14:21): Mr President, I ask a supplementary question. Can the Attorney-General advise the Senate on the progress the government has made in its comprehensive review of national security legislation?
Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:21): I can. The bill to which I have referred is the latest in a suite of legislation the government has passed or is in the process of dealing with in its comprehensive review of Australia’s national security legislation.

It follows the foreign fighters bill, which came into effect yesterday, 1 December, and addresses the most pressing gaps in our counterterrorism legislative framework, those that have the greatest impact on prevention and disruption of domestic terrorist threats. It also follows the National Security Legislation Amendment Bill (No. 1) 2014, which dealt with the powers of our national security agencies.

The foreign fighters bill created a new offence of entering a declared area overseas where terrorist organisations are active and where that area is certified by the Minister for Foreign Affairs. It also created a new offence of advocating terrorism, which will prohibit intentionally counselling, promoting or encouraging terrorism. (Time expired)

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (14:22): Mr President, I ask a final supplementary question. Could the Attorney-General update the Senate on additional action the government is taking to further strengthen its response to national security threats?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:22): The government, as you are probably aware, has committed $630 million of new money over the next four years to combat home-grown terrorism. As well, on 30 October the government introduced the data retention bill, which will require telecommunications providers to keep a limited set of metadata for two years. That type of data plays a central role in virtually all serious criminal and national security investigations, including child exploitation, murder, serious and transnational organised crime as well as counter terrorism. On 27 November the Prime Minister also announced that the government will review Australia’s cybersecurity strategy to improve our national security and make online commerce more secure. Keeping Australia and Australian interests and citizens safe will continue to be this government’s No. 1 priority. (Time expired)

Indigenous Affairs

Senator PERIS (Northern Territory) (14:23): My question is to the Minister for Indigenous Affairs, Senator Scullion. I refer to the 2014 Social Justice and Native Title Report by Aboriginal and Torres Strait Islander Social Justice Commissioner Mick Gooda. According to the report, in his first 12 months the minister has overseen an upheaval in the Indigenous Affairs portfolio which has caused ‘widespread uncertainty and stress particularly amongst our communities’. Is Mr Gooda correct?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:24): In a word, no. That is my view and Mr Gooda has his view. Whilst he is a good friend of mine and a respected commentator in this area, I have to say I have not struck that widespread concern. I am not sure if you have—through you, Mr President—Senator Peris. What I have found is overwhelming support with a change in approach in many of the discretionary programs that are going to affect Closing the Gap. We
have seen many years of 'set and forget'—Senator Peris may not have been here through that
time—where we had circumstances of fewer people going to school, fewer people engaged in
work. We have seen on almost every indicator that something needs to be done. There are
those who say, 'Let's not change anything.' I am quite comfortable with my organisation doing
what it does. I do not want any change.

We understand that we have a greater calling. The government has a very important
calling—that is, to ensure that those services that are being delivered, first and foremost, are
being delivered in a way that actually closes the gap and that re-engages people with
education. We are providing our First Australians with a first-class health system that they
have proper access to and we are ensuring that not only do they go school but they get an
excellent education so they can go on and take their rightful place next to other Australians—
who take those sorts of opportunities absolutely for granted.

I disagree. I have not seen that widespread concern amongst Aboriginal people as I move
around the countryside, and I will continue to have those discussions with the commissioner.

Senator PERIS (Northern Territory) (14:26): Mr President, I ask a supplementary
question. I refer to Mr Gooda's observation that in relation to the machinery-of-government
changes affecting Indigenous programs:
There was little or no consultation with those working at the coalface about which programs and
activities were best kept together or which Departments were best placed to administer them.
Is Mr Gooda correct?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of
The Nationals in the Senate) (14:26): The extensive consultation we have had since we have
been in government seems to support that a whole range of areas were being delivered in a
way that had no context to the circumstances in which people found themselves. We were
delivering over a huge area whether it was through FaHCSIA or the Department of Human
Services. All of these programs across the country were not really dysfunctional in themselves
but they were not engaged under a single coordinated process, so that is what we have done.
We have brought all of these together under the umbrella of the Department of the Prime
Minister and Cabinet, so we have the primacy of Prime Minister and Cabinet appropriately to
ensure that we close the gap on opportunity for our First Australians. I do not have to defend
so-called attacks against those processes or the rationalisation of our delivery of programs. I
know that this is a part of all of the Indigenous communities that we have consulted with.

Senator PERIS (Northern Territory) (14:27): Mr President, I rise to ask a final
supplementary question. Can the minister confirm that the Abbott government wasted $1.6
million on the machinery-of-government changes to bring Indigenous Affairs into the PM&C
portfolio? How much more will it cost to sort out the uncertainty and chaos resulting from the
Abbott government's cuts in Indigenous Affairs?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of
The Nationals in the Senate) (14:27): I certainly would not agree with the characterisation
that the funds are used to actually start unscrabbling the madness that we have seen in this
area. On any measure it has not delivered any outcomes. So I do not think it is a cost at all. I
think it is a very sensible, well-considered investment that ensures that our First Australians
get access to exactly the same services that really change things and to ensure that the services on the ground are actually coordinated through the highest office in the land.

Our Prime Minister, I am very proud to say, said he is going to be also the Prime Minister for Aboriginal and Islander Affairs. And when he said that he meant that in the sense that he is ensuring structurally that he is also responsible for that. And not only is he being responsible in that sense, he has also shown a lot of leadership in ensuring that we have a much better rationale, and we are already getting much better results.

**Australian Customs and Border Protection Service**

Senator WILLIAMS (New South Wales) (14:28): My question is to the inspiring Assistant Minister for Immigration and Border Protection, Senator Cash. Can the minister update the Senate—

**Senator Cameron:** From wombat to doormat!

**The PRESIDENT:** Senator Cameron, there is nothing inspiring about you!

**Senator WILLIAMS:** Can the minister update the Senate on recent operations which demonstrate the government's commitment to securing Australia's borders against the importation of illegal drugs?

**Senator CASH** (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (14:30): I thank Senator Williams for his question. I can inform the Senate that on Friday 21 November 2014 a targeted consignment from Hamburg in Germany, which was marked as containing personal effects and furniture, was examined by the Australian Customs and Border Protection Service in Sydney. A number of packages were opened and were found to contain approximately 849 kilos of methamphetamine and 1.9 tonnes of MDMA.

This seizure has an estimated street value of $1.5 billion. It contains sufficient drugs to produce 10 million street deals or tablets. It was the second-largest overall seizure in Australian history and the largest-ever seizure of methamphetamine or ice. Six men were subsequently arrested on Saturday 29 November when they were found accessing the boxes.

This seizure commenced as a Customs intelligence operation. It is part of a wider body of exceptional work carried out by our front-line border personnel and law enforcement officers. Last financial year, border protection officers prevented around four tonnes of drugs and precursors from reaching Australian streets. We aim to stay one step ahead of the game. We know that those who seek to test our resolve will always seek out new methods of concealment.

The coalition government has brought the focus on border protection back to where it should be, and that is of course at the centre of government priorities. We are ensuring that this focus is backed with the increased resources and funding our agencies need to protect us from the scourge of organised crime. The men and women of the Australian Customs and Border Protection Service are to be commended for the exceptional front-line work they do to keep our streets safe.

**Senator WILLIAMS** (New South Wales) (14:32): Mr President, I ask a supplementary question. Can the minister inform the Senate why substantial reinvestment into front-line border services delivered by this government has been necessary?
Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (14:32): Yes, I can. Reinvestment has been required because the former Rudd government, Gillard government and Rudd government actually ripped out $700 million from Customs and Border Protection. They literally ripped the guts out of our border protection agency. As a result, they largely ignored criminality at our ports and airports for the majority of their time in office. After forming government, the coalition, however, has invested an additional $88 million in border screening through the Customs and Border Protection Service. The results now speak for themselves. This financial year, seizure rates at the border are increasing by number and by weight. For example, prior to the weekend's massive seizure, amphetamine and cocaine detection so far this year had already increased by 50 per cent in weight over the last financial year.

This is a government which actually has the resolve to deliver on its election commitments. (Time expired)

Senator WILLIAMS (New South Wales) (14:33): Mr President I ask a further supplementary question. Will the minister inform the Senate whether there will be any significant changes in front-line border services in 2015?

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (14:33): Those opposite would not know about reinvestment and the ability to implement significant positive changes, because they had in excess of an $11 billion budget blow-out because of the 50,000 people who arrived here illegally by boat.

Those of us on this side, however, have implemented policies which have effectively stopped the boats and, as a result of that, have saved the Australian taxpayer money, which has meant that we have been able to reinvest into what is one of the most important portfolios in this country.

The creation of the Australian Border Force in 2015 will bring together the collective energies of our Customs and immigration officials in a single compliance and investigation agency. This is because we face many challenges going forward. We understand that. Operation Sovereign Borders has clearly shown the way in terms of how to harness the collective energies of our border agencies to ensure that on this side we get the job done. (Time expired)

Tasmania: Boyer Paper Mill

Senator LAMBIE (Tasmania) (14:34): My question without notice is to the senator representing the Prime Minister, Senator Abetz. I refer the senator to a letter to the Joint Commonwealth and Tasmanian Economic Council on behalf of 330 employees at the Boyer Paper Mill and the other 900 Tasmanians who rely directly on the mill's survival.

The letter notes, 'A significant cost disadvantage associated with shipping across Bass Strait has been known to the government for many years. But, with respect, the required reforms have yet to be implemented and an immediate solution is required in relation to international export costs if businesses in Tasmania are to survive.' When did the senator become aware of the letter, and does he agree that the 330 employees jobs at the Boyer Paper
Mill and the other 900 Tasmanian jobs that are at risk if an immediate solution to international export costs from Tasmania is not found?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:35): In my 21 years in the Senate, I have been a very regular visitor to the Boyer mill, engaging with the staff, the management and the workforce. I believe I understand the issues.

The Productivity Commission review into the Bass Strait freight equalisation scheme—a scheme established by a former Liberal government, might I add—found that the biggest problem facing Tasmania was the scourge of the amendments made in relation to coastal shipping.

Senator Carol Brown: That’s not true!

Senator ABETZ: Well, I am sorry—it is recommendation No. 1 from the Productivity Commission.

Senator Carol Brown: You haven’t even responded to the Productivity Commission!

Senator ABETZ: You can shake your head, you can deny the obvious and you can deny the fact but, I am sorry, that is what the Productivity Commission said. We can deny that which the Productivity Commission said, but that is the biggest issue.

The problem that Boyer faces is this: to get a roll of newsprint all the way from New Zealand to Melbourne costs so much less than getting it across Bass Strait. The reason for that is the unduly high cost of coastal shipping around Australia, courtesy of the changes made by the Labor-Green majority in the Senate just a few years ago.

Am I aware of the problems of Bass Strait and the cost impediment to jobs, to Tasmanians? I have been aware of that for 21 years in this place and for many years before that, because the Liberal Party has a very proud tradition—

The PRESIDENT: Pause the clock. Senator Lambie on a point of order?

Senator Lambie: Yes, a point of order, thanks, Mr President. I just want the question answered.

Honourable senators interjecting—

The PRESIDENT: Order on both sides! Senator Lambie, you have the call.

Senator Lambie: Does he have an immediate solution to international export costs from Tasmania?

Honourable senators interjecting—

The PRESIDENT: Order! I am taking it as a point of order on relevance, Senator Lambie. You can continue.

Senator Lambie: Does he agree that there are 900 jobs at risk here if an immediate solution is not found? I just want a simple yes or no. Do you understand that? That is all I am asking.

The PRESIDENT: Thank you, Senator Lambie. The question was a little bit more complicated than a simple yes or no. The minister has been answering the question. I call the minister.
Senator ABETZ: As the Productivity Commission review indicated to all Australians and anybody who bothered to read it, there are complex issues in relation to Bass Strait. If anybody had a simple answer, I am sure that it would have been attended to immediately. (Time expired)

Senator LAMBIE (Tasmania) (14:38): Mr President, I ask a supplementary question. Once again I refer Senator Abetz to the letter, which says, 'Specifically we request the Tasmanian Freight Equalisation Scheme be expanded to include exports via Melbourne as proposed by the Productivity Commission, and the costs of this transitional assistance would be in the order of an additional $20 million to $25 million per annum.' Can the minister detail when his government will invest, as requested, the additional $20 million to $25 million per annum into the Tasmanian Freight Equalisation Scheme?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:39): I am sure Senator Lambie would be aware that the state Liberal government is dealing with issues of international export as well from the state of Tasmania and has made moneys available for that exact purpose. Can I also indicate that the government is working methodically through the Productivity Commission report, and that, under the restrained financial circumstances this nation faces—borrowing $1,000 million a month as we speak just to pay the interest on the existing borrowings; completely and utterly unsustainable—money is regrettably in short supply. That is why we as a government are working very methodically through the Productivity Commission review’s recommendations to ascertain what we can do to ensure that we can protect as many jobs as possible and indeed grow job opportunities in our home state of Tasmania.

Senator LAMBIE (Tasmania) (14:40): Mr President, I ask a further supplementary question. Once again I refer Senator Abetz to the letter, which says, 'While consistent with their pre-election commitment, the Tasmanian government's proposed subsidy of $33 million over three years to reinstate a direct international shipping service will not deliver the expected benefits.' Does the senator agree with that statement regarding the disbenefits of a direct international service?

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (14:40): Compared to what was on offer under the previous state Labor government, clearly that which the Hodgman government is seeking to deliver is a lot better than what was in place before—namely, nothing. So we do not deal with these things in a vacuum. In relation to the federal component, as I said, we are looking into this. It is a matter of concern. Mr President, as you would personally know, being part of the dynamic Tasmanian Liberal team in Canberra, we, all of us, are working together to achieve a landing in relation to the Freight Equalisation Scheme. I note that the member for Lyons has in fact been in the media in recent days absolutely—

Senator Lambie: Mr President, I rise on a point of order on relevance. I just wanted a simple yes or no on the statement regarding the disbenefits of a direct international service. That is all I want to know. Yes or no: do you agree there should be a direct international service?
The PRESIDENT: Thank you, Senator Lambie. I think the minister was answering that component of your question.

Senator ABETZ: A lot of exporters are saying that they would like support to get their export product from Tasmania to Melbourne so that they would have an array and choice of international shipping services. *(Time expired)*

**Indigenous Affairs**

Senator McLUCAS (Queensland) (14:42): My question is to the Minister for Indigenous Affairs, Senator Scullion. I refer to the minister's oversubscribed and behind schedule Indigenous Advancement Strategy, which has resulted in more than 75 critical Indigenous service providers left out of the funding round, forcing the minister to grant a last-minute extension of funding. Does the minister agree with the Prime Minister's chief Indigenous adviser, Mr Warren Mundine, that his funding process for Indigenous services and programs is 'deeply flawed'?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:42): In regard to Warren Mundine's view that was put in the paper, I have had a discussion on that. I am not sure you can take it as read. We have certainly had that discussion and, as read, yes, I disagree. There is a case in point here. You have to learn—in this place I certainly have, and luckily I have some terrific people to learn from on the other side of the chamber. We need to ensure that a significant change, with the motivation of making it better, actually delivers that.

With regard to the Remote Jobs and Communities Program, somebody on the other side—not through mischief; I suspect through political expediency—just before the last election made a decision, 'No, no, we've got to roll it out.' Some organisations had four or five days to employ staff, get vehicles, put everything in place, which is why 60 per cent of the Aboriginal people going from CDEP to RJCP disconnected. And now we are having to put them back. So I am hardly likely to repeat the sins of those on the other side. There was no mischief, but it is a lesson, and we have taken that on board. We just need to ensure that those small businesses who are Aboriginal businesses who may not have had the capacity to put in quite a sophisticated application—but they are very capable of providing a service; I want them to be able to do the job—are in place to do that.

When it came to my attention—and I have said in this place there is not going to be any change to front-line services—why would I march on, when I knew that 75 of those providers had not actually applied in their own name or had thought, 'This is too daunting,' or were in fact organisations that decided they could not employ Aboriginal people? So we have gone back. To ensure that there is no impact on front-line services, we have taken it out for six months. We as a government, unsurprisingly, are determined to get it right.

Senator McLUCAS (Queensland) (14:45): Mr President, I ask a supplementary question. I refer to a report in *The Australian* that said:

*The Australian* has spoken to indigenous groups who would not speak on the record because they feared their funding would be compromised, but said the new criteria in the first round of the $4.8 billion Indigenous Advancement Strategy was not clear.

Has the minister responded to those concerns?
Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:45): I actually have not had any of those concerns. I am very close to many, many organisations that we consulted widely with as we embarked on the Indigenous Advancement Strategy. Newspapers—despite The Australian being an excellent newspaper—from time to time say, 'Look, we can't tell you the reason or our sources; they are all too terrified to speak.' But they are not too terrified to talk to me, so I just do not accept the premise that somehow people are concerned about this.

What I can say is that in this particular place we have made a promise. You have questioned me, Senator McLucas, and will question me in the future, about my promise to ensure that there is not a negative impact on front-line services. So, true to that, I am going to make sure that the process is absolutely right. We need to take more time. We need to ensure that those people who should be applying have the time to apply. So I refute the premise of your question.

Senator McLucAS (Queensland) (14:46): Mr President, I ask a further supplementary question. What assurances has the minister provided to Indigenous education providers who are affected by the March extension, given they commence their programs at the start of each calendar year? Will they be guaranteed funding for the full calendar year 2015?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:46): There are a number of categories that fall within the education year, from providing nutrition programs all the way to providing tuition at the university level, and there are a huge spectrum of services in between. Not all of them will be extended by 12 months; for some of them, it will be six months. But, where the continuity of their work will be impacted, they will be extended for 12 months. Where the continuity of their work will not be impacted, they still need to be subject to the competitive rigor that will ensure the very best delivery of services. That is a very wide question, but, generally, the application has been that, if they are a service whose continuity of work is going to be affected over the calendar year, which is the education year, they have been extended by 12 months; and, if they are a service whose continuity is not going to be impacted, then they have been extended by six months.

Broadband

Senator RUSTON (South Australia—Deputy Government Whip in the Senate) (14:47): My question is to the Assistant Minister for Social Services, Senator Fifield, the Minister representing the Minister for Communications. Can the minister please update the Senate on the NBN's progress in delivering broadband upgrades to all Australians sooner, at less cost to taxpayers and more affordably to consumers?

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (14:48): I thank Senator Ruston for her question. I can indeed update the Senate. But first let me remind colleagues of the miserable and misleading promises that Senator Conroy made when he was minister. In 2010, you will recall, Mr President, Labor claimed that within three years they would get to 1.27 million houses with a fibre-to-the-premises network and 283,000 premises with a fixed wireless network. What happened is they barely reached 16 per cent of that number, which I think most colleagues would agree is pitiful. Instead of taking Labor's approach and making outlandish promises on the back of a napkin—I forget if it was a napkin or a coaster, but I think you get the general
idea, Mr President—we have taken the time to get the company rolling out broadband in a predictable and an efficient manner.

I can inform senators that yesterday the company released its national rollout plan for the next 18 months, which shows that we are getting on and getting these upgrades delivered sooner, at less cost to taxpayers and more affordably for consumers, importantly. In the next 18 months, the company will start construction in areas covering an additional 1.9 million premises. This is a credible and realistic path forward. The simple fact of the matter is that, if you do the groundwork, you can deliver the results that Australians need and deserve.

Senator RUSTON (South Australia—Deputy Government Whip in the Senate) (14:50): Mr President, I ask a supplementary question. Can the minister outline progress for end users, especially those in underserved areas?

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (14:50): The plan demonstrates the significant progress that we are making. By June 2016, one in three Australians will live in areas where the NBN is accessible or where the rollout is underway—a far cry from the two per cent of premises with access to the NBN after the six years of the previous administration. The plan shows we are delivering on our pledge to prioritise underserved areas. Around 19 per cent of premises included in the rollout plan are considered underserviced, compared to 16 per cent nationally. We have also more than doubled the number of serviceable premises that have access to NBN's fixed line network since the election, and this plan will include 7.9 million premises on the fixed line network where the NBN will start rolling out prior to 30 June 2016.

Senator RUSTON (South Australia—Deputy Government Whip in the Senate) (14:51): Mr President, I ask a further supplementary question. Can the minister outline how NBN Co's new rollout plans benefit rural and regional Australians?

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (14:51): We know that those living in rural and regional areas often have the worst access to broadband services. The rollout plan shows our commitment to rural and regional Australia, with almost one million premises outside of major urban areas covered. Of the areas receiving upgrades to the fixed line network, more than 800,000 are outside of major urban areas, which is almost half of the total rollout in the fixed line footprint. An additional 128,000 premises in the bush will be upgraded with the fixed wireless rollout.

In terms of the fixed wireless network, a network neglected by Labor, we have more than tripled the number of premises passed since the election, going from 39,000 premises to 135,000 premises; and there are another 97,000 premises where the network is currently being built and another 128,000 premises which will see construction begin in the next 18 months. We are getting on with the job of delivering fast broadband for Australians, particularly those in rural and remote areas.

**Indigenous Affairs**

Senator MOORE (Queensland) (14:52): My question is to the Minister for Indigenous Affairs, Senator Scullion. Can the minister confirm that over 5,000 funding applications were submitted under the government's Indigenous Advancement Strategy? What front-line
services will Indigenous communities miss out on as a result of the government's decision to cut over $500 million from Indigenous affairs and consolidate all existing programs?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:52): Yes, and none.

Senator MOORE (Queensland) (14:52): I thank the minister for his detailed response! Mr President, I ask a supplementary question. Now I refer to the peak Indigenous body, the National Congress of Australia's First Peoples, which has sought assurances that 'there will not be a loss of vital services at the end of the minister's last-minute extension to the funding round'. Can the minister provide that assurance in possibly more than one word?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:53): I thank the senator for the question. As I have indicated in earlier answers today, we are delaying the outcomes of the rounds so that we can move in, consult and lift capacity for those small Indigenous businesses which clearly are having some difficulty—and which I want to get the job—and speak carefully with the 75 providers to provide front-line service that currently do not have an application in because they have put a joint application in under either another name or another entity. To ensure that we provide the capacity for those front-line services to be delivered by organisations that employ Aboriginal people or, in fact, are Indigenous organisations themselves is absolutely important. That is exactly the reason that we are doing this. The congress write me letters all the time—I do not have one on this particular issue, but I am more than happy to assure them, as I have assured this place, that this will have a positive impact on front-line services.

Senator MOORE (Queensland) (14:54): Mr President, I ask a further supplementary question. How is forcing Indigenous organisations to live in limbo awaiting news of funding cuts, including those to which the minister referred before, while the minister sorts out his mess consistent with the Prime Minister's promise that he would be 'a Prime Minister for Indigenous affairs'?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (14:54): I can confirm that he is a fantastic Prime Minister for Indigenous affairs. It is terrific to work with him. The answer to the first part of the question—if the question was: why is it that people are somehow left in limbo?—is that we do not want to tell them that they have not got the job. That is the idea. We want to lean in and make sure that they have the capacity to have a valid application. So it cannot be late—and a large number were late and therefore noncompliant. We have gone back and ensured that they are compliant because we want those Aboriginal organisations and those organisations that have a demonstrated history of employing Aboriginal people to get the job. We know from the sins of the past that those very large NGOs who have crept into this space are not delivering in the same way that locally based Aboriginal organisations can deliver.

Australian War Memorial

Senator REYNOLDS (Western Australia) (14:55): My question is to the Minister for Veterans' Affairs, Senator Ronaldson. Can the minister please update the Senate about the preparations for the Centenary of Anzac, particularly at the Australian War Memorial?

Senator RONALDSON (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (14:55): I thank
the honourable senator for her question. Yesterday was a great day for Canberra and a great
day for this nation because the Australian War Memorial threw open the doors to the new $32
million redevelopment of the much loved First World War galleries. This is the first
redevelopment of those galleries for nearly 30 years. It has been a major work. I congratulate
everyone at the Australian War Memorial, Dr Brendan Nelson, Rear Admiral Ken Doolan and
all the staff for doing a fantastic job. I have had the opportunity to look at these galleries, and
my only disappointment was that I did not have long enough. They are magnificent, and
everyone listening and in this chamber will be very proud of that work when they see it.

These galleries will give all Australians the opportunity to learn more and to better
understand Australia’s history in the First World War. The Centenary of Anzac will
undoubtedly be this nation’s most important commemorative period ever. It is always
important for all Australians not only to remember what is represented in the First World War
galleries but to understand that the next four years are going to be a centenary of service and
sacrifice not just 100 years ago in April but 100 years since, and we should never forget the
level of that sacrifice. This gallery redevelopment combines with other projects at the
memorial, including the Roll of Honour soundscapes, which are, again, quite magnificent, and
the Roll of Honour name projection project. I actively encourage honourable senators who
have not seen that to do so. The memory of those Australians, of course, is forever
immortalised on the Roll of Honour in the memorial’s cloisters. (Time expired)

Senator REYNOLDS (Western Australia) (14:58): Mr President, I ask a supplementary
question. Can the minister inform the Senate of the role the Australian War Memorial plays in
telling the stories of Australians at war?

Senator RONALDSON (Victoria—Minister for Veterans’ Affairs, Minister Assisting the
Prime Minister for the Centenary of ANZAC and Special Minister of State) (14:58): I again
thank the honourable senator for her very good question. Last year 900,000 people visited the
Australian War Memorial and, of those, nearly 200,000 were students. This week I will
launch the Anzac Portal and the We Remember Anzac education resource, which has been
distributed to all schools across Australia. Honourable senators might be interested to know
that TripAdviser has named the memorial as Australia’s No. 1 tourist destination. Even more
impressively, the memorial is the only Australian institution listed in their top 20.

Why this effort in relation to Australia’s children? Because this nation’s young people need
to understand that, when they go to the Australian War Memorial, there are 102,000 names in
those cloisters. They are men and women of this nation who gave their lives to ensure the
freedoms that we enjoy today. They are the freedoms they paid for in blood. (Time expired)

Senator REYNOLDS (Western Australia) (14:59): Mr President, I ask a further
supplementary question. Will the minister inform the Senate what other actions the
government has taken to further strengthen the Australian War Memorial?

Senator RONALDSON (Victoria—Minister for Veterans’ Affairs, Minister Assisting the
Prime Minister for the Centenary of ANZAC and Special Minister of State) (14:59): Again, I
thank Senator Reynolds for her question. Last Thursday the Senate, as you would be aware,
Mr President, saw the delivery of the coalition’s 2013 election commitment to legislate to ban
the levy of entry and parking fees at the Australian War Memorial. At the time the coalition
promised to ensure that no future government could charge Australians to visit our own
memorial. I am very pleased that the Senate saw fit to do this. Mr President, it is absolutely
essential that as many Australians as possible, over the next four years and beyond, are given
the opportunity to attend the Australian War Memorial. Despite the threat that was potentially
there to the finances of the Australian War Memorial and what that might have led to, we
have ensured in this legislation that car parking and entry fees will never ever be legislated.
(Time expired)

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

QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS

Defence Procurement

Indigenous Affairs

Senator McLUCAS (Queensland) (15:00): I move:

That the Senate take note of the answers given by the Minister for Defence, Senator Johnston,
and the Minister for Indigenous Affairs, Senator Scullion, to questions without notice asked by Opposition
senators today relating to the manufacture of the next fleet of Australian submarines and to Indigenous
affairs policy.

In my address this afternoon, I will focus on the answers given by Minister Scullion to
questions that were asked of him today. From my perspective, two themes seemed to emerge
from the answers to those questions during question time. The first one was that all of the
issues that were being raised by Labor senators were not his responsibility; they were
someone else's responsibility. They were either the responsibility of a state government or in
fact our responsibility, which is somewhat troubling since he has been the minister for quite
some time now.

Senator Sterle asked some very important questions about the impact of the cuts of more
than $28 million in the state of Western Australia to the municipal and essential services
funding program. Frankly, Minister Scullion's response was flippant and dismissive; in fact, it
seemed that he did not care. It was all the responsibility of Western Australia. So $28 million
has been cut from those services in Western Australia, and the state of Western Australia has
responded by saying that up to 150 communities will be closed down. That is appalling and
atrocious—it is quite an irresponsible response from Western Australia—but we should look
at the history here. Let us not forget it was Minister Scullion who came into this chamber and
proclaimed proudly that agreement—that was his word—had been reached with a number of
states and territories around the municipal and essential services program, that they would be
phased out and that this was an agreed position. The comments from the Queensland Premier
and the Western Australian Premier would put a lie to the claim that this was in fact an
agreement. Western Australian are still responding by saying that they will stop municipal
services to up to 150 communities, with the result that we will see another Mapoon; we will
see another event where people will be forcibly removed from their communities, with huge
impacts on more regional centres around the community. And I commend Senator Scullion
for his work in promoting this issue to the community.

I also want to draw attention to the issues around the huge cut, the more than $500 million
cut, to Indigenous services following this budget. As well as that, as well as half a billion
dollars cut from Indigenous programs, we have seen the monumental throwing up in the air of
the funding programs to Aboriginal and Torres Strait Islander organisations. This has been a
monumental change, and all in one hit. We have seen services not even apply for funding

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because it was too complex. We have seen the minister or his department have to go back to talk with up to 75 organisations providing absolutely essential services across the country. They have had to talk to them about how they are going to continue to provide services to Indigenous communities, services that include domestic violence shelters. They cannot have just assumed that everyone was going to apply for these services; they must have had some knowledge that these services would simply close their doors, that they would not continue.

We have also seen the Prisoner Throughcare Program and the anti-recidivism program cut; the Aboriginal Family Violence Prevention and Legal Service defunded; preventative health programs like the tackling smoking program have been cut significantly. We know that Indigenous people smoke at a much higher rate than the non-Indigenous population, so to cut anti-smoking campaigns in your first budget is surely terribly short-sighted. Healthy lifestyle programs have also been cut. But what I found astonishing, and this goes to a question of credibility, was the second theme that appeared in today's answers. When I asked the minister if he was aware of Indigenous groups who would not speak on the record because they feared their funding would be cut, who found that the Indigenous Advancement Strategy criteria were not clear, he said he had not heard those concerns. Now Minister Scullion stands there every time we ask him questions—he is so connected to the community, but if he has not heard those concerns then he is not listening. (Time expired)

Senator BIRMINGHAM (South Australia—Parliamentary Secretary to the Minister for the Environment) (15:06): One of the areas of policy pursuit of this government, particularly of social policy pursuit, that I am most proud of is the work in Indigenous advancement, is the work to ensure that we tackle an issue that has been a sad blight on Australia throughout our modern history and that we take the necessary steps to make changes that can make a real difference, I hope, to the lives of current and, in particular, future generations.

We have made very clear that we want to focus on making a difference with the basics because we believe—from the Prime Minister to Minister Scullion and Parliamentary Secretary Tudge, right through the government—that if you get the basics right in Indigenous policy then the benefits will flow right throughout the wellbeing of our Indigenous populations.

The basics we start with are our three key priorities: getting children to school, getting adults to work and ensuring communities are safe. The truth is that we have been failing as a country across those three priorities for far too long. In many cases, Indigenous school children do not make it to school even half of the time, according to the data. Indigenous employment fell to 48 per cent in 2012-13 after significant gains between 1994 and 2008, when it had risen from 38 per cent to 54 per cent. So we have gone backwards in Indigenous employment. The most recent data indicates that there was no significant change in family and community violence between 2002 and 2008. It is clear for all to see that levels of violence in Indigenous communities are far, far too high.

So we must admit, and I would hope that everyone must admit, that the policies that have been deployed to date simply do not work, they have not worked and a new approach is needed. That is exactly what this government has done. We often hear debates about how much is being invested. It is not about how much money you spend; it is about how you spend the money that you invest. It is most important in this space that we get the policy settings right to ensure that we are investing the dollars in Indigenous policies to actually generate
outcomes. I hope that we are able to spend what is necessary. But it is not about the quantum as much as what we do with it.

Our government's new Indigenous Advancement Strategy began on 1 July this year. It absolutely was unashamedly about shaking up and reshaping the way we deliver policies for Indigenous Australians. It replaced more than 150 different individual programs scattered across government—programs that lacked cohesion or coordination—with five flexible, broad-based programs under the leadership and direction of the Department of the Prime Minister and Cabinet. It ensured that the direction sits at the heart of government, that the coordination sits at the heart of government and that we have programs in place that are able to deliver what is required on the ground.

Those five streams focus on; firstly, jobs, land and economy; secondly, children and schooling; thirdly, safety and wellbeing; fourthly, culture and capability; and, fifthly, remote Australia. This refocusing is critical, and accompanying it is a significant investment in Indigenous policy—$4.8 billion is being invested over four years with a clear focus to achieve the results our government desires of getting more children to school and more adults into work, and delivering safer communities. Already we are seeing some positive returns in this space. Already we are seeing that the investment in the remote school attendance strategy is delivering some positive results. But of course there is much, much more to be done. But I hope that, rather than the nitpicking that we see from those opposite, we see constructive contributions from them that allow us to reshape these policies for the benefit of the Australians who need it most.

Senator PERIS (Northern Territory) (15:11): I also rise to take note of answers provided in question time today by the Minister for Indigenous Affairs in relation to concerns raised by the Aboriginal and Torres Strait Islander Social Justice Commissioner Mick Gooda. A week ago, the government announced it was breaking yet another promise: it was going to scrap the promise to bring in a Closing the Gap target for incarceration rates. In response to this, Mr Gooda said, 'Australia is better at keeping Aboriginal children in jail than in school.' I thought his comment was spot on because it highlights that in this country we are trying to lock away the problems rather than solve them. Locking away the problems is easier than working hard to come up with complex solutions.

The Abbott government's cuts of half a billion dollars to Indigenous affairs is hurting Aboriginal people in this country and the claims that these cuts are not to front-line services have been proven wrong. You cannot rip out half a billion dollars without having an effect. Everybody knows this, including Mr Gooda, which is why he said that, in the first 12 months, this minister has overseen an upheaval in the Indigenous affairs portfolio which has caused 'widespread uncertainty and stress, particularly amongst Aboriginal communities'. Mr Gooda also said that there had been little or no consultation with those working at the coalface. He also said that government plans will create one of the largest upheavals in Aboriginal and Torres Strait Islander affairs.

The minister should take these concerns very seriously and not dismiss Mr Gooda's views with such arrogance as he displayed today in the Senate. On this issue, the government is not listening and Aboriginal people feel like their concerns are falling on deaf ears. I say to the Prime Minister, 'If you are going to be the Prime Minister for Aboriginal affairs then the first thing you must do is open up your ears.' The Prime Minister acknowledged that his cuts are
hurting. He must acknowledge that the changes he has made are not working. He must acknowledge that all we have are broken promises.

The Prime Minister should read Mr Gooda’s report because the report says that the overrepresentation of Aboriginal and Torres Strait Islander people as both victims and offenders in the criminal justice system is one of the most urgent human rights issues facing Australia today. Sadly, in the Northern Territory we are going backwards—Aboriginal people are held in detention without any conviction. There are Aboriginal people who have been determined by a court to be unfit to plead guilty due to their intellectual disabilities who have never been convicted but languish in prison for years. This is a clear breach of human rights. There are people who are locked up without conviction because they suffer from alcoholism. They have committed no crime and have not been charged with any offence, but they are locked up against their will in conditions doctors have warned could lead to death. We have seen this occur through ignorance. Tragically, a few weeks ago an Aboriginal woman died in custody, and all the Northern Territory government tried to do was cover up the death. Of course, these alcohol prisons are racially based. Ninety-nine per cent of those who are locked up are Aboriginal. When a non-Aboriginal person gets drunk in the pub and falls over, they do not end up in these alcohol prisons, but, if an Aboriginal person drinks in a park, the solution is to lock them up.

A facility that was deemed unsuitable for adults is being used now for our children. Young children are being held in isolation. The Northern Territory government has changed legislation so that prison officers now can ignore medical practitioners and deny an inmate medical attention. None of this will work to reduce incarceration rates. In fact, the evidence on what works is being ignored—again going back to chapter 4 of Mr Gooda’s report, where he outlines what is working. I urge everyone on the crossbench to read what Mr Gooda has said. One of the programs he talks about is one in Bourke. The program is called Maranguka, which simply means ‘to give to the people’, ‘caring’ and ‘offering help’. They engage locals. They empower young people rather than lecture them.

I could talk about this for hours, because it is such an important thing. The Prime Minister needs to read this report to understand what is working. I suspect that the Prime Minister and the Minister for Indigenous Affairs have broken their promise on the Closing the Gap target for incarceration rates because they do not think that they will meet any meaningful target, but, through justice reinvestment, we can. Mr Gooda has stated in his report that he is severely disappointed that the minister is backing away from his previous commitment to justice targets. He outlines why justice targets are so important if we are going to achieve a reduction in both offenders and victims. We need to end the approach of simply locking up problems that appear too hard to solve.

Senator SMITH (Western Australia) (15:16): Let me begin with some congratulations. This is a very positive sign that we can look towards for 2015. At last, the Labor opposition have brought to the Senate during question time some issues worthy of debate. Congratulations. You will not be surprised to hear that senators on this side have a different point of view. You will not be surprised to hear that senators on this side reflect some of the attitudes across the Australian community. But, before I talk about the disgraceful episode that was Labor’s period of governance in Indigenous affairs, before I talk about what happened to education, before I talk about what happened to employment, before I talk about
what the Australian National Audit Office, the independent auditor, had to say in 2012 about Labor's performance, let us put it in context.

Labor want you to believe that on Sunday, 8 September 2013 the world changed. Labor want you to believe that everything that happened before Sunday, 8 September 2013 no longer matters. They want their legacy purged from your memory. They do not want you to be reminded about the economic vandalism. They do not want you to be reminded about the poor policy, matched only by poor implementation. They do not want you to know that much of what the government is facing now is inherited and caused by the inaction or poor action of the previous government. Nothing demonstrates the romanticism, the revisionism, of Labor more than the comments of Bill Shorten this morning. What did Bill Shorten say this morning? He said, 'Today is the anniversary of the election of the Whitlam government.' What anniversary did he not reflect on? He did not reflect on the fact that it is also the anniversary of the election of Mark Latham, when Mark Latham beat Kim Beazley by one vote in the Labor caucus room. Why doesn't Labor want you to talk about or hear about Mark Latham?

Senator Gallacher: What has this got to do with the debate we're having now?

Senator SMITH: Context is very important, Senator Gallacher. This goes to a very, very important issue. Nothing that is happening at the moment, none of the decisions the government take, is happening in isolation. It is happening under the umbrella of the poor management of the previous Labor government. So why do they not want you to hear about Mark Latham? Because this is what Mark Latham had to say about Labor on 28 August this year:

Shorten failed to support the push for rank-and-file participation: breaking down factional control and the inexorable march of dud union officials into upper house seats.

He can't afford to be missing in action again. After all, if he won't stand up for good governance inside his own party, how can he govern the country?

If Bill Shorten does not stand up for good governance in his own party, how can he stand up for good governance in the country? This is the important part:

Shorten needs to prove to voters he's tough enough to run tight fiscal and border protection strategies.

We are dealing today with a very important issue, and that is how we progress Indigenous advantage in our community. We cannot do that without addressing some of the appalling legacy left to us by the former Labor government.

I want to turn briefly to Labor's record in Indigenous affairs. This is a personal point of view. I think that disagreement about how we approach Indigenous issues in our country is good, because it means we get better ideas. It means we get a better approach. We need more contestability in how we approach Indigenous issues in our country, much more contestability. So what do we know about Labor's record when it comes to Indigenous affairs? Let us look at school attendance. Then I will turn to employment and then I will turn to the comments of the Australian National Audit Office. Under Labor, school attendance in remote communities was appalling. In many cases, children were not even attending school 50 per cent of the time. We know we need good education to make sure that the cycle of welfare dependency is broken. What did the Australian National Audit Office say? The Australian National Audit Office said— *(Time expired)*
Senator GALLACHER (South Australia) (15:21): I rise to take note of answers to questions asked by Senator Wong to Senator Johnston. Senator Johnston made a couple of remarks in his replies, and one was about the 'capability gap'. You would have to be quite far away from a newspaper, a radio station, a talkback journalist or a politician not to realise that there are serious questions about Senator Johnston's capability and whether he has a capability gap, whether he is actually in charge of his portfolio and in charge of his processes.

He was asked to reply to the statement made by the Treasurer this morning ruling out an open competitive tender in the purchase of Australia's defence capability in submarines. His answer was, 'It will all be aboveboard and according to Hoyle.' Well 'aboveboard', if you have a bit of a google, means open and transparent. I would have thought that would apply to a competitive tender with intense competitive pressure from various nations with the capability, including the ability for, most importantly, South Australian operations to compete. Given that the Liberal Party, allegedly, are the party of free enterprise and competition, I would have thought that they would have welcomed an open and transparent process, including a competitive tender. He went on to say 'and according to Hoyle'. Hoyle, I think, was the expert on the rules of cards. So really they have not delivered 'aboveboard and according to Hoyle'. They have actually ruled out a competitive tender.

May we ask the question: why? There are some who suggest that it has something to do with the early completion of the Japan-Australia free trade agreement. Was there a second deal in that treaty—one that the Australian population is not aware of? Was consideration given to an earlier resolution in that treaty with the inclusion of, 'We'll buy your submarines'? Was that the case? If the minister is absolutely correct that it is aboveboard, according to Hoyle, a second pass process and no decision has been made, why did the Treasurer say, 'I categorically rule out a competitive tender process'?

There are a number of South Australian senators who would probably support me, and they are not on this side of the chamber. There are probably a number of South Australian members of parliament who would be asking much the same questions of this government as we have. Senator Fawcett, Senator Ruston, Senator Birmingham, Senator Edwards, the member for Hindmarsh, the member for Sturt and the member for Boothby—all Liberal members of parliament—are on the record questioning the capability of this minister.

As I said at the outset, is the capability gap that he is referring to in his own operation of his department? Is his office where there is a lack of capability? Are they incapable and unable to stand up to the Prime Minister's office? Is there a deal here that the Australian public know nothing about? In an early and prompt conclusion of the Japan-Australia free trade agreement was a side deal done? Was there some other arrangement made—a nod and a wink: 'Don't you worry about that. We'll buy your submarines. Just get this paperwork signed'? South Australians need to know.

There are a few in that group of Liberals who have a shiver running up their spine, because the attitude of all South Australians is that we are a defence state, we have capable people, we have many businesses investing many millions of dollars and there are many small businesses who rely on those workers and the ancillary flow-on effects in the economy. As I have said repeatedly, it is widely held and deeply felt that we need to build the submarines in South Australia. The disgraceful situation, as we heard early this morning, is that we are not even going to be allowed to tender. The Treasurer of this country said that we are not even going to
be allowed to tender. The minister stumbles and mumbles about a capability gap and it being aboveboard and according to Hoyle, but it looks like a deal has been done.

Senator SIEWERT (Western Australia—Australian Greens Whip) (15:26): I rise to take note of Minister Scullion's answer to the question on the Indigenous Advancement Strategy from Senator McLucas. I express my disappointment at the minister's response to that question. He clearly has not been listening to the Aboriginal and Torres Strait Islander communities in terms of their response to the Indigenous Advancement Strategy, which in fact they were not consulted on in the first place. I urge him to relook at Commissioner Gooda's Social justice and native title report 2014 where, very clearly, Mr Gooda points out:

… it has been a year characterised by deep funding cuts, the radical re-shaping of existing programs and services, and the development of new programs and services.

Information on the transfer arrangements has been scant with minimal involvement of Aboriginal and Torres Strait Islander peoples. There was little or no consultation with those working on the ground about which programs and activities were best kept … or which departments were best placed to administer them.

Overall, this upheaval and lack of clarity is deeply worrying and is causing widespread uncertainty and stress, particularly amongst our communities.

Mr Gooda has been out throughout the year talking to Aboriginal and Torres Strait Islander communities, and these are his findings. How can we believe the minister when the commissioner charged with social justice and working on these issues finds that, overall, this upheaval and lack of clarity is deeply worrying and is causing widespread uncertainty and stress, particularly amongst Aboriginal communities?

I must admit that absolutely reflects the feedback that I received when I was out and about talking to Aboriginal and Torres Strait Islander communities. I have not been to as many communities as the commissioner has, but certainly that is the feedback. Who can blame them for feeling like that when you have had 5,000 applications? In estimates, the department's response was, 'We think that we have had around 3,000; we have not opened them all yet.' They could not tell us how many submissions they had, they could not tell us what they were for and they could not tell us the amount of money they were for. Since then, they have discovered that there are 5,000, and I do not think that they are going to be able to meet even the extension that they have granted themselves.

Organisations that rely on this funding are deeply worried about the future, their future, but that is only really a symptom of their deep worry, which is how services are going to be provided to Aboriginal and Torres Strait Islander communities. The government are leading people up the garden path if they think that they are not going to be taking funding away from front-line services and that communities will not realise that their services have been cut. We have a Prime Minister for Aboriginal affairs who is overseeing a mess when it comes to delivery of services and programs. As Commissioner Gooda said, it is 'the radical re-shaping of existing programs and services'. He is overseeing a mess. That is what it is looking like to people on the ground. It absolutely looks like a mess on the ground. If it walks, talks and quacks like a duck, it is a duck. That is what is happening with this strategy. It is a duck. People are deeply worried about the future of their communities.
On top of this process what do we see? Premier Barnett in Western Australia announced that he is going to close up to 150 communities. That is also as a direct response to the fact that there is not enough funding coming in to support those communities. Have governments, state and federal, thought through what happens to those people when they are effectively kicked out of their communities? They end up being homeless, on the outskirts of town, living in far worse situations than those they have left, meaning that services have to go further to provide the support people need. Commissioner Gooda goes on to say:

It is disappointing that savings from the rationalisation of Indigenous programs and services will not be reinvested into Indigenous Affairs and Closing the Gap initiatives.

This, once again, is highlighting the failure of this government to provide the necessary services and support from a Prime Minister who says he is the Prime Minister for Aboriginal affairs. Then, of course, you have the Minister for Indigenous Affairs and the parliamentary secretary. Nobody really knows what is going on in the mess this government is currently making of Aboriginal and Torres Strait Islander affairs.

Question agreed to.

PETITIONS

The Clerk: Petitions have been lodged for presentation as follows:

China’s actions in the South China Sea

To the Honourable the President and Members of the Senate in Parliament assembled

The petition of the undersigned shows:

(a) that the People's Republic of China has heightened the risks of war in South East Asia by its latest unilateral and provocative installation in mid 2014, of its oil rigs including the Haiyang Shiyou 981 within Vietnam's Exclusive Economic Zone, as part of China's unsubstantiated 9 dash line claim of more than 90% of Bien Dong (East Sea) aka the South China Sea (SCS by China); and

(b) that Australia's national interests as a trading nation are at serious risks because the PRC's aggressive policy and practices are threatening peace and stability of the region.

Your petitioners ask that the Senate:

(1) reaffirm that Australia has legitimate interests in the Bien Dong/SCS disputes, as a regional power and a trading nation;

(2) declare that any unilateral action to change the status quo, including on air navigation, by any claimant in the Bien Dong/SCS disputes is unacceptable;

(3) ask the PRC as an emerging major power in the Asia-Pacific region, to stop its current policy of hegemony;

(4) request all claimants to settle their disputes through peaceful negotiations in accordance with international laws including the 1982 United Nations Convention on the Law of the Sea; and

(5) support the negotiations between the PRC and ASEAN for a binding Code of Conduct (COC) to replace the non-binding 2002 Declaration of Conduct (DOC).

by Senator Lundy (from 10,178 citizens)

Petition received
China’s actions in the South China Sea

To the Honourable the President and Members of the Senate in Parliament assembled

Your petitioners ask that the Senate:

(1) reaffirm that Australia has legitimate interests in the Bien Dong/SCS disputes, as a regional power and a trading nation;
(2) declare that any unilateral action to change the status quo, including on air navigation, by any claimant in the Bien Dong/SCS disputes is unacceptable;
(3) ask the PRC as an emerging major power in the Asia-Pacific region, to stop its current policy of hegemony;
(4) request all claimants to settle their disputes through peaceful negotiations in accordance with international laws including the 1982 United Nations Convention on the Law of the Sea; and
(5) support the negotiations between the PRC and ASEAN for a binding Code of Conduct (COC) to replace the non-binding 2002 Declaration of Conduct (DOC).

by Senator Lundy (from 1,375 citizens)

Petition received.

NOTICES

Presentation

Senator Singh to move:

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

(a) Wednesday, 11 February 2015;
(b) Wednesday, 4 March 2015; and
(c) Wednesday, 18 March 2015.

Senator Bilyk to move:

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

(a) Thursday, 12 February 2015;
(b) Thursday, 5 March 2015; and
(c) Thursday, 19 March 2015.

Senator Xenophon to move:

That the following matter be referred to the Community Affairs References Committee for inquiry and report by 26 March 2015:

The availability of new, innovative and specialist cancer drugs in Australia, with particular reference to:

(a) the timing and affordability of access for patients;
(b) the operation of the Pharmaceutical Benefits Advisory Committee and the Pharmaceutical Benefits Scheme in relation to such drugs, including the impact of delays in the approvals process for Australian patients;
(c) the impact on the quality of care available to cancer patients; and
(d) any related matters.
Senator Brandis to move:

That the following bill be introduced: A Bill for an Act to amalgamate certain administrative review tribunals, and for other purposes. Tribunals Amalgamation Bill 2014.

Senator Johnston to move:

That the following bill be introduced: A Bill for an Act to amend legislation relating to defence, and for related purposes. Defence Legislation Amendment (Military Justice Enhancements—Inspector-General ADF) Bill 2014.

Senator O’Sullivan to move:

That the Senate acknowledges the huge surge in demand for our live export cattle market, which has more than doubled to about 1.39 million head between September 2013 and October 2014, delivering much needed earnings for Australian rural enterprises griped by drought conditions.

Senators Waters, Moore and Singh to move:

That the Senate—
(a) notes the launch of the YWCA Australia ‘She Speaks’ survey, which brings to our attention the voices of 1 600 girls and young women, ages 15 to 30, from across Australia;
(b) recognises that of the survey respondents:
   (i) 71 per cent want to be leaders in their community in the future,
   (ii) 58 per cent currently consider themselves to be a leader in their family, school, community and/or workplace,
   (iii) 90 per cent think that women experience discrimination,
   (iv) 80 per cent do not believe that equality has been achieved, and
   (v) 79 per cent feel that gender-based stereotypes damage their working lives, their sense of self, their safety in relationships, and their leadership capacity,
(c) recognises that the survey respondents called on:
   (i) the Prime Minister to lead change on gender stereotypes, and
   (ii) the Government to fund programs across their school and university education that will support their leadership development and access to mentors; and
(d) congratulates the YWCA Australia for its ‘She Speaks’ survey and work on girls and young women’s leadership.

Senator Reynolds to move:

That the following matter be referred to the Community Affairs References Committee for inquiry and report by 30 June 2015:

The adequacy of existing residential care arrangements available for young people with severe physical, mental or intellectual disabilities in Australia, with reference to:
(a) the estimated number and distribution of young people in care in the aged care system in Australia, and the number of young people who require care but are not currently receiving care;
(b) short- and long-term trends in relation to the number of young people being cared for within the aged care system;
(c) the health and support pathways available to young people with complex needs;
(d) the appropriateness of the aged care system for care of young people with serious and/or permanent mental or physical disabilities;
(e) alternative systems of care available in federal, state and territory jurisdictions for young people with serious and/or permanent mental, physical or intellectual disabilities;

(f) the options, consequences and considerations of the de-institutionalisation of young people with serious and/or permanent mental, physical or intellectual disabilities;

(g) what Australian jurisdictions are currently doing for young people with serious and/or permanent mental, physical or intellectual disabilities, and what they intend to do differently in the future;

(h) the impact of the introduction of the National Disability Insurance Scheme on the ability of young people in aged care facilities to find more appropriate accommodation;

(i) state and territory activity in regard to the effectiveness of the Council of Australian Governments’ Younger People in Residential Aged Care initiatives in improving outcomes for young people with serious and/or permanent mental, physical or intellectual disabilities, since the Commonwealth’s contribution to this program has been rolled into the National Disability Agreement and subsequent developments in each jurisdiction; and

(j) any related matters.

Senator Wright to move:

That there be laid on the table by the Minister representing the Minister for Education, no later than 3.30 pm on Monday, 8 February 2015, the following:

(a) the reports on the results of the Nationally Consistent Collection of Data on students with disability in 2013 and 2014; and

(b) the report by Ernst and Young on a national quality assurance framework for the Nationally Consistent Collection of Data on students with disability.

Senator Faulkner to move:

That the following bill be introduced: A Bill for an Act to amend the Intelligence Services Act 2001 and other legislation in relation to the membership, powers and functions of the Parliamentary Joint Committee on Intelligence and Security, and for related purposes. Parliamentary Joint Committee on Intelligence and Security Amendment Bill 2014.

Senator Milne to move:

That the Senate—

(a) notes that according to the Australian Bureau of Meteorology, south and southeast Australia experienced a severe drop in average rainfall with the highest October temperatures ever recorded, leading to high vulnerability to fire danger;

(b) recognises that these conditions are consistent with climate change projections by the Intergovernmental Panel on Climate Change and have not been attributed to El Niño, but that these conditions will continue with a 70 per cent likelihood they will be worsened by El Niño in coming months; and

(c) calls on the Government to reduce Australia’s vulnerability to extreme weather by taking urgent action to reduce Australia’s greenhouse gas emissions at the source and contribute fairly to the global effort to limit warming to 2 degrees.

Senator Milne to move:

That the Senate—

(a) notes that Australia must declare, to the United Nations Framework Convention on Climate Change, our Intended Nationally Determined Contributions by March 2015;
(b) acknowledges the comprehensive targets and progress review of the Climate Change Authority which recommends Australia commit to a 30 to 40 per cent reduction below 2000 level emissions by 2025 and a 40 to 60 per cent reduction by 2030; and
(c) urges the Australian Government to not obstruct constructive progress in the Lima Conference of the Parties and set national targets consistent with the Climate Change Authority’s recommended range.

Senator Waters to move:
That the Senate—
(a) notes that:
   (i) the Minister for the Environment (Mr Hunt) announced $6 million to combat illegal logging at the Asia-Pacific Rainforest Summit,
   (ii) the Minister did not mention that the Government would simultaneously cut Australia’s commitment to the United Nations Environment Programme (UNEP) by 80 per cent, or $4 million, and
   (iii) Australia benefits from leveraging over $500 million in contributions from other countries to the UNEP in a range of areas, including air pollution, ozone depletion and biodiversity loss;
(b) condemns the Government’s sleight of hand which has further embarrassed Australia on the global stage; and
(c) calls on the Government to restore Australia’s financial commitment to the UNEP.

Senator Ludlam to move:
That the Senate—
(a) notes that:
   (i) on 25 November, the Attorney-General (Senator Brandis) declined to table a report by PricewaterhouseCoopers into the cost of the Government’s data retention legislation, and
   (ii) the Government has not detailed the cost of its data retention legislation; and
(b) orders that there be laid on the table by the Attorney-General, no later than noon on Thursday, 4 December 2014:
   (i) the summarised findings of the PricewaterhouseCoopers study or a copy of the study with commercially-sensitive information redacted; and
   (ii) a timeline for the Government’s process for developing cost estimates for its data retention policy.

Senator Lambie to move (contingent on the President presenting a report of the Auditor-General on any day or notifying the Senate that such a report had been presented under standing order 166):
That so much of the standing orders be suspended as would prevent the senator moving a motion to take note of the report and any senator speaking to it for not more than 10 minutes, with the total time for the debate not to exceed 60 minutes.

Senator Lambie to move (contingent on the Senate on any day concluding its consideration of any item of business and prior to the Senate proceeding to the consideration of another item of business):
That so much of the standing orders be suspended as would prevent the senator moving a motion relating to the conduct of the business of the Senate or to provide for the consideration of any matter.

Senator Lambie to move (contingent on the Senate proceeding to the consideration of government documents):
That so much of the standing orders relating to the consideration of government documents be suspended as would prevent the senator moving a motion relating to the order in which the documents are called on by the President.

Senator Lambie to move (contingent on a minister moving a motion that a bill be considered an urgent bill):
That so much of standing order 142 be suspended as would prevent debate taking place on the motion.

Senator Lambie to move (contingent on a minister moving a motion to specify time to be allotted to the consideration of a bill, or any stage of a bill):
That so much of standing order 142 be suspended as would prevent the motion being debated without limitation of time and each senator speaking for the time allotted by standing orders.

Senator Lambie to move (contingent on the chair declaring that the time allotted for the consideration of a bill, or any stage of a bill, has expired):
That so much of standing order 142 be suspended as would prevent further consideration of the bill, or the stage of the bill, without limitation of time or for a specified period.

Senator Lambie to move (contingent on the moving of a motion to debate a matter of urgency under standing order 75):
That so much of the standing orders be suspended as would prevent a senator moving an amendment to the motion.

Senator Lambie to move (contingent on the President proceeding to the placing of business on any day):
That so much of the standing orders be suspended as would prevent the senator moving a motion relating to the order of business on the Notice Paper.

Senator Lambie to move (contingent on a minister at question time on any day asking that further questions be placed on notice):
That so much of the standing orders be suspended as would prevent the senator moving a motion that, at question time on any day, questions may be put to ministers until 28 questions, including supplementary questions, have been asked and answered.

Senator Lambie to move (contingent on any senator being refused leave to make a statement to the Senate):
That so much of the standing orders be suspended as would prevent that senator making that statement.

Senator Lambie to move (contingent on any senator being refused leave to table a document in the Senate):
That so much of the standing orders be suspended as would prevent the senator moving that the document be tabled.

Postponement

The following items of business were postponed.

General business notice of motion no. 434 standing in the name of the Chair of the Procedure Committee (Senator Marshall) for today, proposing a variation to the order of the Senate relating to photography in the chamber, postponed till 3 December 2014.

General business notices of motion nos 508, 519, 531, 543 and 553 standing in the name of Senator O'Sullivan for today, postponed till 3 December 2014.
COMMITTEES

Reporting Date

The Clerk: The following committees were granted extensions of time to report:
Community Affairs References Committee—income inequality—extended from 2 December to 3
December 2014.
Economics Legislation Committee—Reserve Bank Amendment (Australian Reconstruction and
Development Board) Bill 2013—extended from 4 December 2014 to 31 March 2015.
Economics References Committee—
Incentives to privatise state or territory assets for new infrastructure—extended from 2 March to 20
March 2015.
Forestry managed investment schemes—extended from 31 March to 25 June 2015.

The PRESIDENT (15:33): I remind senators that the question may be put on any of those
four proposals at the request of any senator. There being none, we will move on.

Foreign Affairs, Defence and Trade References Committee
Reference

Senator GALLACHER (South Australia) (15:34): I, and also on behalf of Senator
Xenophon, move Senate notice of motion No.1 as amended:
I give notice that on the next day of sitting I shall move that the following matter be referred to the
Senate Foreign Affairs, Defence and Trade References Committee for inquiry and report by 18 June
2015:
The Commonwealth’s treaty-making process, particularly in light of the growing number of bilateral
and multilateral trade agreements Australian governments have entered into or are currently negotiating,
including:
(a) the role of the Parliament and the Executive in negotiating, approving and reviewing treaties;
(b) the role of parliamentary committees in reviewing and reporting on proposed treaty action and
implementation;
(c) the role of other consultative bodies including the Commonwealth–State–Territory Standing
Committee on Treaties and the Treaties Council;
(d) development of the National Interest Analysis and related materials currently presented to
Parliament;
(e) development of the National Interest analysis and related materials not currently presented to
parliament- such as the inclusion of environmental impact statements;
(f) the scope for independent assessment and analysis of treaties before ratification;
(g) the scope for government, stakeholder and independent review of treaties after implementation;
(h) the current processes for public and stakeholder consultation and opportunities for greater openness,
transparency and accountability in negotiating treaties;
(i) a comparison of the consultation procedures and benchmarks included by our trading partners in
their trade agreements.
(j) exploration of what an agreement which incorporates fair trade principles would look like –such as
the role of environmental and labour standard chapters
(k) and related matters.
Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (15:34): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator FIFIELD: When this motion was put but withdrawn yesterday, I outlined the reasons why the government was not minded to support it, principal among which is that the Joint Standing Committee on Treaties is established for a particular purpose and we think that that committee should be allowed to do its jobs. I indicate that the government opposes the motion but we will not be calling for a division.

Question agreed to.

BUSINESS

Days and Hours of Meeting

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

That on Tuesday, 2 December 2014:
(a) the hours of meeting shall be 12.30 pm to 10.40 pm;
(b) the routine of business from not later than 7.20 pm shall be government business only; and
(c) the question for the adjournment of the Senate shall be proposed at 10 pm.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (15:35): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for five minutes.

Senator WONG: I want to place on record the chaotic management of this chamber by the Abbott government. The opposition well, in a constructive approach, agree to this extension of hours, but I want to make the point that we have seen incompetence and chaos from the government in its management of its legislative program through the Senate since they came to government and it is worsening for all to see in this last week. In fact, Senator Faulkner made the point that this is probably the worse performance by a government since Federation when it comes to managing the legislative program in the Senate. It really has come to a head in the last 24 hours when the government has been unable to identify its legislative priorities for the Senate's remaining few sitting days this year.

Nine days ago I wrote to Senator Abetz seeking confirmation of the government's priorities and their plans for the sitting days for the remainder of 2014. There was no reply. Then, with three sitting days left, the government suddenly sprang into action and we had no less than three meetings in Senator Abetz's office but it was not action; it was more like a shemozzle. We had three meetings, and we had the government leader unable to advise the opposition and the crossbench of the government's priorities in terms of legislation. We had three different versions of the list of priority bills put in front of us, which kept changing.

We have a government that cannot even identify its own priorities and cannot work with the other parties in this chamber, and then it seeks to blame the other members of the Senate for its own incompetence. We have a government that seems to take the view that coming into the Senate at the last minute seeking to up-end the arrangement of business is the way forward. Of course, senators know that the chaos that we are seeing in these last few days is not an aberration; it is a standard operating procedure in the Senate under the Abbott
government. We have seen countless suspensions of standing orders, rearrangements of business and declarations of urgency brought on in this chamber without notice by the manager—

Senator Bushby interjecting—

Senator WONG: They are interjecting because they do not like it when this is pointed out to them. If they want to talk about notice, how often do they come in without notice, once they have a deal, and up-end the chamber? As recently as yesterday afternoon, we had the government saying, 'We don't want to debate the higher education bill' and told us that they wanted to do something completely different. And now they want to debate the higher education bill. They are chopping and changing depending on where the negotiations are. We have also seen a government that has squandered hours of time on political point-scoring rather than progressing its own bills. There have been a number of occasions when the government could have been dealing with its own legislation but it chose instead to chew up hours of time playing politics. Who can forget the filibuster on its own legislation, and who can forget Senator Macdonald speaking against the government's own budget measures?

We also had the government complaining about aspects of the budget which have not been passed but which have not yet been introduced the legislation into the parliament—such as the GP tax and paid parental leave. None of those have been introduced into the parliament. So when people hear this government complaining about the Senate obstructing its agenda let us remember that, firstly, around 140 bills have been passed by this chamber since the change of government; secondly, even the Treasurer, Joe Hockey, says that most of the budget has been passed; and thirdly, this government is refusing even to bring into parliament some of its controversial measures. And we have seen in this last fortnight two ministers in this chamber censured by the Senate—the first time in a decade that that has occurred. We have seen an Assistant Treasurer sent on fishing leave for over eight months with no replacement appointed and the Minister for Finance still the acting Assistant Treasurer, and we have seen the Minister for Defence agree that his own statements were amongst the stupidest ever made by a senior minister.

The fact is that the government has shown a complete incapacity to manage the chamber. The opposition, in the interests of being constructive, will support this extension of hours today. We will also—and I place this on the record—give up our debating time and not proceed with the matter of public importance if the government will proceed with finalising the debate on the higher education bill. If the government cannot manage its program, then I guess the opposition and the crossbenchers will have to help them out. That is what we are doing by giving up this time. I invite people, when they hear Senator Abetz complaining about the crossbenchers, to have a look at Senator Leyonhjelm's comments today. I think they were most instructive.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (15:40): I seek leave to make a five-minute statement.

The PRESIDENT: Leave is granted for five minutes.

Senator FIFIELD: I must contend with one statement by Senator Wong and take her to task for it, and that is the inference that Senator Faulkner has been in this place since Federation. I think that is an adverse reflection on Senator Faulkner. I know he has been here
for quite a while, but he has not been here quite that long. I must also say—this might surprise
you—that I very much prefer the Senator Wong of today to the Senator Wong of last night.
Last night, Senator Wong was the author of an ambush in this place. As I mentioned last
night, when that occurred there was a leaders, managers and whips meeting taking place. I
thought it was poor form and I expressed that strongly. I did think it was poor form to use that
meeting as a cover. I also thought it was poor form that the agreement in relation to the
rarrangement that we had had reached with Labor and the Greens did not come to pass. I
think it is important that we be able to rely on each other's word in this place. I also find it a
little odd that Senator Wong is complaining that there were three meetings in relation to
Senate business. Sometimes you just cannot win: either there is not enough consultation and
then there is too much consultation. I would have thought it was a good thing that we have
those meetings, to seek to work cooperatively to determine those things that we can agree
upon and the processes that we might follow in this place.

Senator Wong also makes reference to the supposed failure to manage this place properly.
Can I say that it is pretty darn hard on occasion when you have a stunt like that of Senator
Conroy yesterday, where he seeks to break an agreement, which had been reached between
the government and the opposition, to bring on certain relatively non-contentious bills. I
might say that Senator Carr was actually urging me earlier in the week to bring on some of
those non-contentious bills. I was just trying to give effect to the will of Senator Carr—

Senator Kim Carr: That is right, and didn't you make a mess of it!
The PRESIDENT: Order on my left!
Senator FIFIELD: but that will not happen again.

Senator FIFIELD: Senator Conroy thwarted Senator Carr's best endeavours by bringing
the omnibus repeal bill and the stunt of moving amendments, which were completely
unrelated to the bill. What happened last night was completely beyond the control of the
government. I think that comes to the main point which is that—

Senator Wong: You broke your word.
Senator FIFIELD: We did not break our word.
Senator WONG: Twelve submarines in Adelaide—
The PRESIDENT: Order!

Senator FIFIELD: It brings me to the point that clearly the government does not have the
numbers in this place in its own right, which means that chamber management is a shared
responsibility of the whole Senate. The government cannot unilaterally dictate the course of
events in this place. Clearly, it is a shared responsibility and I think that is an important point
for people to take note of.

Obviously, it is not always elegant in this place. That is partly a function of the fact—

Senator Payne interjecting—
Senator Cash interjecting—

Senator FIFIELD: Thank you—as are you, Senator Payne and Senator Cash and Senator
McKenzie. It is a shared responsibility. Legislating is not a particularly elegant process. Those
opposite did not help that any last night.
As I said at the start of my remarks, I very much prefer the Senator Wong of today to the Senator Wong of last night. But Senator Wong does need to work out what her line is in relation to this place. She started by saying that the management of this place is chaotic and that the government has wasted time. But then she was saying it is fantastic that 140 bills have passed through this place. Either it is kind of working, or it is not. Senator Wong just needs to refine her lines in relation to the management of this place a little more.

I acknowledge that the opposition are giving up their MPI time today. I thank them for that. It is an example of the cooperation and the way that this place can and should work, which we were endeavouring to pursue last night at 7.30, when we had Senator Conroy's special stunt sprung on this place. I might leave it at that and just say to colleagues that I appreciate them supporting the Senate sitting later tonight—as I expect will be the case.

Senator MILNE (Tasmania—Leader of the Australian Greens) (15:45): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for two minutes.

Senator MILNE: Thank you. I only need a couple of minutes. I rise to say that there has been a great deal of mismanagement and time-wasting that has gone on. The Greens made our position clear; we ought not to be sitting for additional hours, but I accept that the will of the chamber is that we do so. I want to say I am disappointed that the proposal that we put, to have a half-hour dinner break, has not been agreed to, by either the government or the Labor opposition. It does affect Senate staff, and it particularly affects parties and Independents in here who do not have the additional back-up that perhaps the Liberal and Labor parties do. It would have been appropriate—if we were extending the sitting time until 10—for that to happen, and I am disappointed it has not happened.

In terms of the management of the chamber, I think there has been quite a learning curve for the government this year; if you want people to cooperate with you, then you have to treat people with respect and negotiate with them in a respectful manner, not come in here and abuse people and then expect people to sit down and be reasonable. As I said right from the beginning: the born-to-rule mentality that has gone on in this chamber, and the crash and crash through, has meant chaotic management of the chamber as the government tries to cobble together the numbers and then get whatever they need through. Everybody is left in a state of confusion as to what is going to go on.

The Greens will cooperate with this but I have to say we will not be sitting on Thursday night or on Friday. We are not going to extend the time. We will sit this evening. But I reiterate that it would have been appropriate to have allowed people at least a half-hour break in the evening.

Question agreed to.

Leave of Absence

Senator WANG (Western Australia—Palmer United Party Whip in the Senate) (15:48): by leave—I should have done this earlier—I move:

That Senator Lazarus be granted leave of absence for personal reasons for 1 December 2014.

Question agreed to.
COMMITTEES

Trade and Investment Growth Committee

Meeting

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (15:48): At the request of Senator Smith, I move:

That the Joint Select Committee on Trade and Investment Growth be authorised to hold private meetings otherwise than in accordance with standing order 33(1) during the sittings of the Senate, as follows:
(a) Thursday, 12 February 2015;
(b) Thursday, 5 March 2015;
(c) Thursday, 19 March 2015; and
(d) Thursday, 26 March 2015.

Question agreed to.

Northern Australia Committee

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (15:48): At the request of Senator Smith, I move:

That the Joint Select Committee on Northern Australia be authorised to hold private meetings otherwise than in accordance with standing order 33(1) during the sittings of the Senate, as follows:
(a) Tuesday, 10 February 2015;
(b) Tuesday, 3 March 2015;
(c) Tuesday, 17 March 2015; and
(d) Tuesday, 24 March 2015.

Question agreed to.

DOCUMENTS

Air Warfare Destroyer

Order for the Production of Documents

Senator XENOPHON (South Australia) (15:49): I move:

That there be laid on the table by the Minister for Defence, no later than 4 pm on Wednesday, 3 December 2014, the following:

(a) the report on the independent review into the performance of the Hobart Class Air Warfare Destroyer Program conducted by Professor Don Winter and Dr John White;
(b) a statement of reasons as to why any information is commercial in confidence and the possible harm it might cause, and where that information has been redacted from the report;
(c) any summary that has been made of the report;
(d) any document that provides the findings, or outlines the findings of the report; and
(e) any document that outlines the reasons for the findings.

Question agreed to.
MOTIONS

Greste, Mr Peter

Senator MILNE (Tasmania—Leader of the Australian Greens) (15:50): I, and also on behalf of Senators Wong and Abetz, move:

That the Senate—

(a) notes:

(i) the fundamental principle of freedom of the press,

(ii) the arrest and protracted detention of Australian journalist, Mr Peter Greste, and his two Al Jazeera colleagues, Mr Mohamed Fahmy and Mr Baher Mohamed,

(iii) that Mr Greste and his colleagues have now been imprisoned in Cairo for 340 days, and

(iv) that an appeal date has now been set for 1 January 2015;

(b) calls on the Egyptian Government to ensure a fair, just and timely resolution to the appeal process;

(c) expresses deep support for Mr Greste and his colleagues, and their role as journalists in reporting the news without fear or favour; and

(d) welcomes the reported comments from President al-Sisi that he is considering a pardon and release in relation to this case.

Question agreed to.

International Day of People with Disability

Senator SIEWERT (Western Australia—Australian Greens Whip) (15:50): I, and also on behalf of Senators Moore and Fifield, move:

That the Senate—

(a) acknowledges that 3 December is International Day of People with Disability;

(b) notes:

(i) That the aim of International Day of People with Disability is to increase awareness and celebrate the contributions made by people with disability to our community,

(ii) That the theme for 2014 is 'Sustainable Development: The Promise of Technology', and

(iii) the role of technology as a way to break down barriers for people with disability in participating in all aspects of political, social, economic and cultural life;

(c) acknowledges:

(i) the importance of all governments maintaining efforts to improve the lives of people with disability through the National Disability Strategy, and

(ii) the role That the National Disability Insurance Scheme can play in harnessing the power of technology to promote inclusion and accessibility to help realise the full and equal participation of people with disability in society; and

(d) encourages all Australians to get involved in the celebrations in their local community by visiting www.idpwd.com.au.

Question agreed to.
BILLS

Defence Amendment (Fair Pay for Members of the ADF) Bill 2014

First Reading

Senator LAMBIE: I move:

That the following bill be introduced: A Bill for an Act to link pay for members of the Defence Force to pay for Parliamentarians or to CPI, and for related purposes.

Question agreed to.

Senator LAMBIE: I present the bill and move:

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

Question agreed to.

Bill read a first time.

Second Reading

Senator LAMBIE (Tasmania) (15:51): I move:

That this bill be now read a second time.

I table an explanatory memorandum and I seek leave to have the second reading speech incorporated in Hansard.

Leave granted.

The speech read as follows—

DEFENCE AMENDMENT (FAIR PAY FOR MEMBERS OF THE ADF) BILL 2014

Introduction

Today I introduce the Defence Amendment (Fair Pay for Members of the ADF) Bill 2014. This is a very simple piece of legislation to solve a very simple problem.

An unnecessary pay crisis has developed for members of the Australian Defence Force because this government has denied the men and women of our Army, Navy and RAAF a fair pay rise.

Indeed, the pay rise of 1.5 per cent offered to our Diggers by this Government is effectively a pay cut—because it fails to even keep track with the inflation rate.

So in order to fix this simple problem, my Private Senator's Bill proposes to link the rate of pay increase for members of our ADF—to the rate of increase offered to the federal politicians of this Parliament, or the Consumer Price Index (CPI)—whichever is greater.

Which reasonable Australian, voting according to their conscience, could oppose this simple but fair solution to the current ADF pay crisis?

If this legislation had been introduced and passed ten years ago, according to Parliamentary Library research, instead of an average 3 per cent pay rise each year, members of our ADF would have been rewarded with the annual average 7 per cent wage increase which was granted to our federal politicians.

And while I note that this Government has frozen politicians' pay rises for a couple of years, I also note that in 2012 federal politicians received a pay rise of over 34 per cent.

In response to that outrageous and almost criminal pay rise of 34 per cent for politicians in 2012, a pay freeze, motivated by shame, has currently been put in place.

In order to properly address this schizophrenic boom and bust approach to wage rate management, my Defence Amendment (Fair Pay for Members of the ADF) Bill 2014 contains a provision which also links ADF pay to the minimum rate of the Consumer Price Index (CPI).
This means, ADF members are guaranteed to receive a pay rise, which keeps track with either politicians' pay rises or the CPI—whichever is higher.

In addition, by linking ADF pay to politicians' pay it will create a sensible, administrative mechanism, which will temper politicians' insatiable greed—and moderate their frequent and sneaky grabs for the taxpayers' cash.

Voiceless

While I commend the many military Ex-Service Organizations for the brilliant work they do on behalf of our veterans and serving ADF—because members of our Defence Force don't have a union or organization to directly raise their concerns with the Government—their grievances can remain silent and ignored.

Of course it doesn't help when you have a Prime Minister who is equally at home ignoring the cries of injustice from Australia's defence families, as well as this Senate who censured the Defence Minister for the role he played in creating this defence pay crisis.

So the simple but sad fact is that men and women of our ADF don't have a strong voice in the room when their pay and conditions are negotiated. Our Diggers can't go on strike if their government forces them to take a pay cut, loss of holidays and entitlements. You have a Prime Minister who doesn’t respect the uniform, except for when he needs a photo-opportunity.

And yet our Diggers are expected, as part of their normal work conditions, to be killed or terribly wounded. And while I applaud the many public servants, (Police, Paramedics, Firefighters, Nurses, Prison and Ambulance Officers) who also run the risk, as part of their normal work conditions, of being killed or terribly wounded, these public servants' rights at work are protected by unions.

This clearly is not the case for members of our tri-services and so this is the reason why a Bill such as this is needed to protect the wages of members of our ADF. Who could reasonably argue against the proposal that our Diggers—who are prepared to shed blood in war for us—should also have their remuneration linked to those who send them to war?

Constitutional?

There may be opponents of the principle that men and women of our ADF receive—and are guaranteed fair pay. Those opponents may try and argue that this Bill breaches sections of Australia's Constitution.

Throughout the drafting of this Bill I've been aware of that possibility, however the best legal advice I've received from the Office of Parliamentary Council is that the Defence Amendment (Fair Pay for Members of the ADF) Bill 2014 does not breach any provisions of Australia's Constitution.

Therefore anyone who says otherwise, is simply trying to procrastinate, muddy the waters and let the Abbott Government off the hook, with regard to their appalling and insincere management of the Defence pay crisis.

In closing

In closing, I'll remind Senators of the minimal and modest pay rises that the members of the ADF have suffered over the last decade. A decade where a few men and women of our defence family shouldered a great burden in the defence of our Nation.

An independent Parliamentary brief I commissioned on the rates of defence force pay rate rises in part reads:

Defence pay increases

There is no single list of the percentage salary increase for ADF members. Therefore, in order to calculate the increases I have used the base line salary for a Warrant Officer Class 1 as listed in each year's WRA and calculated the rate of increase year to year. In addition, I have cross-checked the figure against the salary for a Pilot Officer. The average rise across the 10 years is just over 3 per cent."
Parliamentary research also shows that in one year alone (2012) Australian politicians were awarded a 34.3 per cent pay rise from $140,910 to $190,550.

This was an increase in one year of almost $50K ($49,640) for an Australian Politician—while an Australian Soldier (pay band 9 Corporal—now $76K p/a) received a 2.5 per cent pay rise or approximately an extra $1,900 per year.

My critics have said that I'll just be a lone voice in Parliament, but what they fail to understand is that a lone voice, armed with the facts, passion and the truth in our Parliament—a great chamber of democratic debate, can influence and change the course of history for the better.

Our men and women of the ADF deserve pay automatically linked to our politicians or at least pay which will keep track with inflation.

Bitter experience has shown that they can't rely on politicians to rally to their side—unless it was during a memorial day and there was a media opportunity in it for the politician.

My calculations reveal that a fair ADF pay deal will only cost the Abbott Government an extra 1.5 per cent or approximately $121M per year.

We send more than $500M in foreign aid each year to Indonesia alone. They have a military with nearly 10 times the troops as our ADF. There's plenty of money in the budget, we just don't have the decision-makers with the right priorities.

In advance, I thank the Australian Labor Party, the Greens and my fellow crossbench Senators for their genuine goodwill and co-operation in order to fix a terrible injustice—the ADF pay crisis.

I commend the Defence Amendment (Fair Pay for Members of the ADF) Bill 2014 to the Senate, the Australian people, my Tasmania and the heroes in our Army, Navy and RAAF.

Senator LAMBIE: I seek leave to continue my remarks later.

Leave granted; debate adjourned.

MOTIONS

Asylum Seekers

Senator HANSON-YOUNG (South Australia) (15:52): I move:

That the Senate calls on the Assistant Minister for Immigration and Border Protection to explain to the Senate the Government’s reasons for detaining two pregnant women, who have been found to be genuine refugees and have been living in the community in Nauru, against their will.

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (15:52): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator CASH: The government will not be supporting this motion. The families in question hold valid Nauruan and visas and reside in that country. The women and their families were temporarily transferred to Australia for medical purposes. They do not hold an Australian visa. The minister has been advised these individuals were informed that they would be housed at Blaydin Point alternative place of detention, not placed in the community as claimed. Once their medical issues have been resolved they will be returned to Nauru where they have a right of stay. I can confirm that all individuals are now accommodated in immigration detention facilities in Darwin. Two IHMS midwives have been monitoring the women overnight. The departmental detention service provider is continuing to engage proactively and sensitively with the individuals and provide appropriate services and support.


**DOCUMENTS**

China-Australia Trade Agreement.

Order for the Production of Documents

Senator WHISH-WILSON (Tasmania) (15:54): I move:
That there be laid on the table by the Minister representing the Minister for Trade and Investment, no later than noon on 3 December 2014, the substantially concluded text of the China-Australia Trade Agreement.

The Senate divided. [15:58]

(The President—Senator Parry)

Ayes ......................14
Noes ......................41
Majority...............27

**AYES**

Hanson-Young, SC  
Lazarus, GP  
Milne, C  
Rhiannon, L  
Siewert, R (teller)  
Waters, LJ  
Wright, PL

**NOES**

Back, CJ  
Bullock, J.W.  
Cameron, DN  
Carr, KJ  
Collins, JMA  
Day, R.J.  
Fawcett, DJ  
Fifield, MP  
Ketter, CR  
Lines, S  
Lundy, KA  
McEwen, A (teller)  
McKenzie, B  
Moore, CM  
O’Sullivan, B  
Payne, MA  
Polley, H  
Ruston, A  
Singh, LM  
Smith, D  
Williams, JR

Birmingham, SJ  
Bushby, DC  
Canavan, M.J.  
Cash, MC  
Dastyari, S  
Edwards, S  
Ferravanti-Wells, C  
Gallacher, AM  
Leyonhjelm, DE  
Ludwig, JW  
Marshall, GM  
McGrath, J  
McLucas, J  
O’Neill, DM  
Parry, S  
Peris, N  
Reynolds, L  
Seselja, Z  
Sinodinos, A  
Urquhart, AE

Question negatived
MOTIONS

East West Link

Senator RICE (Victoria) (16:01): I move:

That the Senate—

(a) notes:

(i) that the Prime Minister labelled Victoria’s state election a referendum on the former government’s proposed East West Link toll road, and

(ii) the change of government in Victoria which has resulted from that election; and

(b) calls on the government to redirect the $3 billion in Commonwealth funding allocated for the East West Link to public transport projects in Victoria that have been assessed by Infrastructure Australia and that have demonstrated benefits exceeding costs.

Question negatived.

Senator MOORE (Queensland) (16:01): I seek leave to make a familiar short statement.

The PRESIDENT: Leave is granted for one minute.

Senator MOORE: Once again, the Greens political party is walking both sides of the infrastructure debate. Labor neither favour roads over rail nor rail over roads, as recommended by experts. We need both to deal properly with needs, not just for some parts of our cities but across our cities, and also needs in regional Victoria. That is why we established Infrastructure Australia.

Labor allocated $3 billion to the Melbourne Metro Rail Project, based on Infrastructure Australia’s advice that the metro was much better taxpayer value than the East West Link. Labor also funded M80 projects and managed motorway projects, based on high net benefits. These were also cut.

Given that the Greens political party has backed the Infrastructure Australia model, we are again surprised by a motion that seeks to supplant expert opinion. Labor supports the modal solution that gives the community the best value and supports these funds being spent in Victoria.

Senator RICE (Victoria) (16:03): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator RICE: The Prime Minister called the Victorian election ‘a referendum on the East West Link’, and it was. The people of Victoria voted overwhelmingly for investment in public transport, not a massive, polluting tollway.

This motion was asking the government to listen to the views of Victorians and to reallocate the $3 billion currently committed to the East West Link into public transport infrastructure projects—projects that have a greater economic benefit to Victoria than the east-west tollway, projects that have been assessed by Infrastructure Australia and projects that will begin to address the lack of investment in public transport that Victoria has endured over the last 50 years.

Sydney Harbour: Terminal 10 Development

Senator RHIANNON (New South Wales) (16:04): I move:
That the Senate—

(a) notes that:

(i) the current member for Warringah stated in 1997, in reference to development on Middle Head in Sydney Harbour, that he had organised a number of protest meetings and campaigned strongly to ensure this piece of heritage was not lost to the people of Sydney and Australia;

(ii) Liberal branches in the Warringah electorate have expressed concerns about the proposed development, including the Mosman Liberal Branch that passed a motion calling on the government to reject the development and instead work with the community towards a truly adaptive use of the present buildings;

(iii) a report on fire risk on Middle Head prepared by a former Australian Capital Territory chief fire control officer, Mr Roger Fenwick, noted that the current development proposal does not meet New South Wales fire protection standards for aged care facilities; and

(b) calls on the Minister for the Environment, Mr Hunt, to reverse his approval for the proposed development application, and to not accept any new or amended application for development on the 10 Terminal site at Middle Head.

The PRESIDENT: The question is that Notice of Motion No. 564 be agreed to.

The Senate divided. [16:05]

(The President—Senator Parry)

Ayes ................. 12
Noes .................. 39
Majority .............. 27

AYES

Hanson-Young, SC
Ludlam, S
Muir, R
Rice, J
Wang, Z
Whish-Wilson, PS

Lazarus, GP
Milne, C
Rhiannon, L
Siewert, R (teller)
Waters, LJ
Wright, PL

NOES

Back, CJ
Bullock, J.W.
Cameron, DN
Carr, KJ
Dastyari, S
Edwards, S
Fierravanti-Wells, C
Gallacher, AM
Leyonhjelm, DE
Ludwig, JW
McEwen, A (teller)
McKenzie, B
Moore, CM
O’Sullivan, B
Payne, MA
Polley, H
Ruston, A
Singh, LM

Birmingham, SJ
Bushby, DC
Canavan, M.J.
Cash, MC
Day, R.J.
Fawcett, DJ
Fifield, MP
Ketter, CR
Lines, S
Marshall, GM
McGrath, J
McLuscas, J
O’Neill, DM
Parry, S
Peris, N
Reynolds, L
Seselja, Z
Sinodinos, A

CHAMBER
Question negatived

The PRESIDENT (16:08): I inform the Senate that Senator Moore has withdrawn the matter of public importance which she had proposed for today.

DOCUMENTS
Consideration

The ACTING DEPUTY PRESIDENT (Senator Lines) (16:08): We now proceed to the consideration of documents under the new temporary order. The documents for consideration are listed under pages 6 and 7 of today's order of business.

Australian Human Rights Commission

Senator SIEWERT (Western Australia—Australian Greens Whip) (16:10): I move:

That the Senate take note of the document.

The Australian Human Rights Commission report No. 80 on an inquiry into the complaint of KA, KB, KC and KD v the Commonwealth of Australia is an extremely important report. It relates to four Aboriginal men who have a cognitive impairment and who have been held in indeterminate custody. This issue is extremely important. We saw recently the very sad case of Roseanne Fulton, who had a cognitive impairment and had been held in detention in Western Australia for a significant period of time before she was transferred to the Northern Territory. We have just seen on the news how that is still resulting in interactions with the law, and there is insufficient accommodation.

This report does not relate to Roseanne; it relates to four men who have now complained to the Australian Human Rights Commission. I should note that at the time this report was tabled there was also a report tabled by the Attorney-General for Australia, Senator George Brandis, who, unfortunately, in tabling that report, is basically washing his hands of this matter, saying that it is not a Commonwealth responsibility. Those are not the thoughts of the Human Rights Commission, who go through very detailed consideration of the circumstances of these men and find that, as a result of this inquiry:

... there has been a failure by the Commonwealth to take measures to work with the Northern Territory to provide accommodation and other support services, other than accommodation in a maximum security prison, for people with intellectual disabilities who are unfit to plead to criminal charges.

In other words, people who have a cognitive impairment and are not fit to plead should not be held in prison, because they have not been found guilty of any crime. This report is saying that the Commonwealth has failed to take measures to work with the Northern Territory to ensure that accommodation is provided. The report makes some recommendations around the individuals in terms of what the Commonwealth and the Territory should be doing. The report states that the Commonwealth should:

... provide a copy of the Commission’s findings to the Northern Territory and seek assurances from the Northern Territory that it will take immediate steps to identify alternative accommodation arrangements
for each of the complainants so that Mr KA and Mr KD are no longer detained in a prison and Mr KB and Mr KC are progressively moved out of held detention.

This is really clear that alternative accommodation needs to be found. It is outrageous that the Commonwealth government is washing its hands of any responsibility. This has been the Commonwealth's response every time we have asked it to start paying attention to and working on the issues around Australia, because this is not just occurring in the Northern Territory; it is occurring in all states. People with cognitive impairments who have interactions with the justice system are put in prison indeterminately. That is simply not acceptable. It is quite plainly breaching our international obligations under a number of conventions, including the Convention on the Rights of Persons with Disabilities.

The Commonwealth government simply cannot wash its hands of this issue. The people of Australia expect the Commonwealth to take responsibility for all its citizens and not brush this off by saying that it is the responsibility of the Northern Territory. It is about time that the Commonwealth took responsibility for this issue and worked not just with the Northern Territory—although that is obviously the most immediate issue that needs to be dealt with, so that these four Aboriginal men are no longer held in detention—but also with the other states to ensure that there is other accommodation available for people who have a cognitive impairment so that they are not held in detention for an indeterminate period. There is a case in Western Australia, for example, where people have been held in detention for over 10 years without charge. That is simply not good enough. It is a clear breach of our international obligations.

This report needs to be reconsidered by the government. They need to very quickly take on board these issues. It is unacceptable that they wash their hands of this, that this is the way they treat very well thought through reports on these four gentlemen. They need to reconsider this report and ensure they take action so that people are no longer held in detention for indeterminate periods of time simply because they have a cognitive impairment and are unfit to plead. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

**DOCUMENTS**

*Consideration*

The following orders of the day relating to government documents were considered:


**COMMITTEES**

*Privileges Committee*

*Report*

Senator McEWEN (South Australia—Opposition Whip in the Senate) (16:16): On behalf of Senator Collins, I present the 159th report of the Standing Committee of Privileges, entitled *Persons referred to in the Senate: Mr Alan Manly and Ms Jennifer McCarthy, Group Colleges Australia*. I move:

That the report be adopted.
**Senator McEWEN:** This report is the 70th in a series of reports recommending that a right of reply be afforded to persons who claim to have been adversely affected by being referred to in the Senate either by name or in such a way as to be readily identified.

On 14 November 2014, the President received a submission from Mr Alan Manly and Ms Jennifer McCarthy relating to a speech made by Senator Lee Rhiannon during the adjournment debate in the Senate on 2 September 2014. The President referred the submission to the committee under privilege resolution 5. The committee considered the submission at its meeting today and recommends that the proposed response be incorporated in *Hansard*.

The committee reminds the Senate that, in matters of this nature, it does not judge the truth or otherwise of statements made by honourable senators or the persons referred to; rather, it ensures that these persons' submissions and, ultimately, the responses it recommends accord with the criteria set out in privilege resolution 5. I commend the motion to the Senate.

Question agreed to.

*The document read as follows—*

**Appendix 1**

Mr Alan Manly and Ms Jennifer McCarthy
Group Colleges Australia

Pursuant to Resolution 5(7)(b) of the Senate of 25 February 1988

Reply to speech by Senator Lee Rhiannon

(2 September 2014)

Pursuant to Senate Privilege Resolution 5 of 25 February 1988, we request that you refer this statement to the Senate Standing Committee of Privileges and that it be published in the Parliamentary record as a response to the statement of Senator Rhiannon on 2 September 2014 (*Hansard* pp.92-96).

I am Alan Manly, and my wife is Jennifer McCarthy, referred to by Senator Rhiannon. I am the Managing Director of Group Colleges Australia and my wife is the General Manager.

Concerning Senator Rhiannon's statement, we make the following observations.

Observation 1: "Group Colleges Australia donated over $90,000 to the New South Wales Liberals between 2003 and 2011. In the year 2010-2011, GCA donated $53,249 to the New South Wales Liberals, far more than any other education provider."

- All donations made on behalf of Group Colleges have been properly declared, either to the Australian Electoral Commission or the Electoral Funding Authority. There is nothing improper in the donations made in the 2010-2011 time period, or indeed in any time period. We refute the inference that Ms McCarthy and I, or that GCA, has paid money in exchange for government reforms to the private education sector.

Observation 2: "The husband and wife team of Group Colleges Australia, managing director Alan Manly and general manager Jennifer McCarthy, have also made individual donations totaling $11,588 to the Liberal Party. Donations from Group Colleges Australia to the New South Wales Liberal Party dried up in 2012 when then Premier Barry O'Farrell introduced the new Jaws banning corporate donations."

- Ms McCarthy and I are strong supporters of the Liberal Party. All of our donations to any political party have been properly declared to the relevant authorities. We have nothing to hide. Any suggestion to the contrary is scurrilous.

Observation 3: "… Ms McCarthy, who previously had never donated to the New South Wales Liberals but whose corporate credit card was used to make donations on behalf of Group Colleges Australia,
made her first donation of $3,500 in April 2012, two months after the legislation prohibiting businesses such as Group Colleges Australia from donating was passed."

- The point appears to be that Ms McCarthy, by making political donations as an individual and in accordance with the law, has somehow done something wrong or illegal or at best, deceitful. The assertion simply does not make sense, however it is still extremely damaging to Ms McCarthy's reputation. We reject it and any suggestion that we have bribed the Liberal Party in return for reforms to the sector in which our business operates is entirely false.

Observation 4: Allegations concerning Paul Nicolaou
- The Senator's statement imputes that we are corrupt because Paul Nicolaou, an allegedly corrupt Liberal Party figure, was a board member of Group Colleges Australia (GCA), and by reason of this association we should also be suspected of being corrupt.
- This is a baseless attempt to smear both Ms McCarthy and me merely because of our association with Paul Nicolaou, and it is without any proper foundation.
- These statements have caused us immeasurable distress and are entirely false. We have always complied with our legal obligations in respect of any and every political donation we have made. We are not corrupt.

Observation 5: The letter to ICAC
- The Senator has been told by ICAC that the Commission has declined to investigate the matters raised in her letter. We fail to understand why the allegations contained in that letter have been reiterated in Parliament after ICAC has declined to take action.

Observation 6: "I think an investigation is warranted into why donations by Group Colleges and its owner are missing from Liberal Party returns."
And

"There are discrepancies in the disclosure from the NSW Liberal Party and GCA. I believe these matters warrant investigation by ICAC."
- Assuming that there are, as is alleged in the Senator's letter, discrepancies between amounts declared by the Liberal Party and amounts declared by Ms McCarthy and me, any failure to disclose amounts by the Liberal Party can have no bearing on the propriety of our conduct or our integrity. That is a matter for the Liberal Party and the relevant authority. We have at all times complied with our disclosure obligations.
- We reject all of the allegations in the letter.
- We note again that ICAC has refused to pursue these baseless accusations.

Observation 7: "Liberal Party disclosures show donations that may not have been declared by the company"
- Senator Rhiannon has absolutely no basis for making this assertion, and we wholeheartedly deny and reject the allegation.

Observation 8: The allegation that Mr Manly "stacked the Warringah branch for Abbott's 1994 preselection."
- The email read out by the Senator in Parliament came from a former staff member at GCA. The relevant staff member's first day was 12 June 2003. I was not, in fact, introduced to Tony Abbott until 2011. The allegation that I was responsible for stacking the Warringah branch to secure Mr Abbott's preselection in 1994 is deeply offensive to me, is false and cannot be supported.
• We understand that the staff member has since written to Senator Rhiannon to correct the inaccuracies in the email. That correspondence to Senator Rhiannon includes the following statement:
  
  "My email to you was personal and I consider confidential. Shortly afterward I spoke to you and explained that my employment at Group Colleges Australia was a long time ago and that I could not be certain of my memory recall. I asked that the matter not be taken any further…"

• As far as I am concerned Alan Manly is a good businessman who has helped in the education of thousands who would otherwise have been denied an opportunity.

• Alan Manly and Group Colleges Australia were very good to me and I refute any aspersions cast on their dealings."

Observation 9: "There is nothing on Group Colleges website to warn prospective students that UBSS has only been given conditional approval… Only a rare few would know to look at TEQSA’s national register, where they will discover that GCA was unable to meet the basic threshold standards for corporate governance, which are set out in detail under the Higher Education Threshold Standards. GCA's inability to satisfy TEQSA raises questions about its original NSW accreditation, and why, in the light of its inability to demonstrate basic board accountability, TEQSA has allowed GCA to keep offering its courses."

• This is false. In fact, there is a link to the TEQSA National Register on the GCA website which sets out the conditions underpinning the approval.

• In our roles as Managing Director and General Manager of GCA we are ensuring that all of the conditions imposed by TEQSA are being adhered to.

Observation 10: "There are many concerning aspects to this (low of private money to the Liberal Party. Was the law broken? Was the money given to buy access and influence? Did people collude to bypass the stricter donation laws in NSW? These questions should be answered."

• Ms McCarthy and I have not broken the law.

• We did not give money to buy access and influence.

• We did not collude to bypass donation laws.

• The Senator's statements are deeply offensive and have damaged our standing in the community. They are false and we wish for the Australian community to understand that this is nothing more than a baseless attack upon our characters and reputations.

Observation 11: "Group Colleges is not the only one to foster links with the Liberal Party that were not transparent."

• We have at all times been completely transparent about our links to the Liberal Party and our donations to that Party. Yes, in 2013 I accompanied New South Wales MP Geoff Lee on a trip to India. That is a matter of public record.

• We reject the suggestion that our conduct has been opaque and somehow dishonest. It has, in fact, been entirely 'above board'.

• There is no basis for Senator Rhiannon to conclude that our conduct has not been transparent.

Observation 12: "In fact, Group Colleges is a mixed business which has also invested in a travel agency recently relaunched by Prime Minister Tony Abbott's sister, Liberal Sydney City Councillor Christine Forster."

• Ms Forster is a local councillor for Redfern, where the travel agency is located. There is no impropriety whatsoever in her having attended and been involved in the launch of the business.
Observation 13: "There is more to Group Colleges operations in Sydney. Its registered office is based in the centre of Sydney at MyQual"

- GCA has never been "based in the centre of Sydney" and a cursory examination of the ASIC extracts for GCA and MyQual by Senator Rhiannon would have revealed this.

Human Rights Committee

Report

Senator SMITH (Western Australia) (16:17): On behalf of the Parliamentary Joint Committee on Human Rights, I present the 17th report of the 44th Parliament of the committee on the examination of legislation in accordance with the Human Rights (Parliamentary Scrutiny) Act 2011.

Ordered that the report be printed.

Senator SMITH: I move:

That the Senate take note of the report.

I rise to speak to the tabling of the Parliamentary Joint Committee on Human Rights's 17th report of the 44th Parliament—the committee's last report for 2014.

This report provides the committee's views on the compatibility with human rights as defined in the Human Rights (Parliamentary Scrutiny) Act 2011 of bills introduced during the period 24 to 27 November 2014 and legislative instruments received during the period 24 to 30 October 2014. The committee has also considered responses to the committee's comments in previous reports.

Of the 17 bills introduced in the period covered by the report, eight are assessed as not raising significant human rights concerns. The committee has deferred its consideration of the remaining bills.

A number of the bills considered are scheduled for debate during the sitting week commencing 1 December 2014, including:

- the Acts and Instruments (Framework Reform) Bill 2014;
- the ACT Government Loan Bill 2014; and
- the Parliamentary Service Amendment Bill 2014.

As always, the report outlines the committee's examination of the compatibility of these bills with our human rights obligations, and I encourage my fellow senators and others to examine the committee's report to better inform their consideration of proposed legislation.

In this report, in addition to the usual analysis on bills and instruments, the committee has published two revised guidance notes. Having been in operation for over two years, it is timely for the committee to reflect on its practices and how it communicates its approach and expectations to legislation proponents.

The first guidance note, which replaces practice note 1, sets out the committee's general approach to its scrutiny task and its expectations regarding the information provided in statements of compatibility. Importantly, the committee confirms in this guidance note that its reports seek to largely focus on significant human rights issues and not matters of marginal or academic interest only.
The second guidance note, which replaces interim practice note 2, provides guidance to legislation proponents on the human rights assessment of offence provisions, and particularly the characterisation of offence provisions and civil penalty provisions for human rights purposes.

My expectation is that these guidance notes will provide useful instruction to departments and legislation proponents on the committee's approach to the interpretation and application of international human rights law. The committee has also sought to harmonise its guidance with the approach and guidance of the Office of International Law in the Attorney-General's Department, and the committee is grateful for the productive engagement of the officers who have assisted in these efforts.

As this is the committee's last report for the year, I provide the following brief snapshot of the committee's work in 2014.

The committee has considered 250 bills and 1,717 instruments. Of those, 213 bills and 1,707 instruments were found to be compatible with human rights. It is interesting to note that, while much of the attention on the committee's work focuses on legislation that is or may be incompatible with human rights, in the vast majority of cases proposed legislation is in fact compatible with, or indeed may even promote, human rights.

Looking back at the committee's achievements this year, I would draw attention to the committee's examination of four national security bills, introduced with the main aim of ensuring Australia is best placed to combat terrorism and that law enforcement and intelligence agencies are sufficiently equipped to keep the nation safe. National security legislation necessarily strongly engages with human rights, and these bills have raised complex issues around balancing the protection of human rights with national security objectives. I believe that the committee has not, since its establishment, considered any legislation as challenging in this regard, and I particularly want to thank my fellow committee members for their work on these bills.

More generally, I would also like to thank my committee colleagues who have engaged with the committee's work and have done so in keeping with the scrutiny tradition of undertaking technical and bipartisan inquiry into the merits of proposed legislation and, in the case of the committee's particular task, the compatibility of proposed legislation with the human rights conventions signed up to by previous Australian governments. To put aside personal opinions on the policy merits of legislation is not always an easy thing to do, and for doing so, in the interest of providing credible reports to inform the debates of the parliament, I recognise and commend committee members for their service to this institution and to legislators within it. With these comments, I commend the committee's 17th report of the 44th Parliament.

Question agreed to.

**Public Accounts and Audit Committee**

**Report**

**Senator SMITH** (Western Australia) (16:22): On behalf of the Joint Committee of Public Accounts and Audit, I present Report No. 446: *Review of the operations of the Parliamentary Budget Office* and seek leave to incorporate the tabling statement in *Hansard*.

Leave granted.
The report read as follows—

This is the first report of the Joint Committee of Public Accounts and Audit on the operations of the Parliamentary Budget Office.

The PBO commenced operation in July 2012.

The inquiry is part of the committee's ongoing oversight role, which has enabled us to review the progress of the PBO after only two years of operation.

The PBO is also subject to external audit by the Australian National Audit Office, which tabled a favourable report on the administration of the PBO, in June 2014.

I commend Mr Phil Bowen, the inaugural Parliamentary Budget Officer, for his clear sighted leadership of this important new parliamentary body.

It is a significant achievement to build a new organisation from scratch and prepare for a general election at the same time.

It is fair to say, the PBO quickly gained the confidence of members and senators and built a reputation for professionalism, independence and expertise.

May I particularly compliment Mr Bowen and officials from the PBO on their very professional appearance at Senate Estimates—it is a personal highlight of the Finance and Public Administration Legislation Committee.

The main work of the PBO is providing confidential policy costings to parliamentarians.

In the lead-up to a general election, the PBO's role shifts to a more public one.

Senators will recall that the 2013 federal election was the first time all parliamentary parties and independents were able to get their election commitments costed.

Immediately following the election, the PBO also produced the first ever post-election report—an assessment of the budget impact of election commitments of the main parties, including the Australian Greens.

The PBO also launched a self-initiated research program. These are considerable achievements.

The committee's review was an early opportunity to examine the framework and operations of the PBO and consider international best practice.

The Australian PBO is one of 10 such bodies in the OECD, and 29 around the world.

The success of the Australian PBO is due in no small measure to the existence of a clear legislative mandate, statutory independence, adequate resources, and qualified staff.

But these alone would not be sufficient without the co-operation built up between the Parliamentary Budget Officer and the Heads of Commonwealth agencies under a non-binding Memorandum of Understanding.

To build on this success the Committee has made eight recommendations that fall into two categories—Access to Information and the PBO's Mandate.

Access to Information

It goes without saying that access to information is essential if the PBO is to fully discharge its mandate and provide high quality support to members and senators.

To this end the committee has recommended that the Parliamentary Budget Officer's right to free and timely access to Executive information should be clearly specified in the Parliamentary Service Act 1999.

Such an amendment will bring the PBO into line with international best practice and allow the parties to the MoU to act with confidence.
It is also prudent to adopt a legal safeguard against any possible change in the political climate in the future.

The committee also dealt with four matters of detail that warrant early attention.

First, the committee was disappointed that the National Audit Office found over half of the responses to PBO requests are routinely late.

The government needs to ensure that agencies meet the timeframes agreed in the MoU.

Second, we agree with the Parliamentary Budget Officer that details of the individual components of the Contingency Reserve should be released to the PBO.

There is more than adequate provision in the Parliamentary Service Act to protect the confidentiality of that data.

Third, the government should work with the PBO and Commonwealth agencies to identify and remove or modify legal provisions that prevent the release of data to the PBO.

This is largely a housekeeping matter and should proceed as soon as possible.

Fourth, the outsourcing of budget estimates or policy costings has led to fees being levied by third parties—including the Australian Government Actuary.

This is inconsistent with the Parliament's intention, the MoU and international principles of best practice.

To rectify this situation Commonwealth contracts should guarantee the PBO free and timely access to data held by third parties in the public or private sector.

After the 2013 election the government established the National Commission of Audit.

The Commission recommended that the Commonwealth should adopt certain fiscal rules and the PBO should report against the government's adherence to those rules.

The pursuit of certain fiscal rules is an issue close to my heart and one I intend to pursue as a member of the Committee.

We have deferred our full consideration on that issue until there is a government response to the Commission's report.

We did conclude, however, that the mandate of the Parliamentary Budget Officer should be expanded to include the preparation of detailed medium term projections on an annual basis.

This will fill an important gap in the financial data currently available to the public.

The post-election report analysis should also be extended beyond the current four years required by the act to provide, as far as possible, projections over a 10-year medium term.

The creation of the PBO is an important development in our democratic arrangements and has already made a significant contribution to transparency and accountability in the country's finances.

The changes we propose are important refinements to ensure the PBO can continue to bring reliable and comprehensive analysis to the public debate and promote fiscal responsibility across the political spectrum.

I commend the report to the Senate.

Public Works Committee
Report

Senator RUSTON (South Australia—Deputy Government Whip in the Senate) (16:23):
On behalf of the Parliamentary Standing Committee on Public Works, I present the 7th report of 2014: Referrals made September 2014 and Parliamentary delegation to Indonesia and Thailand by members of the Public Works Committee.
Education and Employment Legislation Committee
Additional Information

Senator RUSTON (South Australia—Deputy Government Whip in the Senate) (16:24): On behalf of the Chair of the Senate Education and Employment Legislation Committee, Senator McKenzie, I present additional information received by the committee on its inquiry into provisions of the Higher Education and Research Reform Amendment Bill 2014.

Legal and Constitutional Affairs Legislation Committee
Report

Senator RUSTON (South Australia—Deputy Government Whip in the Senate) (16:24): On behalf of the Chair of the Senate Legal and Constitutional Affairs Legislation Committee, Senator Macdonald, I present the report of the committee on the provisions of the Acts and Instruments (Framework Reform) Bill 2014, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

Health Committee
Report

Senator McEWEN (South Australia—Opposition Whip in the Senate) (16:25): On behalf of Senator O'Neill, I present the first interim report of the Select Committee on Health.

Ordered that the report be printed.

Senator SESELJA (Australian Capital Territory) (16:26): by leave—I move:

That the Senate take note of the report.

I would like to speak briefly. Coalition senators have tabled a dissenting report. We have a number of concerns with this committee generally. We believe that the Select Committee on Health is duplicating much of the work that is done by both the Senate Community Affairs Legislation Committee and the Senate Community Affairs References Committee. That is important as we look at the strain on committees at the moment. We know that there is some doubt about whether some of the crossbenchers will be able to get resources for things like the committee into wind farms, yet this committee is more or less duplicating the work of two existing committees and we believe is being conducted in a way such that the outcomes are completely predetermined and there are a lack of foreseeable actionable outcomes. There is scope and scale, as I said, that duplicates much of the work. There is an agenda that appears unduly partisan, and there does not seem to be any recognition of much of the complexity of this area.

I would also like to briefly highlight—and this is highlighted in the report—that the committee emphasised that they wished to focus on hearings in regional areas. Of the 13 regional hearings proposed by the chair, five have since been cancelled, four that were scheduled to be full days are only half days due to lack of witnesses and one has been postponed. Despite the committee's purported focus on regional areas, there is yet to be a full-day hearing in a town outside of the capital cities.

There seems to be an ignoring of inconvenient evidence, which I saw, for instance, in Tasmania. When I attended there was evidence presented that showed that the former
Tasmanian Labor-Greens government had been getting all sorts of additional money for health which it had not been spending—in fact, it was spending less per capita on health even though it got that additional money in recognition of Tasmania's special circumstances. Evidence like that seems to have been ignored.

To finish briefly, we have concerns about how this process is managed. We think it is duplicating the existing work of committees, therefore putting unreasonable strain on the resources of that committee office. I commend the dissenting report to the Senate.

Senator McLUCAS (Queensland) (16:29): I rise to take note of the very important and timely report from the Senate Select Committee on Health. I know that my colleague and chair of the committee, Senator O'Neill, will speak more fulsomely about the report, but I really just want to go to the recommendations about the proposal of the government to amalgamate the Organ and Tissue Authority and the National Blood Authority. This was a recommendation that was made originally in the Commission of Audit report. When I saw it I thought, 'Goodness me, that shows that they really just do not understand what these two organisations do.' I honestly thought that the government would say, 'No, and that, The Commission of Audit just does not really understand these two organisations.'

The Organ and Tissue Authority was established by the Labor government in recognition of the fact that Australia did not have very good rates of organ donation in our country. There was strong community activism when we were in government to encourage the government to do more, and so we did. We established the authority, which was tasked to do a range of things: to improve community understanding, to improve community buy-in to donating, and, most importantly, to work with our states and territories and our public hospital systems to make sure the processes to deliver effective donation occurred as well as to fund that process. That is the role of the Organ and Tissue Authority. Quite differently, the National Blood Authority has been in place for many, many years. Its task is essentially to manage the contract with Red Cross Australia, to make sure that the blood supply is provided and that the marvellous work that the Red Cross does to ensure that the blood supply is of a quality that we expect is done.

They are two quite separate activities that these two organisations do. Simply because they deal with parts of our bodies is not a reason to say, 'That's easy; we'll just amalgamate them.' We took evidence from both of those authorities. We asked them where the savings were. When you look at the budgets of both of them, they are very lean organisations. They are organisations that do not have excess activities that can be trimmed. Frankly, the only evidence we really received is that the two CEOs would turn into one. In my view, that would diminish the activity of that CEO, whomever it might be if the government gets its way, to be able to make sure that those different tasks are done properly.

The committee has taken evidence not only from the two entities; it also talked to others. When we were in Moruya we talked to a gentleman who was the recipient of a donated kidney and his evidence to us was quite strong that the authority would not gain. In fact, he was concerned that there would be a diminished effort around the amalgamation of those two organisations. We say this in the context of the fact that this year organ donation rates are not tracking where they were 12 months ago. We do not have an answer for why that is happening, but it is of concern. So I say to the government very clearly: this is mistaken; there are no savings in this proposed amalgamation. There are very good policy reasons why we
need two separate entities. They do not cost that much. Amalgamating them will potentially impact on our organ and tissue donation rates. Hopefully it would not impact on the contract management with Red Cross, but I do alert the government to the fear that is in the community. We cannot undermine the great work that we have seen done by the authority and the organ and tissue donation authority under their current leaders. Our recommendation is: cease the merger, cease this happening and make sure these organisations get on with their jobs of making sure that their activities are continued.

I will finish my comments now and pass over to the committee's very excellent chair, but, in doing so, I do want to pay tribute to the staff who have provided us with excellent support. It has been a difficult committee to run, so to Mr Palethorpe and Miss Reardon: thank you very much for all your support.

Senator O'NEILL (New South Wales) (16:35): I rise to take note of the first interim report of the Senate Select Committee on Health. Firstly, let me state how truly grateful I am to the health professionals, nurses, ambos, diabetes advocates, doctors, health administrators and other brave citizens who came before our committee to give evidence about the Abbott government's attempts to destroy Australia's health system. We heard damning evidence about the government's failure to consult the sector prior to breaking its promises and revealing its real plans around a GP tax in the federal budget in May.

Tony Abbott promised before the election that there would be no cuts to health, but we all know what an untruth that was. Indeed, the budget revealed $60 billion in cuts. What this committee has revealed is that the combination of a $7 co-payment on GP visits, on pathology on diagnostic imaging and on the other associated cuts that go alongside those co-payments equate to much more than a cut. They are better described as machete blows to the entire sector, devised to bring about the death of Medicare. In the preparation that was undertaken by the government for this attack on Medicare through GP co-payments, the AMA have made it very clear that they were amongst the illustrious groups in this country that were ignored. There was a complete failure of consultation at any stage prior to the budget. The AMA actually put on the record:

The AMA is concerned that the Government’s Budget measures therefore appear to ignore systemic opportunities to address health care spending. They appear to be driven by ideology rather than based on evidence and have not been developed within a vision and framework of systemic reform.

The agencies that we did get to come before our committee were able to declare to us that none of them were consulted before the government set out wholesale to attack the very fabric of access to health care for every Australian.

The list of those who were not consulted include: the Australian Medical Association in Tasmania; the Royal Australian College of General Practitioners; the Royal Australasian College of Physicians; the Premier of South Australia, who gave evidence indicating he was not consulted—indeed, health departments right across the entire nation were not consulted, to the best of our knowledge, by this government; the Australasian College of Emergency Medicine; the Australia Diagnostic Imaging Association; key peak bodies from residential aged care; ambulance services; the Australian Nursing and Midwifery Foundation in South Australia; the Aboriginal Health Council of South Australia; and the Health Consumers Alliance of South Australia. They are some of the groups who put on the record at our 15 hearings across the country that they were not consulted. It is hard to believe that a
government would make an announcement on the evening of the budget that would affect every single one of those groups and indeed the health of every single Australian and not make an effort to consult the sector.

The committee found widespread, consistent criticism of the $7 co-payment—a co-payment to be applied to visits to GPs, a co-payment to be applied to any pathology and a co-payment to be applied to any diagnostic imaging. Sadly, the committee found another example of the ideology of this government in applying a disproportionate disadvantage on the health and life opportunities of the most vulnerable sections of the Australian community, especially Indigenous Australians. The committee found across the entire inquiry and through our report a litany of evidence from person after person, explaining the devastating impacts that will arise if this set of policy initiatives from the government, falsely labelled as reforms, go ahead.

What we have in this report is a documentation of damning evidence of a government that believes it is above consultation, that is determined to destroy Medicare, that is determined to damage the health of every Australian, to take people away from affordable and sustainable access to GPs that we know underpins the health of this nation and drive people in ill-health to emergency departments right across this nation—estimated at an additional 500,000 presentations at emergency departments in New South Wales and 290,000 in South Australia. The policies that we are seeing from this government are a disgrace. This report documents once and for all the devastation that will be wrought on the Australian people if its plans to implement a co-payment go ahead.

There are a number of other very significant recommendations in the report and I seek leave to continue my remarks on this at a later opportunity. I understand the time is limited this afternoon.

Leave granted; debate adjourned.

**BILLS**

_Higher Education and Research Reform Amendment Bill 2014_  
Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

**Senator XENOPHON** (South Australia) (16:40): As I indicated just prior to question time today, I cannot in good conscience support the Higher Education and Research Reform Amendment Bill 2014. I think it is important to, firstly, correct what I said earlier where I had indicated in my second reading contribution that full fee-paying places for international students were also introduced. In fact, it is for domestic students as well which will allow universities to enrol students beyond the government mandated caps. That was in the context of a number of higher education reforms. There has been a significant impact on access for students, in terms of opening up the sector, that was introduced by the Gillard government, which uncapped university places and opened up the sector to greater numbers of students. This has had a significant impact on access for students, particularly those from lower socioeconomic backgrounds—which is important and essential. The Rudd-Gillard governments, however, did not introduce higher rates of funding per student and, as I mentioned earlier, cut significant amounts from the higher education budget. I think it is also
important to put in context the implications of a number of these changes that are being proposed.

A good commentator to go to, whether you agree or disagree with him, is the economics editor for *The Sydney Morning Herald*, Ross Gittins, who has made some interesting points that I think are both thought provoking and thoughtful in their contribution. Shortly after the changes were announced, Mr Gittins, in an opinion piece in both *The Age* and *The Sydney Morning Herald*—so the Fairfax Press—made the point:

The more economics you know, the less certain you can be about how things will turn out.

How true that is. And he talked broadly about the issue of deregulation and how the government was planning to:

… cut its contribution towards the cost of courses by an amount that averages 20 per cent.

Then he noted that the government was planning to:

… reduce the annual indexation of its contribution, switching to the consumer price index which does not rise as fast as unis, wages and other costs.

Mr Gittins made the point that there appears to be:

… excessive faith in the ability of market competition to foster increased efficiency, constrain price increases and ensure customers get high quality.

In terms of the higher education sector, we are not talking about an ordinary product; we are talking about a sector where it is anything like a market. The point Mr Gittins made, and I agree with him, is that universities, its so-called 'firms':

… are owned by the state governments and highly regulated by the federal government.

And there is:

… a string attached: fees charged to local students may not exceed those charged to overseas students.

In effect, universities have a government-regulated monopoly over a product that gives young people access to the country's highly paid jobs.

I think it is fair to say—I agree with Mr Gittins—that:

Demand seems highly "price inelastic" - unresponsive to price changes.

It is interesting to note this comment made by Mr Gittins:

In the early noughties, the Howard government allowed unis to raise their fees by 25 per cent. One small uni decided not to do so. It found its applications from new students actually fell. So the following year it put its fees up like all the others and its applications recovered.

So it seems that sometimes price is taken to be an indication of quality, when that is not necessarily the case.

It is also worth pointing out that, although the overall spending on universities as a percentage of GDP in Australia is about average amongst the OECD economies, the proportion paid by government was the third lowest by 2004. That is a real issue that we need to consider. There is also the issue of a moral hazard if we have a deregulated system. In circumstances where there are more and more students, having this link between HECS and deregulation is a double whammy for this sector. Perhaps it is overly ambitious on the part of the government. What happens in circumstances where the university has more students and more students are incurring a greater debt? There is a moral hazard because, if that debt is not
paid, then it is the taxpayers who have to pick up the bill. I wonder what modelling has been done to determine whether there will be an increase in those unpaid or bad debts. It has been a much bigger issue in the United Kingdom, but I suspect that is due to the fact that there are many students from the European Union who go to universities and then go back to their home country and do not have to pay for the education that they got at a tertiary institution in the United Kingdom.

So there is an issue in terms of safeguards for students, but there is also that fundamental issue that the government said that they would have 'masterly inactivity'. That was the term used by the Prime Minister, as opposition leader, early last year when he spoke to the Universities Australia Higher Education Conference here in Canberra.

I agree with Mr Gittins when he says, 'There ain't a lot of precedent for this radical experiment.' And this is a very significant and radical experiment. The challenge is that we want as many people as possible to be able to access the form of higher education that suits them. Under the current, uncapped system, many more people can attend university, but that means a higher cost to the government, so do we cap the number of places and restrict the number of people who go to university but have it at a lower cost for them, or do we make sure as many people as possible can attend but find another way to fund it? It is vitally important for both students and universities that we get this right.

My hope—and I think it is a forlorn hope in terms of what we have seen both in the previous parliament and this parliament—is to have a bipartisan consensus on whatever scheme is decided on, because that is the best way to give certainty to the higher education sector. That way you get, ultimately, certainty. That is why I think it is important for the debate to include all the options. I see that Senator Kim Carr, the opposition's higher education spokesperson, the shadow minister, is in the chamber. There is an important role for the opposition to come up with alternatives, given the pressure on the system.

It is also important to remember the importance of private providers in higher education. They can offer more targeted and flexible services for students, and they fill a valuable niche. They need to be a vital part of whatever scheme goes ahead in the short or longer term. I want to acknowledge Tabor college in Adelaide. Reverend Don Owers is a man I have enormous respect for. His proper title is principal of that college, which has a very good reputation, not just as a teaching college—offering theological courses and the like. I have enormous regard for him. I know that Reverend Owers has been very keen for these reforms to go through, but in good conscience I cannot support them.

It is also important to note what happened with VET, vocational education and training, in Victoria, where the system was rorted. I am not suggesting there would be the same potential for that to occur here, but we need to learn the lessons of what occurred in Victoria with vocational education, where there have been extraordinary shifts in that market. Maybe Senator Carr can correct me if I am wrong on this, but I think that one or two providers in the last couple of years have managed to snatch 20 per cent of the market, with all sorts of inducements and incentives. I have concerns about the quality involved with that. It is important that we learn from those mistakes. I am not equating the two sectors, but I am saying that it is important to learn from that.

The point that commentators, including Ross Gittins, have made is that university administrations are not necessarily as lean as they can be, but it is unsure whether this system
will impose the necessary discipline upon them. What is proposed is that they can have uncapped fees, deregulated fees, and, if students do not pay them back, then the taxpayer picks up the tab. I do not think that is necessarily the best way to impose a discipline to keep fees down.

I note that several amendments have been circulated or proposed, and I understand there may be more to come. My colleague and friend Senator John Madigan has put up a number of proposals and suggestions. I am not sure if they have been circulated yet as amendments. I know that Senator Madigan has done this in absolute good faith, to get a better outcome. The implications of some of those amendments need to be looked at in a constructive way, because I think that what Senator Madigan has attempted to do is quite worthy. It is vitally important that we take the time to consider these amendments in more depth so that we can be sure that they achieve their aims. It is also important that we look at alternative methods of funding and look at issues of equity. Economists such as Ross Gittins make the point that there could be all sorts of unintended economic consequences in what is being proposed. We need to be very wary of that.

Tertiary education is not an ordinary product. It cannot be expected to conform to the usual market structures. For many people, participating in higher education is both an emotional and a financial decision. People may choose to attend a university because of its reputation, its convenience, its course selection, even its campus life or a combination of all of those things. We cannot expect people to undertake higher education based solely on financial reasons.

Without the appropriate safeguards in place, the market may become skewed and some providers may start to take advantage, unfairly, of students. For example, in higher education, prestige can add significant value; for many, a higher price signals greater prestige. This could clearly be open to abuse by providers, who would raise their prices simply to seem more prestigious or to signal a higher intrinsic value. I think it is also worth considering what Lord Browne did in his— (Time expired)

Senator URQUHART (Tasmania—Deputy Opposition Whip in the Senate) (16:53): Senator Ludwig was on the list to speak next, but he has asked that I seek leave to have his speech incorporated in *Hansard*. I seek leave to incorporate Senator Ludwig's speech.

Leave granted.

Senator LUDWIG (Queensland) (16:53): The incorporated speech read as follows—

**Introduction**

Labor is a party that has always stood up for education and realised the value of quality tuition. It is a party that believes that education should be accessible to all Australians, irrespective of background. No student should ever have to think twice about seeking a good education. Tony Abbott's plan for $100,000 degrees will do just that. This Bill will cripple Australia's future if some of our best and brightest cannot attend university due to higher fees and higher interest rates on their loans.

In another broken promise, the Government wants to cut $3.9 billion from a sector that simply cannot afford it. Before the election, Tony Abbott and Christopher Pyne promised no cuts to education, no increase to university fees, and no changes to the higher education system. The Australian people did not vote for a Government that would create a society of 'haves' and 'have nots'. Despite what Tony Abbott touts, there is no evidence that deregulated university education reduces costs to students and
their families. We cannot allow this Government to place such a burden on our students, with a plan that fails both the fairness test and the national interest test.

Labor will stand up for those that will be hardest hit by the changes sought to be introduced by this Bill, including women, students from low-income backgrounds, and students from regional Australia.

No student deserves to be hit with Tony Abbott's debt sentence.

**Bill in detail**

The Coalition is seeking to introduce the most radical changes to the higher education system in 30 years. This Bill will cut subsidies for undergraduate study, deregulate tuition fees charged to undergraduate students, change the Higher Education Loan Program (HELP) system, and introduce fees for postgraduate research students.

Among the cuts to higher education and research is a 20 per cent cut to Commonwealth Grant Scheme funding for course delivery; a one-off efficiency dividend of 3.25 per cent on Australian Research Council grants; and a reduction in funding of the Research Training Scheme, which supports higher degree research students. In order to cover these funding cuts, universities will be forced to increase their fees by as much as 60 per cent for some degrees. The cuts to the Commonwealth Grant Scheme funding are arbitrary with increases in subsidy for some courses while others have been savagely cut. Changes to indexation arrangements for Commonwealth grant funding are also designed to reduce government funding of higher education over the long term.

Unrestrained student fees will result in the highest increase to university education costs this country has seen in a long time. In an unregulated market, universities will raise their fees far higher than what is required to offset reduced government funding. Students will foot the bill for universities increasing their research quotas just so that they can remain ahead of the race on world rankings. We only need to compare the current cost of private university degrees to public university degrees to see the difference this Bill will make. Higher fees will certainly deter entry to higher education by those from disadvantaged backgrounds. One look at the United States tells us that university competition leads to increased costs with no improvement in student outcomes. Not to mention what increased competition is going to do to our universities serving rural areas and students from low socio-economic backgrounds. $100,000 degrees are a very real prospect under this Bill.

To add to the Government's agenda of increased costs and cuts, they are seeking to change the HELP indexation rate from CPI to the Treasury 10 year bond rate. This change alone will cost students thousands of dollars extra in interest on their loans after 2016. This measure will have a regressive impact on lower income earners who would pay considerably higher interest payments than high income earners. Massive amounts of compounding interest will be shunted onto students, taking years to pay off. The Government clearly doesn't care about the impact that this will have on students who have completed their degrees. They will be forced to make life choices based on the enormous debt they have accumulated, just from attending university. Those seeking a university education will be faced with a tough choice, potentially the difference between a $25,000 debt and a $100,000 debt. To make matters worse, the Government is seeking to establish a new minimum repayment threshold for HELP debts of two per cent when a person's income reaches $50,638. 65,000 Australians will be affected by this measure.

It is not only undergraduate students hit with the harsh cuts proposed by this Bill. The Government plans to cut $173 million from the research training scheme which pays for the teaching of our PhD and Masters' research students. Universities may charge students up to $3,900 a year under HELP to cover these cuts. New PhD fees will force the next generation of innovators in our country to think about whether a PhD is really worth the cost.
Queensland education cuts

Don't be mistaken, cuts of the nature proposed by the Government are not confined to universities and federal funding. Under the LNP government in Queensland, we have seen widespread cuts to vital education providers including TAFE and public schools. The TAFE system has possibly suffered the most, with the closure of the Ithaca TAFE campus and further proposed closures of Mt Gravatt, Grovely, Alexandra Hills and Bracken Ridge campuses; this is just in the Brisbane metropolitan area alone. These closures have come as a result of Queensland Government funding cuts to many TAFE courses. Due to drastically increased financial outlays required of students, there has been a significant decrease in the numbers of students attending courses. The cost of some courses has been increased by many thousands of dollars. This is a cost that our students just cannot afford. Courses which provide vital education, skills and training to students to place them in a better position to find jobs and enter the workforce are no longer accessible and affordable to all. The erosion of TAFE funding removes the high quality, low cost, accessible education and training that Queenslanders deserve. For many students, TAFE provides a pathway into university education for students.

Now-Premier Campbell Newman made a pre-election promise that there would be no asset sales in Queensland. A contributor to the TAFE cost hike is the establishment of the Queensland Training Assets Management Authority by the Newman Government on 1 July this year. The QTAMA now owns all of TAFE Queensland's buildings, facilities, infrastructure and assets. TAFE now has to lease back buildings and assets previously owned by Queensland taxpayers. This measure has placed TAFE in direct competition with other registered training organisations.

In 2013 the LNP Government announced six school closures including Charlton State School, Fortitude Valley State School, Nyanda State High School, Old Yarranlea State School, Stuart State School, and Toowoomba South State School, all of which have now closed. The most concerning of these closures is Nyanda State High School. In an attack of the public education system, the site of this school was sold to the privately funded Brisbane Christian College. This is a resounding example of the Queensland LNP Government privileging a select few who can afford private education. The sale of Nyanda State High School has meant that facilities funded by the public purse will now only be enjoyed by students of parents that can afford to send their children to a private school. All of the school closures involved very little public consultation. The Queensland Government failed to engage all of the relevant stakeholders and brought forward submission deadlines in order to push through their damaging plans.

In early 2014, the Newman Government closed the Barrett Adolescent Centre in Queensland; a facility that provided both education and health care services to adolescents with severe and complex mental health problems. The closure of this facility has attracted much attention following the death of three patients following the closure. A report by Queensland Health's Expert Clinical Reference Group stated that the government knew the risks when it decided to close BAC. The report also expressed concern at the loss of skilled clinical and education staff. Education is a core part of the intervention required for young people who require the level of care that was provided by BAC.

In turning back to the Bill before this chamber, it is clear that Tony Abbott is taking a leaf from the book of Campbell Newman in trying to fool the public into thinking that his Government's reforms will result in opportunity. Tony Abbott and Christopher Pyne are trying to force education providers with 500 or more equivalent full time Commonwealth Supported Students to establish a new Commonwealth Scholarship Scheme to support disadvantaged students. Providers will be required to direct 20 per cent of additional revenue that they receive from the deregulation of student contributions to the scheme. Labor and the Australian public will not be fooled. To call this arrangement a 'scholarship' is a fraud. These funds will be provided on the back of a tax on students and will work to disadvantage regional universities that cannot compete with major universities who have the capacity to charge higher fees.
This Government is spruiking shallow rhetoric that does not recognise the differences between metropolitan and regional higher education.

Conclusion

It is abundantly clear that both the Abbott Government and the Newman Government in Queensland do not care about the long term sustainability of our vital public education system. Under their policies, only the well-off will have the opportunity to pursue post-secondary education. The Government is asking students to pay for their scholarship programs and for research, things that the Government currently pays for. International experience of deregulation has shown us that it is the most disadvantaged get left behind. No student should be left with a crippling debt sentence. No student should be forced to make the choice between a mortgage and a university degree. This Bill represents far too great a risk for students, the community and public education institutions.

Labor will fight this plan and the plight of the LNP government in Queensland.

Senator LAZARUS (Queensland—Leader of the Palmer United Party in the Senate) (16:53): I rise today to speak in relation to the Higher Education and Research Reform Amendment Bill 2014, which the Abbott government is desperately trying to ram through the Senate. Palmer United is opposed to the higher education reforms and will be voting against the bill in every possible way. We will be voting to stop the bill from moving from the second reading stage to the committee stage, as we feel it is a waste of taxpayers' time to allow the Senate to give any further oxygen to this bill by considering amendments which only seek to window dress what is, in reality, a revolting proposal. We will be voting down any amendments which are put forward and we will be voting down the final bill. We are opposed to higher education reforms for a number of reasons, and no amount of texting, chocolates and red roses from Christopher Pyne is going to change my mind or the mind of my fellow colleague Senator Dio Wang. It is our view that the Abbott government's higher education reforms are bad to the core.

I take my role as a senator for Queensland very seriously. I ensure that, when forming a position on matters, I take the time to meet with stakeholders across my great state to seek their feedback and get their advice, to ensure that my final position reflects the wishes and will of the people. I have taken the time to meet with universities across my home state of Queensland and I have also met with student union groups. In Queensland, our universities are located in cities and in rural and regional areas across the state.

In meeting and speaking with universities in Queensland, the feedback that I have received is clear: universities do not want their funding cut and they certainly would not cope with the cuts the Abbott government is seeking to implement through these nasty reforms. Universities have advised me that the easiest way that they could make up for a cut in funding would be to increase the cost of course fees. Increasing the cost of degrees, along with other cost-cutting measures, would enable universities to make up for the shortfall in their budgets. Universities do not have money trees growing on their campuses. An increase in course fees means that Australians will pay substantially more for higher education in this country. This would only push university degrees out of reach for most Australians.

The other concerning issue which universities raised with me is that rural and regional universities will be impacted the most by these higher education reforms. Many rural and regional universities do not have the market power of CBD based and traditional bricks and mortar universities, and any forced increase to course fees would mean that their student numbers would fall. A fall in student numbers would mean that rural and regional universities
would have to start cutting courses, which would reduce the range of academic offerings available to rural and regional based students. Students from rural and regional areas will suffer and be further disadvantaged compared to the students located in CBD areas. If student numbers fall in rural and regional areas, the universities will be forced to make cuts across campuses, cutting jobs and services, which will hurt local communities and businesses that supply services and products to these universities.

Regional and rural universities provide not only an important education facility for students but also an important social and economic hub for regional towns and centres. Rural and regional universities employ local people and contribute to local economies. In fact, many of these universities also undertake research in specialist areas. These areas include agribusiness, crop health, tropical health and medicine, fisheries and aquaculture, just to name a few. This research involves local businesses and industries. Funding cuts to universities will affect the capacity of universities to undertake research. Universities have advised me that they may have to scale back research.

Universities have also told me that, if their funding is cut, not only will they have to put up the cost of course fees but they will need to look at cutting the quality of the courses. Good courses cost money to deliver. Good courses include practical elements, field trips, quality staff and best practices, tools and equipment. The quality of higher education will fall in Australia if funding is reduced.

While Australia offers brilliant weather and excellent opportunities, it is still considered an expensive country to do business with. Australia cannot keep trying to compete with countries like China, Taiwan and Korea in the spheres of manufacturing; we cannot compete on wages and operating costs. As a nation, we need to be drawing on our capability to innovate, invent, create and lead. To nurture and develop our reputation and international standing as a nation of creativity and innovation, we need to invest in education; we need to invest in becoming a smart country.

The world is prepared to pay for breakthroughs and advancements in science, technology, medicine and health. These things deliver real and tangible benefits which benefit the human race and the global economy. Australia could be driving these advancements, but we need educated people to do this. Cutting funding to education will only hurt our country and hurt our future as a nation. I will not allow Australia to become the dumb country.

In talking with universities and student union groups, I cannot find any reason to support this bill. Two of my children have just finished degrees in business at the University of Queensland. They, like many students, have entered their working life with a HECS debt, which they will carry with them until it is paid off. It is a debt that they will need to constantly bear in mind as they consider their work options and life decisions. My youngest son has just finished year 12 and is waiting to hear which university course he has been accepted into.

As a proud parent, I personally am concerned about the impact of the higher education reforms. Too often politicians make decisions without understanding their real impact on the people they represent. As a father, I do not want to see my children lumbered with an excessive higher education debt. I want to see my children flourish and to enjoy the gifts and benefits that higher education provides. I want my children to experience the opportunities that education offers. I do not want to see them so stressed by a HECS debt that they are weighed down by the worry and start to make bad decisions about their careers and future.
because they are driven by debt rather than by great opportunities. I want to see all Australian children flourish and enjoy access to quality education. I would like to mention a quote by Confucius which captures how Australia should be harnessing education:

If your plan is for one year, plant rice. If your plan is for 10 years, plant trees. If your plan is for 100 years, educate children.

I refuse to vote for anything that will discourage the young men and women of our country from aspiring to undertake higher education. The other issue which concerns me is that some universities have also said that, should the reforms get through and funding is cut, they will have to look at increasing the intake of international students who are able to pay more for higher education and, as a consequence, reduce the number of placements offered in courses to local Australian kids. So not only will the cost of courses go up but also the opportunities for Australians to attend university will be reduced because there will be fewer places available.

As I have already outlined, the higher education reforms are just bad policy and the bill is bad to the core. What I cannot understand is why the Abbott government did not take the time to properly consult with the higher education sector before developing the higher education reforms. If the Abbott government had undertaken proper consultation we would not be here talking about this terrible bill. In my opinion, I do not think this is about the higher education sector or the long-term vision of this country; this bill is about nothing more than budget cuts.

If the Abbott government wants to cut funding to the higher education sector, to increase the cost of education for everyday Australians and to create education debt problems for our children, they should take these reforms to the Australian people at the next election and see what the people of Australia think of their dumb ideas. Palmer United does not support the higher education reforms. We will be voting against this bill.

Senator MADIGAN (Victoria) (17:03): I rise this afternoon to speak on the Higher Education and Research Reform Amendment Bill 2014. This is undoubtedly a controversial piece of legislation which has the capacity to completely reform the higher education landscape across Australia. Whether this reform of the landscape will be positive or negative, we will not know. Whether the legislation is what it should be, we will not know. The reason we will not know is that throughout the course of this debate some senators in this place could not rise above the politics. They have indicated that they will vote this bill down at the second reading, before we have even been able to discuss amendments. Let me make this crystal clear. In its current form, I do not support this legislation. If this were the final vote today, I would not be voting for it. But this is not the final vote; this is the second reading. I am simply voting in favour of procedure.

This vote is not about whether the bill becomes law, but whether or not we are prepared to be constructive, rather than destructive. This place is meant to be a place of review and I, for one, want to be able to properly review this legislation. We do our constituents a disservice if we refuse to even attempt to fix a bill which aims to make our higher education system more sustainable. I am not arguing that this bill is perfect. I am not even arguing that this bill is repairable. I am simply arguing that we should at least try.

While it may be politically expedient to vote this bill down before it has had a fair hearing, in my opinion that is not the responsible thing to do. I have had over 50 meetings with universities, students, unions, lobby groups, small- and medium-sized businesses and current
and former academics on this bill. As a result of these meetings, I sincerely believe that reform is needed and that reform, especially for regional universities, is required. What I have been told by those who run our nation's universities is that the status quo is unsustainable. It would be irresponsible for me to ignore their advice. I believe we owe it to the tertiary education sector and, most importantly, to the students to at least try to make some reasonable reforms work. If, at the end of that process, we in this place are unable to do that, then so be it. But the important thing is that we will have tried. That is why I have decided to vote in favour of the second reading, even when my fellow crossbenchers have indicated that they will not. That is their right to do so. That is democracy at work.

Senator O'SULLIVAN (Queensland—Nationals Whip in the Senate) (17:07): I rise to speak on the Higher Education and Research Reform Amendment Bill 2014 before the Senate. I want to take up some of the points made by one of the previous speakers who spoke in the context of not wanting—

Senator Kim Carr: You are going to load up the speakers now.

Senator O'SULLIVAN: Mr Acting Deputy President, am I entitled to speak?

The ACTING DEPUTY PRESIDENT (Senator Seselja): Indeed you are. Order on my left.

Senator O'SULLIVAN: I want to pick up on a point made by one of the previous speakers in relation to indebtedness for young students who go ahead and pursue higher education. Of course there is a fundamental solution to that problem, and that is not to incur the debt in the first instance. This is true of almost everything in life. It has always amused me when reference is made to free health care and free education when, in effect, these are the two things that are by far and away the most expensive support and services that we give as a government to those of our nation. The case has been well made that people invest my money—a point that is lost on many—in acquiring their education. This is money which I have worked for and paid my part to the receipts of this nation, which has been lent to these students so that they can advance themselves in life. I have no problem with that. I understand the value of education, and I understand ensuring that we have arrangements in place that create educational opportunity for everybody. If the circumstances of a student require them to borrow some of my money and the money of other taxpayers to invest in their education, then that has my total support. But I am afraid I do not have much sympathy for the argument that an investment, which I loaned to somebody so that they can advance their circumstances in life, is a bad investment. I think that aspect of these changes is quite appropriate.

This package has an expanding and demand-driven Commonwealth funding system for students studying for higher education diplomas, advanced diplomas and associate degrees, costing some $370 million over three years. I hark back to my own era. I recall that when I graduated in a class of 36 students, only two went on to higher education. That opportunity was not there in my age. It was not an option for families who, in my case, could not afford the cost of higher education and the costs of living away from home that were associated with it in those days, before the expansion and regionalisation with universities. So for a government to continue to invest in the opportunities for these young men and women, I think it is a terrific thing. It is of great disappointment that we need to get caught up in this selfish attitude that somehow they have to pay off a debt that has given them one of the greatest gifts in life. The figures are out there. I do not necessarily have them in front of me, but the figures
are out there that demonstrate that their earning capacity goes up threefold and fourfold. The investment may also prove to be one of the soundest investments that they make in their lifetime.

The reform package extends Commonwealth funding to all Australian higher education students in non-university higher education institutions studying bachelor courses—costing $449 million over three years. So there are combined investments heading toward a billion dollars in education and in expanding opportunities for education for the young people of our nation. Indeed, whilst not being an expert on the legislation, this extends to all applicants for higher education, be they young students graduating from school or those more mature students who endeavour to enjoy some of the benefits of tertiary development.

Over 80,000 students each year will be provided additional support by 2018. This includes an estimated 48,000 students in diploma, advanced diploma and associate degree courses and 35,000 additional students undertaking bachelor courses. Now that is a number worth repeating: 35,000 additional students. That is 35,000 young Australians who might not otherwise have had the opportunity without some of the reforms that have been presented in this higher education reform package. The legislation provides for more opportunities for students from low socioeconomic backgrounds through new Commonwealth scholarships—broadening out the scholarship program with the greatest scholarship scheme in Australia's history. This, in effect, means free education for the brightest students from the most disadvantaged backgrounds.

Often our colleagues from across the hallway here hold themselves out to have some sort of mortgage over those in our communities who come from lower socioeconomic circumstances. I know some of these young people; I know their families; I know their circumstances. I have employed people who came from lower socioeconomic circumstances. I intend to support any form of legislation through this place that increases the prospects for those young men and women. Indeed, it extends to mature students in this space also—people who can better themselves in life. That is why I believe this piece of legislation is a very well-thought-through piece of legislation.

I was disappointed to hear Senator Lazarus earlier say that there had not been sufficient consultation. That is somewhat in conflict with some of the social media comments that the senator made earlier today, criticising Mr Pyne, the minister responsible for this package in part, for endeavouring to make contact with him.

I want to attach my remarks to those of Senator Madigan, a statesman. I say on the record, his words today were very measured; they are very applicable to these particular circumstances. This is as important a piece of legislation as many that have come before this chamber in recent months. Everyone is in agreement that there has been a deterioration in how the Senate is conducting itself. There are, I understand, conventions that have been long held in this place that have been abused in recent times—with the gagging of debate. There cannot be, from my point of view, a more important piece of legislation; it is equal to the legislation we have had to deal with with the nation's security.

Again, it is worth emphasising the point that there will be an additional 35,000 students, many of them from lower socioeconomic backgrounds, whose opportunities will be dashed here today if this bill is not given the opportunity for proper debate. As Senator Madigan alluded to, we need to allow the time for the ideas to mature, and for everyone to listen to
everyone else's contribution. My pay-scale is too low to understand whether Minister Pyne has a capacity to move and shift on some of these issues but I am sure that he continues to be open to discussions to resolve any of the difficulties that members of this Senate have.

Another part of the bill is freeing universities to set their own fees and compete for students. There is a novel idea! All of us operate in market arrangements away from this place—or have done, for those of us who have had some experience in business. The provision of education is a business; and probably the most important business, up there with the provision of health services and security for our nation. What a novel idea that we might allow universities to set fees and create the environment where they pursue a particular market share! I promise you they will respond to demand. You cannot survive in a free market environment unless you respond to the demands and keep yourself price attractive. So this sort of competition will give that a lift.

Competition will definitely enhance quality and make higher education providers more responsible to the needs of the students and the labour market. When universities and colleges compete, students are the winners. These additional 35,000 students and many tens of thousands of students from lower socioeconomic backgrounds will be the winners, because competition by its very nature drives institutions or businesses to the edge to make sure they provide the most attractive, the most competitive goods or services—in this case services—for the lowest possible price. That is how you achieve your market share. Then you have an absolute obligation to maintain the quality in the delivery of those services—if you are to retain your market share and grow your business.

I agree with the statement that when universities and colleges compete, students are the winners. By extension, our communities are the winners; our economy is a winner; all of Australia wins; we all win. That is why I am happy—despite the protests of some previous speakers—to have my money lent to students on these most equitable terms, so that they can grow.

I had a couple of hundred staff before I left my business to come here. I invested tens upon tens upon tens of thousands of dollars in my staff, for them to advance and develop their educational background, because I was rewarded in increased productivity. It is no different here. In my case, they paid me back through their productivity as employees. In this case, these students—most of whom I will never know—will pay me back as they contribute to the productivity of this nation, and we will all be rewarded as a result.

The argument about the loans is a moot argument and needs to be set aside. When you do that, you find that a little bit of the heat comes out of this debate and you can concentrate on the positive uplift that this particular reform package delivers right across our community, not discriminating at any level.

Strengthening the Higher Education Loan Program sees taxpayers support all students' tuition fees upfront and ensures that students only repay their loans once they are earning a decent income, of over $50,000 per annum. Let's just think about that. Not one cent needs to be paid upfront by the students, and they do not have to make a repayment until they are earning $50,000-plus. Some might think that $50,000 is not a lot of money. Certainly, some of my colleagues in this place could be forgiven for thinking that $50,000 is not a lot of money. But, if you are a young person starting out, I promise you that $50,000 is absolutely head and shoulders above what my good wife and I earned when I was 18, 19, 20, 21 or 22,
when I was starting to collect some copper coins to get a bottle of milk. That's how long ago it was. The milk was still in a bottle.

Senator Payne interjecting—

Senator O'SULLIVAN: Correct. And I promise you there was no-one at my gate wanting to lend me money, not one red razoo, so that I could get ahead. I would have loved a bit of this stuff around the place going back 30-odd years ago.

The package also removes the FEE-HELP and VET FEE-HELP loan fees which are currently imposed on some students undertaking higher education and vocational education and training. I have listened to the contributions of a number of speakers and there was not one mention of that. You want to talk about money and you want to talk about those things that you think are an impost but not one single speaker raised it, and that is so typical of the contributions often made in this place against progressive government legislation. It is almost as if every night—certainly starting last September—people go to bed, they fit up this machine, it erases the past, it erases the 26 deficits in a row and it erases all the promises of surpluses that would have allowed governments more flexibility in the space of education, in the space of health, in the space of—

Senator Wong: No cuts to education, no cuts to health—

Senator O'SULLIVAN: Mr Acting Deputy President, could you deal with the interjecting. It really drives me nuts. It is not a practice I engage in.

Opposition senators interjecting—

The ACTING DEPUTY PRESIDENT (Senator Seselja): Order on my left.

Senator O'SULLIVAN: Thank you for that, Mr Acting Deputy President. It was very effective. The higher education reform package also secures Australia's place at the forefront of research. It makes us competitive—

Opposition senators interjecting—

Senator O'SULLIVAN: with an investment of $150 million in 2015-16 for the national collaborative research infrastructure. Just think about that. What a wonderful boost that will be to allow that to progress and make its contribution to these reforms.

There will be $139.5 million to deliver 100 new four-year research positions per year under the Future Fellowships scheme. What a wonderful progressive measure that is under the reforms. There will be 100 of them—all brand spanning new, polished up four-year research positions. Only the good Lord would know what will come out of that sort of investment. Even if we only get a productivity yield of 25 per cent, imagine the impetus to it will give to our nation and, in doing that, to our economy. These students who were yesterday on $50,000 a year will be on $60,000 a year and their repayments will be free as a result of the investment in the first instance, which is often a test that we apply in business before for we make the commitment in the first place.

There will be $42 million to support new research in tropical disease, which will be of great interest to my colleagues and I from the great state of Queensland where tropical diseases sometimes affect us. We have had little infictions during the Queensland inquiry recently, where obviously the pollen from the mango trees had got to colleagues while we were trying to examine the witnesses. So this $42 million to support new research in tropical
disease will be well received and supported by the good folk of Queensland, who do their share—and someone else's—in supporting the receipts of this nation so that we have sufficient money to lend to these absolutely privileged young men and women, bright young men and women, my nephews and nieces and all my staff's children. What a wonderful opportunity this is. I am having difficulty getting through this without being—

Opposition senators interjecting—

Senator O'SULLIVAN: There are so many important things to bring to the attention of those opposite because, clearly, by the contribution made from the other side, they were not aware of some of these things otherwise there is no way in the world they would resist this legislation, as we saw from some of the crossbench.

Finally, I will close on the centrepiece, which is a $24-million contribution to the Antarctic Gateway Partnership because, as you know, I believe that wife beaters should be sent to the Antarctic—I said so a fortnight ago—and this sort of investment will make that so much easier for our nation, so it really is a double benefit—we get rid of the wife-beaters and we also support the Antarctic Gateway Partnership.

It has been a great privilege with very short notice to allow me to make a contribution here today. I hope it has had some impact on colleagues.

Senator MOORE (Queensland) (17:27): I move:

That the question be put.

The Senate divided. [17:32]

(The President—Senator Parry)

Ayes .................... 32
Noes .................... 32
Majority .............. 0

AYES

Bullock, J.W.
Carr, KJ
Dastyari, S
Hanson-Young, SC
Lambie, J
Lines, S
Ludwig, JW
Marshall, GM
McLucas, J
Moore, CM
Peris, N
Rhiannon, L
Siewert, R
Urquhart, AE (teller)
Waters, LJ
Wong, P

Cameron, DN
Collins, JMA
Gallacher, AM
Ketter, CR
Lazarus, GP
Ludlam, S
Lundy, KA
McEwen, A
Mline, C
ONeil, DM
Polley, H
Rice, J
Singh, LM
Wang, Z
Whish-Wilson, PS
Wright, PL

NOES

Back, CJ
Birmingham, SJ

Bernardi, C
Bushby, DC
I thank those senators who have spoken on this extremely important Higher Education and Research Reform Amendment Bill 2014.

The bill before the Senate amends the Higher Education Support Act 2003 and the Australian Research Council Act 2001 to implement a fair, balanced and necessary set of reforms to Australia's higher education system. The passage of this historic bill will spread opportunity to more students and ensure Australia is not left behind in an environment of increasing global competition.

This bill is of the utmost importance to our nation's future. It is a reform whose time has come. It is reform that has to happen. The government has listened to concerns about certain measures in the bill and has agreed to amendments.

The status quo in Australian higher education is untenable. Universities Australia and every peak body for higher education in this country are in complete agreement with this statement and support the reforms with amendments. Therefore, the parliament of Australia and this chamber now has a choice: should we as a nation continue with an outdated higher education system and let Australia's universities fall behind the rest of the world? Are we prepared to deny current and future generations of students the opportunity to obtain a world-class education? Or will we actually embrace the challenges of the 21st century and equip our higher education institutions to compete in a global, changing economy?

This bill provides an opportunity to achieve these necessary reforms now, and disadvantaged students will particularly benefit. They will benefit from the biggest Commonwealth scholarship scheme ever, which means that there will be more help than ever
for disadvantaged students to go to university. They will benefit from the abolition of loan fees, which will benefit 130,000 students a year and which has merited barely passing reference in the comments of those opposing the bill from the other side. They will benefit from the uncapping of Commonwealth supported places for pathway diplomas and other diplomas that leads straight into jobs. These reforms ensure that every person from any background who has the ability and who wants to go to university can do so.

There has been a crescendo of support for these changes from the higher education community. This is what universities, TAFEs and private higher education colleges know is needed for the future of higher education and for the future of our country. Universities Australia, the Australian Technology Network of Universities, Innovative Research Universities, the Regional Universities Network, the Group of Eight, the Australian Council for Private Higher Education and Training, and the Council of Private Higher Education have all said that the parliament should pass this bill, although they do see the need for some amendments.

Universities Australia said:
The introduction into Parliament of the Federal Government's higher education legislation is a chance for all parliamentarians to seize the opportunity for making real, lasting changes that are needed in positioning our universities for the challenges of the future.

The Australian Technology Network of Universities said:
Deregulation is a threshold issue for the sector and its passage through the Senate is crucial to protect the international reputation for quality higher education, representing around $15 Billion in export earnings for Australia.

Last week the chair of the Regional Universities Network, Professor Peter Lee, said that it was time to end the uncertainty around the higher education reforms. He said:
A new approach to university funding is needed to maintain the quality education that students expect.

I would add: 'that students deserve'. With some changes, he said the bill 'will help regional students attend and succeed at regional universities and will increase the number of professionals working in regional Australia'—surely an objective of all of us. This unprecedented consensus of support from the higher education sector is as a result of truism as expressed by Professor Sandra Harding, the chair of Universities Australia. We should not underestimate the importance of the reforms, she said, adding, 'The status quo isn’t an option.'

This bill provides a basis to transform Australia's higher education system and allow it to be the best in the world. There are four key elements to the bill. Firstly, it will see a significant expansion in access to higher education. The bill removes the current limits on Commonwealth supported sub-bachelor places. Any Australian student who wishes to study a higher education diploma, an advanced diploma or an associate degree will be able to do so with Commonwealth support for the first time ever. These are qualifications that lead to jobs in fields like child care and aged care, and jobs for computer technicians. These jobs are in increasing demand with our changing economy and our ageing population. These qualifications also form pathways to university, which the Kemp-Norton review of the demand-driven funding system found are important in helping underprepared students to succeed at university and stay at university, and to reduce the dropout rate. The bill ends the discrimination against students who study at private universities and non-university higher education institutions by giving them access to Commonwealth support places. For tens of
thousands of Australian students who participate in the higher education sector in those particular institutions, that discrimination will be removed by this legislation. These two measures alone will allow an additional 80,000 Australian students each year to receive Commonwealth subsidies by 2018. That will particularly benefit students from disadvantaged backgrounds, those from rural and regional communities and those who need that little bit of extra assistance to complete their studies.

The bill also creates the Commonwealth scholarship scheme. The Commonwealth scholarship scheme will provide what is likely to be the largest scholarship support in Australia's history for students from disadvantaged backgrounds. It will include students from rural and regional Australia as well, of course. These scholarships will assist students with the cost of tuition fees, but also with the cost of living, with textbooks, with materials—the core fundamentals of coming from a challenging background and being able to be a successful, productive and good student.

Secondly, the bill gives institutions flexibility in how they are able to set their fees. The government has been very clear that fee deregulation is critical to drive greater competition, drive innovation and drive quality, so that our universities are able to compete with the best in Europe and America and the fast developing universities in Asia. The minister has spoken on a number of occasions about the number of universities in China and other countries in Asia which are rapidly reaching the top of the world scorecards in university rankings. Australia is not currently in a position to keep up with the pace. Australian institutions will in turn be more creative and will improve the quality of their teaching and learning, and that will give students the quality of education that they need and that employers are demanding in the 21st century environment. This change is crucial to ensuring the quality and the sustainability of the higher education sector in Australia. As Belinda Robinson, Executive Director of Universities Australia has said:

It is simply not possible to maintain the standards that students expect or the international reputation that Australia's university system enjoys without full fee deregulation.

Importantly, this bill provides this flexibility without reducing access or affordability. Every Australian student will still continue to be able to defer their tuition fees through HECS so they do not have to pay a cent up-front or pay a cent back until they are earning more than $50,000 a year.

That brings me to the third element of the bill, which recognises the key role that HECS plays in our higher education system. HECS is critical to ensuring that no student is denied the benefit of a higher education. Our HECS system has been and will continue to be the envy of the world.

This government is acting to make reforms fairer by removing inequities in the treatment of students and institutions under the HECS. The bill removes 20 per cent loan fees for VET FEE-HELP and the 25 per cent loan fees for FEE-HELP. These loan fees are an unfair cost on those students who are currently not receiving a Commonwealth subsidy. Removing the loan fees makes the system fairer. This measure will simplify and improve the consistency of loan arrangements for students and institutions and will benefit over 130,000 Australian students a year.

Lastly, the government is committed to ensuring Australia has a strong, competitive research system. As part of the higher education reform package, the government will invest
$11 billion over four years in research in Australian universities, including $139 million for the Future Fellowships scheme and $150 million in 2015-16 to continue the National Collaborative Research Infrastructure Strategy. The previous government left funding cliffs for both of these vital research programs.

I would not like anyone listening to or observing some of the commentary being made today to think that this is some development that the government thought up last week and thought it might put to the vote this week. This is a discussion which has been happening in reality over years but in the parliamentary sense and budgetary sense over months, since May of this year.

We have seen from particularly those opposite the most extraordinarily irresponsible scare campaign. Their claims that students will face $100,000 degrees and that that will mean that disadvantaged students will not be able to go to university are, quite frankly, deceptive, cruel and duplicitous. They are factually wrong, in fact. Going to university is now and will be based on whether a student has the ability to go to university, not the size of their bank balance.

Labor shadow Assistant Treasurer, Dr Andrew Leigh, gave the lie to the scare campaign on deregulated fees when he wrote: 'There is no reason to think that fee regulation will adversely affect poorer students.' In fact, as a result of these reforms, equity and access will be improved through the new Commonwealth scholarship scheme and the Higher Education Participation Program, the HEPP. All of the university groupings that I mentioned previously have made it clear that $100,000 degrees will not be the norm or even common. For instance, Vicki Thomson, the executive director of the Australian Technology Network, destroyed the scare campaign when she said:

… the university sector is not looking to introduce standard $100,000 degrees and deregulation won't deliver them.

It is shameful the fear such myths are creating in the community. As I have said previously, as a result of this package, many thousands of students will experience fee reductions.

It is the government's view that there will be very serious consequences if the bill does not pass the parliament. If the Higher Education and Research Reform Amendment Bill is not passed we as a country will be left behind. For our universities, the funding system will continue to operate like a straitjacket. There will be little scope or incentive for them to develop and market new and innovative courses to Australian students much less a capacity for them to shine internationally. Australian universities will be forced to continue to deal with the continuing instability and uncertainty of the current funding system.

If the Senate needs any further evidence of that, it need look no further than the $6.6 billion worth of cuts that Labor announced for 2011-12 to 2016-17. That is hardly the way to run the country's third biggest export industry. Let us not forget that what Labor did not cut they left unfunded. So, if the bill does not pass, the Future Fellowships scheme will cease and many of our best researchers will be forced to go elsewhere. The National Collaborative Research Infrastructure Strategy will cease, putting 1,500 researchers into limbo. The loss of these two programs alone will do irreparable damage to our capacity to support high-quality research. For the higher education activities of our TAFEs and private colleges we will be closing the door in their faces.
If the bill is not passed, students will continue to be locked out of pathway qualifications which, as identified by Dr Kemp and Mr Norton in the review of the demand driven system, have a significant impact on the dropout rate of students with lower ATARs. If the bill is not passed, 80,000 Australian students a year will miss out on receiving Commonwealth support to study. If the bill is not passed, we are going to forgo the largest scholarship scheme for disadvantaged students that this country has ever seen.

The government has listened to the concerns of both the crossbenchers and the higher education sector. Just today we have announced a number of responses to those concerns. The government has said that it will accept Senator Day’s amendment to keep the indexation rate for student debt at CPI rather than moving to the 10-year bond rate as previously indicated. We have also said that—and I note that he is not in the chamber—we will accept Senator Madigan’s amendment for a HECS indexation pause for the primary care giver of newborn children. I particularly acknowledge Senator Madigan’s very considered and working contribution to the second reading debate.

The government has also today circulated other amendments that provide for the creation of a structural adjustment fund for universities focused on those with large numbers of low-SES students—

**Senator Kim Carr:** $33 million—how paltry is that? $33 million—how pathetic is that?

**Senator PAYNE:** that ensures domestic student fees must be lower than international fees. In fact, the domestic student fee and the Commonwealth contribution combined must be less than the international student fee. The government has also circulated two technical amendments on grandfathering and the definition of ‘additional revenue’ for the purposes of the Commonwealth scholarships. I hear Senator Carr indicating that he finds one of those amendments ‘paltry’. That would have to be from a comparison with living in a complete intellectual vacuum and, therefore, I completely understand his point, from his perspective!

We have also indicated that we will support the creation in the HEPP a scholarship component for students from disadvantaged backgrounds. We have guaranteed that Commonwealth scholarship guidelines will ensure that those scholarships are focused on low-SES and regional students, as so many senators have sought. We have indicated that the Treasurer will direct the Australian Competition and Consumer Commission to monitor prices in the higher education sector, and we have guaranteed a suitable process of evaluation of the reforms over coming years. These amendments will guarantee for students huge benefits of freeing up the higher education system and of supporting all Australian undergraduates from diploma courses through to bachelor degrees—for the first time ever.

Now the Australian parliament has an opportunity to support some of the greatest higher education reforms of our time, and frankly, it is clear that there is no credible alternative. It is a vacuum on the other side. The opposition has not furnished one, either when it was in office or today. In fact, as Senator Carr has suggested in recent days, their solution appears to be recapping the higher education system and slamming the door in the faces of many thousands of disadvantaged students. As Mike Gallagher, one of the most experienced figures in higher education policy, has said:

The 2014 higher education budget reforms are necessary. They are logical, coherent, sustainable, equitable and inevitable. My guess is that the detractors of microeconomic reform in Australia’s higher education industry will find themselves on the wrong side of history in resisting efficiency,
improvement and innovation, as they will be in opposing the redistributive measures of the package and, curiously, supporting socially regressive subsidies from general taxpayers to more advantaged segments of the community.

This bill will allow our higher education to be the best in the world, with some of the great universities in the world. It will ensure that future generations of Australians can get a world-class education to support them in the jobs of the future. It will provide the backbone of our future economy. I do not understand why those opposite want to make students continue to pay interest fees of 20 and 25 per cent on VET FEE-HELP and FEE-HELP. I do not understand why they are turning their backs on those who choose to participate in higher education through TAFE and through the private sector. I do not understand why those who purport to stand up for those who face some of the greatest challenges in life cannot see that we need to make these changes and that it will indeed be the backbone of our future economy. Because if we do not, we only go backwards. I urge senators to support the bill.

**The ACTING DEPUTY PRESIDENT (Senator Peris):** The question is that the bill be now read a second time.

The Senate divided. [17:58]

(The Acting Deputy President—Senator Peris)

Ayes ......................31
Noes ......................33
Majority.................2

AYES

Back, CJ
Bernardi, C
Birmingham, SJ
Bushby, DC
Canavan, M.J.
Cash, MC
Colbeck, R
Day, R.J.
Edwards, S
Fawcett, DJ
Fieravanti-Wells, C
Fifield, MP
Heffernan, W
Leyonhjelm, DE
Macdonald, ID
Madigan, JJ
McGrath, J
McKenzie, B
Muir, R
Nash, F
O’Sullivan, B
Parry, S
Payne, MA
Reynolds, L
Ronaldson, M
Ruston, A (teller)
Ryan, SM
Seselja, Z
Sinodinos, A
Smith, D
Williams, JR

NOES

Bullock, J.W.
Back, CJ
Birmingham, SJ
Bernardi, C
Canavan, M.J.
Bushby, DC
Colbeck, R
Day, R.J.
Edwards, S
Fawcett, DJ
Fieravanti-Wells, C
Fifield, MP
Heffernan, W
Leyonhjelm, DE
Macdonald, ID
Madigan, JJ
McGrath, J
McKenzie, B
Muir, R
Nash, F
O’Sullivan, B
Parry, S
Payne, MA
Reynolds, L
Ronaldson, M
Ruston, A (teller)
Ryan, SM
Seselja, Z
Sinodinos, A
Smith, D
Williams, JR
Question negatived.

**Tax and Superannuation Laws Amendment (2014 Measures No. 6) Bill 2014**

Second Reading

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

**Senator CAMERON** (New South Wales) (18:01): Labor supports the Tax and Superannuation Laws Amendment (2014 Measures No. 6) Bill 2014. The bill has four schedules, each implementing different measures. The first three implement minor amendments to previously announced Labor government measures. Schedule 4 is a necessary change in response to the increase in the fuel excise rate that was required to prevent an arbitrary change in excise subsidies.

Schedule 1 removes tax impediments to business restructures. Business restructures are complex processes designed to increase productivity and efficiency. To assist in this process, rollover tax concessions have historically been awarded to business to allow eligible businesses to defer income tax consequences of restructures. This amendment seeks to extend the availability of these concessions to suit a broader range of business restructures, thus reducing compliance costs and delivering greater certainty to business. The specific amendments contained in this bill were previously announced by the then Labor government as part of the 2012-13 budget. The changes to the announced measure are minor and not controversial.

Schedule 2 makes amendments to the managed investment trust withholding tax. The managed investment trust withholding tax regime provides a reduced rate of withholding tax for foreign investors in Australian managed funds for the purpose of attracting greater foreign investment in Australia. Currently, however, the concession is not awarded in circumstances where the ultimate beneficiary of the fund payments cannot be established. This is often the case where fund payments are made to trusts without entitled beneficiaries. Accordingly,
foreign pension funds which receive such fund payments are not entitled to claim the MIT tax concession. The amendment will ensure that foreign pension funds can access the MIT tax concession by treating foreign pension funds as the ultimate beneficiary of fund payments.

Schedule 3 implements an income tax exemption for force posture initiatives. The force posture initiatives were first announced by Labor in 2011. These initiatives were designed to enhance the strategic and defence cooperation between Australia and the United States. The program involved annual rotational US Marine Corps deployments and enhanced aircraft cooperation activities with the US Air Force in Northern Australia. In August 2014, the Force Posture Agreement was signed between Australia and the US. As part of this agreement, an exemption was granted from Australian income tax for income derived by US contractors in connection with the force posture initiative. Such exemptions are already in place for 'approved projects' involving cooperation between Australia and the armed forces of the US. This amendment simply adds the force posture initiatives to the list of 'approved projects' to ensure that the income tax exemption also applies.

Perhaps the most significant element of this bill is schedules 4 and 5 to make changes to fuel tax credits and grants. Fuel tax is levied on all excisable fuel and petroleum products whether domestically produced or imported. The fuel tax credit system was established in July 2006 to ensure that fuel tax only applies to fuel used in private vehicles and for certain other private purposes. Since the cessation of fuel indexation in March 2001, the real value of fuel tax has declined with inflation. In order to bypass parliamentary approval, the Abbott government increased the rate of excised duty on fuel through a tariff proposal which, in effect, re-indexed the fuel tax rate with inflation.

The Customs Act 1901 and Excise Act 1901 allow for a variation of customs or excised tariffs to be made by the government initially without a bill, but validating legislation must be passed by both houses at a later date. This validating legislation can be a considerable time after the original proposal comes into effect but conventionally falls within three to 12 months of this date. However, tariff changes do not have a flow-on effect on tax concessions or subsidies which are linked to the nominal amount of the excise. As such, without this amendment, the real value of the fuel tax credit will fall, creating additional costs for eligible business.

On the subject of fuel tax, let me regale the chamber with a quote used by the shadow assistant Treasurer, Dr Leigh, when he began his contribution to the debate on this bill in the other place:

It is an absolute principle of democracy that governments should not and must not say one thing before an election and do the opposite afterwards. Nothing could be more calculated to bring our democracy into disrepute and alienate the citizenry of Australia from their government than if governments were to establish by precedent that they could say one thing before an election and do the opposite afterwards.

I wonder who might have said that? Could it be a member of this side of the House? Those words were uttered on 22 August 2011 as part of a litany of statements by the now Prime Minister in the lead-up to the last election. He made statements such as: 'We want taxes going down, not going up,' and statements such as:

The one thing that people will never have to suffer under a coalition government is an unnecessary new tax, a tax that could easily be replaced by savings found from the budget.
That was what the Prime Minister said in parliament on 10 February 2011 when speaking about the flood levy to rebuild Queensland. The coalition opposed the flood levy. They thought those savings could be found from within the budget. But they do support the fuel tax. That is despite the statement by the Prime Minister on 10 May 2012, when he said that people who work hard should 'not be hit with higher taxes'. On 16 August 2011, he said:

A very clear message is going out from the Australian people to this government: there can be no tax collection without an election. If this government had any honesty, any decency, that is what we would have: an election now.

That was repeated in this parliament on 14 September 2011:

I say to this Prime Minister: there should be no new tax collection without an election.

If the Prime Minister is to stick to his pre-election claims, then, apparently, Australia should be going to the polls, because that is exactly what has been foisted on the Australian people—an increase in the fuel tax in direct contravention of the Prime Minister's pre-election promises. Before the election, on 19 September 2012—September 2012 was the lie-athon: there was lie after lie after lie—the Prime Minister said:

The time for big-spending, big-taxing, big-fibbing government has gone.

I am afraid the Australian people do not see it that way. They see a government that is raising their taxes and fibbing to them all the way. Worse than the promise breaking is that the government is trying to mislead the Australian people. Let us not forget that it was the communications minister who called out the Prime Minister for his farcical statement that he had not broken his 'no cuts to the ABC' promise because he was actually implementing an efficiency dividend. How foolish the Australian people were to listen to the Prime Minister when he was campaigning before the last election, when what they needed to do instead was to look at the carefully crafted words of the communications minister beforehand.

Clearly, when the Prime Minister told Australians on 9 August 2013 that the only party that was going to increase taxes after the election was the Labor Party he was misleading Australians. It was another Liberal lie. On 14 March 2012 he said:

What you'll get under us are tax cuts without new taxes.

We are debating today a measure which arises directly from yet another broken promise among the litany of cuts to health and education to the tune of $80 billion and of cuts to the ABC. We are seeing great ABC workers losing their jobs, and cuts to production in Adelaide. But, as they have gone about trying to break this election promise, the Government has blundered yet again. The once shiny Treasurer is not so shiny after he drove directly into a fuel tax blunder. Let me quote very clearly what the member for North Sydney told ABC radio in regard to the fuel tax:

What we're asking is for everyone to contribute, including higher income people. Now, I'll give you one example: the change to fuel excise, the people that actually pay the most are higher income people, with an increase in fuel excise and yet, the Labor Party and the Greens are opposing it. They say you've got to have wealthier people or middle-income people pay more. Well, change to the fuel excise does exactly that; the poorest people either don't have cars or actually don't drive very far in many cases. But, they are opposing what is meant to be, according to the Treasury, a progressive tax.

Let us step through those claims that the poorest people either do not have cars or do not drive very far, and that the fuel excise is a progressive tax. In the other place, Dr Leigh referenced an ABC Fact Check, updated on 28 October 2014, which rates this claim overall as
'misleading'. First of all, the claim that poor people do not have cars: in a media release accompanying this extraordinary claim, Mr Hockey published a chart showing that 35 per cent of the lowest income households did not have cars. That is somewhat surprising, because there is an Australian Bureau of Statistics publication called Car Nation, which finds that only 15 per cent of those in the bottom income range do not have cars. That is 35 per cent in one publication and 15 per cent in the other. There are slightly different measures of low income, but that is a big difference. So ABC Fact Check looked into it, and it turned out that the way in which Treasury had boosted the share of households that did not have a car was by assuming that if you answered 'not stated' or 'not applicable' to the question, then you did not have a car. They contacted the ABS, the Australian Bureau of Statistics, about this and the ABS frankly said that they would not make those sorts of assumptions. They would not try to inflate statistics on the share of Australians without a car by assuming that, if you did not answer the question, you did not have a car. But, even if we take the government at face value, their own statistics show that in the poorest income group two-thirds of households had a car. It is probably an underestimation; it is probably more like 80 per cent of those in the bottom-income groups have cars. Clearly, any way you cut the data, poor people drive.

What about the claim that they do not drive very far? We turn to Professor Graham Currie from the Institute of Transport Studies at Monash University. He conducted research in 2008 on average travel distances for people who live on the urban fringe of Melbourne and for inner-city area residents. It is not a perfect measure of low and high income, but we do know that inner-urban residents tend to have higher average incomes than those on the urban fringe. The typical travel distance for those in the inner area is 6.4 kilometres a trip and for those in outer fringe areas it is 16.4 kilometres a trip. The implication, as Professor Currie puts it, is that:

Professor Currie also points out that people on the urban fringe are more likely to be travelling by car because there is very little public transport, so on the inner fringe a much higher share of trips are by public transport than in the inner areas. Again, poor people have cars and poor people drive further.

What about this extraordinary claim that the petrol tax is a progressive tax? What is the definition of a progressive tax? As any economist will tell you, it is a tax where the share of total income is higher for those at the top of the distribution than for those at the bottom of the distribution. Is that the data that the Treasurer produced? No, I am afraid not. The data that the Treasurer produced was dollar expenditure. He showed that higher income Australians spend more on fuel. This is absolutely true.

But that is not what we are talking about here. Of course, higher income Australians spend more on fuel; higher income Australians spend more on just about anything. In the 2009-10 Household expenditure survey, there are 593 items, and for 580 of the 593 items the rich spend more than the poor. There are only 13 items for which the poor spend more than the rich. The point of a progressive tax, as any Treasurer who knows his economics would know, is that the share of income is higher for the top than for the bottom. This is very clearly a tax whose burden falls more heavily on the bottom than the top.
If you look carefully at household expenditure statistics, petrol accounts for a higher share of spending among low-income households than high-income households. A fuel tax is therefore a modestly regressive tax. So on all three counts: poor people drive cars, they drive further and they spend a larger share of their income on fuel. It might be reasonable if the Treasurer were to say, ‘Well, I know it’s a regressive tax and I know it’ll hit the poorest hardest. But I’ve put in place a compensation mechanism to look after the most vulnerable and to protect them from the impact of my regressive fuel tax increase.’ But that is not what this budget did. This is one measure amidst an extraordinarily regressive budget, which is probably the most regressive budget that Australia has ever seen.

This is entirely unlike what happened when a carbon price was introduced in Australia, when a household assistance package ensured that nine out of 10 Australian households received household assistance. This is a regressive fuel tax accompanied by a regressive budget. A NATSEM analysis, looking to 2017-18, analyses the change in disposable income from 18 different budget measures. That does not include the GP co-payment, but it does include the changes in family tax benefits, the clean energy supplement freeze, the changes to Newstart, the pensioner education supplement and senior supplement removal, the dependent spouse tax offset removal and the changes in fuel tax indexation.

The poorest couples with children, those in the bottom fifth of the income distribution, lose 6.6 per cent of their disposable income. This is a huge whack to these households, losing more than $1 in $20 out of their incomes. The poorest single parents, who are the single parents in the bottom fifth of the income distribution, lose 10.8 per cent of their disposable income. What an extraordinary government it is that would think that it is all right to look at the poorest single mums in Australia and take $1 out of every $10 out of their wallets. No government in Australian history has ever been so brutal to Australian low-income single parents as has this government in taking $1 in $10 from the pockets of these households. Think of a single parent family on $65,000 a year. They are losing something in the order of $6,000. That is a massive whack to the most vulnerable Australians.

We are not going to support the change in indexation to the fuel excise that was snuck in behind the back of the parliament. It is because it is a broken promise and one of a number of broken promises by this government. We as an opposition are opposing arbitrary increases in fuel taxes, but we are not a wrecking opposition. We are working constructively with the government to ensure that eligible businesses are not unduly punished. (Time expired)

Senator MILNE (Tasmania—Leader of the Australian Greens) (18:21): I rise this afternoon to make comment on the Tax and Superannuation Laws Amendment (2014 Measures No. 6) Bill 2014. I wanted to talk specifically about the fuel tax credits in schedule 4. The Australian Greens do not support this schedule because it reinforces this government’s budget priorities of benefitting the wealthiest in our society, while imposing burdens on those who are the least able to absorb them.

The fact of the matter is big miners should pay more for their fuel, as everyone else is expected to do under this government. But, of course, what the community has not picked up on in the course of this debate on fuel excise, as has just been outlined by Senator Cameron, is that, with an increase in the fuel excise, the big miners have put out their hand to say they want an increase in the fuel tax rebate. In other words, they will not pay a cent more for their fuel under this government’s proposition. It is exactly as Treasury Secretary Martin Parkinson
said of the big end of town—that their philosophy on tax and their whole perspective on tax is to:
… take from the citizenry at large and give it to [us].
That is where the big miners are coming from.

In this whole debate, when the government proposed increasing the fuel excise, they were silent on the fact that that would cost the budget greatly because it would increase the amount that they gave back to the big miners who would not be paying a cent. And that is appalling. They tried to sell this argument about a fuel tax excise. In fact, it has been extraordinary to watch Senator Cormann stand here and try to argue that it is an environmental tax. What a joke! They are actually going to give it all back to the big miners so that they can pollute as heavily as they like. But, what is more, they want to spend any money that is raised on roads to expand urban sprawl, to increase congestion and to actually increase gas emissions. Once you build those freeways, add more congestion and push out the edges of the cities, you have no public transport, and the poorest people, who live further from the centre of the city, drive the oldest vehicles and have the least access to public transport, are the ones who suffer.

I want to come to this particular point about this schedule, because, make no mistake, schedule 4 says that the big end of town does not have to pay anything. Why should Gina Rinehart get cheap fuel when ordinary commuters suffer? Tony Abbott, the Prime Minister, and his government want to back the big miners, continue to give them the full fuel rebate, including this increase, and make ordinary families pay more under a budget that targets the most vulnerable. Billionaire mining companies should not have a free ride on fuel excise while everyone else has to pay. The Greens have always said that farmers, who need our support, should continue to receive it through the fuel rebate, but the big miners cannot have it both ways.

Frankly, I have never witnessed such a brazen attempt by any prime minister to ruthlessly and so quickly impose such a vindictive, hard, cruel and ideological agenda on the Australian people and our environment, and then try to justify it by concocting a fake national budget emergency. It is breathtaking to watch the Prime Minister and his Treasurer and finance minister try to con the community into believing that everyone has a moral obligation to share the burden of a confected crisis, arguing that the burden is being shared fairly whilst making absolutely sure that the full weight is carried by those who have no power to fight back—the young, the sick, pensioners, students and those least able to able to shoulder it, not to mention the natural environment and future generations. If you are privileged, the Liberals will protect that privilege; if you are already struggling, they will stamp you down and make your life harder.

It is very interesting that when there was some speculation that the diesel fuel rebate may be cut in the budget, who was the first in the Treasurer's office? BHP Billiton. There we had Andrew Mackenzie directly lobbying the Treasurer, saying, 'Do not touch BHP's fuel rebate.' On April 28, there was a confidential brief that was leaked with the miners rushing to the Treasurer, saying that any substantial change to the rebate would have a worse impact on them than the mining tax. In fact, if you look at the figures, it is absolutely disgraceful to see the billions that are going to be lost over time as a result of allowing the big miners off scot-free while requiring the community to pay.
This schedule will cover the difference between the fixed 38.14 cents per litre in excise and the twice yearly increase in the CPI indexation. Our amendment will prevent the big miners from being eligible for fuel tax credits. They would have to pay excise for fuel, like everyone else is expected to do. Currently, the big miners receive a gift of $1.5 billion in fuel tax credits from the repeal of the carbon price. The carbon price meant that they got 6 cents a litre less in their rebate than they otherwise would have done. When the carbon price was abolished, they got that full rebate back. That is $1.5 billion that the deal between Prime Minister Abbott and Clive Palmer delivered to the big miners. It is no surprise that, of course, Mr Palmer owns one of the big miners who benefited enormously from the repeal of the carbon price. The schedule, which people did not understand at the time, gave every big miner a 6c-a-litre additional rebate in their fuel tax credit. While we have the ABC being cut by $264 million, here we have in the budget this year the likes of Gina Rinehart, BHP and Mr Palmer, our member for Fairfax, getting—as I said—$1.5 billion in fuel tax credits. So anyone who thinks that this is about a budget emergency is totally wrong. This is about a choice by the Prime Minister to look after the mates at the big end of town and expect everybody else to pay. They are laughing all the way to the bank—the whole lot of them—in this case.

This schedule will give a further $720 million to them over the forward estimates in lost government revenue. That means it is a total of $2.2 billion that the big miners are going to get from the abolition of the carbon price and this increase in the fuel tax rebate to them—a nice little earner for nothing. They get off scot free on any increase in fuel excise. Why is that fair? How is that fair? It is not fair. It is because they fronted up in the Treasurer's office, and the government said: 'Don't worry; we'll look after you. You're the big mates. You're the big end of town. We'll look after you. Give us another cigar. That'll be all good. Then we will take it out of the pockets of the rest of the community, and we will sell that as a way of building roads to add more congestion, more greenhouse gas emissions and nothing into public transport.' It is really a Neanderthal way of behaving. We are in the 21st century. It is just utterly ridiculous that this is the case.

In line with the Greens policy, farming businesses that are eligible for the fuel tax credit should see those credits rise in line with movements in fuel excise. However, this schedule would compensate multibillion-dollar mining companies for all their expenditure on fuel excise. As I said, this measure this afternoon will cost the budget around $720 million over the forward estimates for the miners alone. Everyone who has been rallying around the country for the ABC, just listen to that again: what we are doing here today on this bill is giving the big miners $720 million while saying to the ABC, 'Sorry, guys, we're taking a couple of hundred million out of the ABC and SBS, but we want Gina and all the friends over at the big miners, BHP and the rest, to benefit from this.'

The Greens have always said that farmers who need our support should continue to receive it through the fuel rebate, and that seems to be the case. But it is clear that the big end of town is not doing any heavy lifting in the budget, and the age of entitlement has certainly not finished for the mining corporations. There is no public policy rationale for multibillion-dollar mining companies to receive taxpayer funded subsidies for fuel use in their operations. Not only is it an unjustifiable waste of public money but it distorts energy generation on mine sites, favouring diesel generation, which is rising in cost against clean energy and storage, which are falling and are cost competitive without the fuel tax credit for the mining...
operations. Not only is it grossly unfair that what we are doing here this afternoon, if the government has its way, is giving the big miners an extra $720 billion, but by making their diesel cheaper for them it means that they will not move to solar and battery storage for electricity generation on their sites. They will continue with their generators, their diesel fuelled operations. It is just the wrong way of going.

Subsidies for miners are popping up everywhere in greater exploration deductions, and in Queensland last week miners were told that they could have unhindered access to limited water resources and no longer have to go through licence approvals. What an extraordinary additional subsidy! This is ridiculous. Exactly at the same time, the Queensland government has taken the ecologically sustainable development principles out of the legislation. The intention is clear: take out sustainable development principles from the legislation and give the big miners unhindered access to water in a country where we suffer drought.

Do you know what is going to happen, Mr Deputy President? The farmers will have to come here and ask for drought assistance and assistance with water, and who will have gone and taken all the water but the big miners? It is just an extraordinary thing. We are coming into an El Nino. We are going to have accelerated global warming and an El Nino on top of it, and we have the Premier of Queensland, Campbell Newman, giving the miners unhindered access to water in a country where we suffer drought.

Never ever assume. When the coalition stand up anywhere in the country and say that they are being responsible about water, they are not. They are saying to the miners, 'You can have the water first.' Whether it is the mining operations with coal or coal seam gas or anything else, they can have the water. The environment can lose; the wetlands can dry out; the farmers can have their water contaminated; the groundwater can be contaminated, but never mind. So long as the miners want it, they can have it, and they can be exempted from the environmental assessment that is needed for the licence approval.

This statutory right to take water shifts costs onto farmers—technical and legal costs, for example—who have to prove damage to local water resources before a mining company has to make good. So the farmers are going to have to pick up the costs—and this is the National Party delivering this, the National Party agreeing to this nonsense whereby the farmers are going to have to pick up the costs—against the big miners.

Gina Rinehart, who became Australia’s richest person, valued at $20 billion on the BRW Rich 200 list, recently signed a $200 million deal with Caltex to provide her Roy Hill iron ore mine with 120 million litres of fuel. Under current laws, our Treasurer, Joe Hockey, will be writing her a cheque for $45.6 million for this agreement, rising over the life of the project under this bill. Who in their right mind could believe a Prime Minister or a Treasurer or a finance minister who gets up and tells the Australian community that there is a budget emergency when they are about to write a cheque for Gina Rinehart for $45.6 million for her 120-million-litre contract with Caltex to provide her mine with fuel?

That is how ridiculous we have become in this parliament. We are at the end of a cruel budget year, and what we are pushing through here is an increased rebate to the big miners. They got their 6c dividend with the abolition of the mining tax, and now they are getting an increased fuel tax rebate so that they do not have to pay anything additional and the rest of the community does have to pay anything additional. We are just seeing the most ridiculous position being put here. That is why I will move an amendment when we get to the committee
stage to take out schedule 4 so that the rebate does not flow to the big miners. It should not flow to the big miners. They should have to pay; that is the fact of the matter. You cannot argue that the age of entitlement is over and then provide the entitlement to the big mining corporations in Australia. After their big success in the budget, having had the government back off getting rid of their fuel tax rebate, they are now going to have three successes this year. They had no reduction in their fuel tax rebate in the budget, they had the abolition of the carbon price, so an extra 6c went back to them, and now they are getting an extra $720 million out of the fact that the fuel excise has increased and therefore they get the full increase rebated to them.

We will hear, no doubt, from the finance minister about how he believes that an increase in the fuel tax excise is a climate change related policy and that is why they are doing it. If they are doing it for the environment, then they should abolish it for the big miners for a start and assist the budget in that way. But we all know that this is a load of rubbish and that all we have here is a revenue raiser from the government to take the money out of the pockets of the community and give it back in full to the big miners. The government, at the same time, will spend on roads which will increase congestion, urban sprawl and greenhouse gas emissions in Australia. We are already seeing greenhouse gas emissions rise because the finance minister, the Treasurer and the Prime Minister decided to get rid of the carbon price and forgo billions of dollars in revenue. We have seen the figures that came out in the last 24 hours. Once again emissions have gone up in Australia as a result of that action, and we are going to see that continue. Now we have a flurry from the government, thinking that they might now subsidise nuclear energy, because there is only one way you could ever get nuclear up in Australia, and that is with another massive government subsidy.

I end where I began. I remind the Senate of what Martin Parkinson, the Treasury secretary, had to say:
… take money from the citizenry at large and give it to me.
That is the philosophy of the big end of town in Australia. That is not the Greens saying it; that is the Treasury secretary saying it, and that is exactly what this is doing. This is saying: raise the money with the fuel excise from the citizenry at large and give it back in full to the big miners so that they can continue with their success with this government in getting rid of the mining tax, getting rid of the carbon price and making sure they hold their total fuel excise and all of the other subsidies that they benefit from.

Is it any wonder that the community recognises that this government is not governing for all Australians? It is managing to reward those who are extremely well off. Let us look at how much it is costing the community collectively. This is huge. The government intends to get $1.26 billion in savings from making the unemployed wait for six months and here the collective benefit to the big miners as a result of the government's activity is $2.2 billion. I think that tells the story. I look forward to moving my amendment in the committee stage.

Senator CORMANN (Western Australia—Minister for Finance) (18:41): Firstly, I would like to thank those senators who have contributed to the debate on the Tax and Superannuation Laws Amendment (2014 Measures No. 6) Bill 2014. This bill will implement a range of improvements to Australia's tax laws, helping to clear the backlog of 92 unenacted tax and superannuation measures that we inherited when we came to government. It will also make sure that businesses that are entitled to fuel tax credits can claim them at a higher rate as
a result of the government’s tariff proposal that reintroduces fuel duty indexation to provide a predictable and growing source of revenue that the Commonwealth will use to deliver road infrastructure projects. This will help to give Australian businesses the certainty they need to get on with doing business and creating opportunity. It will assist businesses by reducing the costs of transporting goods around the country. With those few words, I commend the bill to the Senate.

Question agreed to.

Bill read a second time.

In Committee

Bill—by leave—taken as a whole.

Senator MILNE (Tasmania—Leader of the Australian Greens) (18:42): I rise to move the Australian Greens’ amendment. As I indicated in my speech during the second reading debate, this amendment relates to schedule 4, which provides for the fuel tax rebates to the mining sector. In particular, it is at the end of section 41-5 to add:

Mining or quarrying operations on or after 10 November 2014

(4) Subsection (1) does not apply to taxable fuel that you acquire or manufacture in, or import into, Australia on or after 10 November 2014, to the extent that you do so for use in *carrying on your *enterprise of mining and quarrying operations (within the meaning of the Income Tax Assessment Act 1997).

That would effectively remove the provision of the rebate applying to the mining industry, as I indicated in my speech. I so move:

(1) Schedule 4, page 26 (before line 4), before item 1, insert:

1A At the end of section 41-5

Add:

Mining or quarrying operations on or after 10 November 2014

(4) Subsection (1) does not apply to taxable fuel that you acquire or manufacture in, or import into, Australia on or after 10 November 2014, to the extent that you do so for use in *carrying on your *enterprise of mining and quarrying operations (within the meaning of the Income Tax Assessment Act 1997).

Senator CAMERON (New South Wales) (18:44): Labor does not support the Greens’ amendment. Carving out particular industries will distort the fuel tax credit system that provides for a rebate on fuel where it is used as a business input.

Senator CORMANN (Western Australia—Minister for Finance) (18:44): The government thanks the opposition for the bipartisan approach that they have taken to this particular issue. It has long been the case that firms and individuals have been exempted from fuel tax—since the 1950s in fact—for off-road use. This recognised at the time that the excise was to be set aside for road construction and maintenance and mining firms were eligible for the exemption. Under current arrangements, generally all fuels used off-road for all business purposes are effectively free of fuel tax. Firms and individuals who run a business—whether manufacturing, construction, primary production, mining or commercial power generation—are able to remove the incidence of tax on a crucial input. This approach avoids destroying business investment decisions and behaviour that would occur if these business inputs were taxed. Denying mining and quarrying businesses access to the fuel tax credits would have a
major impact and distort investment decisions in this sector, leading to increased production costs, which could lead to the closure of some mines.

The CHAIRMAN: The question is that Australian Greens amendment (1) on sheet 7627 be agreed to.

The committee divided. [18:50]

(The Chairman—Senator Marshall)

Ayes ......................9
Noes ......................40
Majority..................31

AYES
Hanson-Young, SC       Ludlam, S
Milne, C              Rhiannon, L
Rice, J               Siewert, R (teller)
Waters, LJ            Whish-Wilson, PS
Wright, PL

NOES
Back, CJ               Birmingham, SJ
Bullock, J.W.          Bushby, DC
Cameron, DN           Canavan, M.J.
Colbeck, R             Cormann, M
Dastyari, S           Day, R.J.
Edwards, S            Fawcett, DJ
Gallacher, AM         Ketter, CR
Lazarus, GP           Leyonhjelm, DE
Lines, S              Lundy, KA
Macdonald, ID         Madigan, JJ
Marshall, GM          McEwen, A (teller)
McGrath, J            McKenzie, B
McLucas, J            Moore, CM
Muir, R               O’Neill, DM
O’Sullivan, B         Peris, N
Polley, H             Reynolds, L
Ruston, A             Seselja, Z
Singh, LM             Sinodinos, A
Sterle, G             Urquhart, AE
Wang, Z               Williams, JR

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

Third Reading

Senator CORMANN (Western Australia—Minister for Finance) (18:52): I move:

That this bill be now read a third time.

Question agreed to.
Bill read a third time.

**Social Security Legislation Amendment (Strengthening the Job Seeker Compliance Framework) Bill 2014**

**Second Reading**

Debate resumed on the motion:

That this bill be now read a second time.

**Senator CAMERON** (New South Wales) (18:53): This bill has a number of elements to it. Without any amendments, this is simply another attack on the most weak and vulnerable in this country. It is part of the coalition's 'lifters and leaners' approach—if you happen to fall into hard times then you are a leaner and if you are not out there in a job, if you are not a lifter then you are bludging on other people. That is not what it is like in real life for many, many Australians. This is part of the austerity approach from the coalition. This is about trying to get $161.1 million out of some of the weakest people in the community. This is about another back of the axe attack unless there are amendments. It is not sophisticated and it is a rough approach if unamended.

The Social Security Legislation Amendment (Strengthening the Job Seeker Compliance Framework) Bill 2014 seeks to amend the Social Security Administration Act 1999. It provides that from 1 January 2015 job seekers who miss an appointment with their employment service provider without a reasonable excuse will have their payments suspended immediately and it will only be reinstated when they attend a rescheduled appointment. It provides that from 1 July 2015 job seekers who have their payments suspended for failure to attend an appointment with their employment service provider without a reasonable excuse will not be back paid for that in the period in which they failed to attend an appointment.

It also provides that from 1 July 2015 the secretary of the department will have the power to specify by way of legislative instrument a class of job seeker aged over 55 who is not exempt from the activity test or other participation requirements, including voluntary work. It extends the delegation of powers of the secretary to include regulations and other instruments made under social security law. It also removes the rights of internal review and review by the Social Security Appeals Tribunal of decisions made by the secretary to suspend payments in specified circumstances. It also removes the right of internal review and review by the Social Security Appeals Tribunal of decisions made by the secretary to suspend payments in specified circumstances.

Under current job seeker compliance provisions contained within the act, the Secretary of the Department of Human Services can determine that job seekers in receipt of a participation payment may incur a payment suspension for participation failures such as the failure to attend an appointment. Payment can be reinstated when the job seeker notifies the secretary of their intention to comply with a reconnection requirement. In practice, this would be a commitment to attend an appointment with their job service provider.

The provisions in this bill mean that from 1 January 2015 a payment suspension for a participation failure would not be reinstated until the job seeker had actually attended an appointment with their employment provider, notwithstanding that an appointment may not be immediately available. The bill also contains provisions that from 1 July 2015 if a job seeker does not have a reasonable excuse for missing the first appointment or did not provide
a reasonable excuse when they could have done so, the job seeker will not be back paid for the period of their noncompliance. Currently, once the period of suspension ends, the person receives back pay for that period regardless of whether or not their excuse was reasonable for missing an appointment in the first place.

Labor support the concept of mutual obligation. We acknowledge that job seekers have an obligation to actively seek work and the government has an obligation to support them and provide them with the opportunity to help them get into work. Labor support measures designed to assist people into work. However, Labor do not and will not support punitive measures which put vulnerable people at risk. That is why we opposed the Abbott government's Social Security Legislation Amendment (Stronger Penalties for Serious Failures) Bill 2014. That included changes that could have seen the most vulnerable and disadvantaged people left without income and without options for up to eight weeks at a time.

That is why Labor is also opposing the government's proposal for job seekers who are under the age of 30 and on Newstart going without any payment for six months of each year that they are unemployed. Labor's position is clear: we will not support measures that impact unfairly on vulnerable people. It is totally unreasonable to expect people to survive with no money at all for six months, let alone also being required to meet activity tests such as the government's proposal for job seekers to apply for 40 jobs per month.

We were pleased to see the government recently backed down on the '40 job applications per month' fiasco in the current request for tender for job services. But we note that the proposed 20 job applications per month measure will still generate in the order of 14 million job applications a month. Talk about red tape! That is one job application for every man, woman and child in the country every six weeks.

The government's proposed Newstart under-30s measures will leave more than 120,000 young Australians without income support for six months of each year that they are unemployed. The government has admitted this and it knows that this will have adverse outcomes. It is at odds with the government's own McClure welfare interim report, a report that said:
The system of sanctions should be progressive, with timely, lighter measures first.

I will just repeat that:
Denying people any income for the first six months of their unemployment is not a lighter measure first. It is the back of the axe first.

We saw the government resort to punitive measures again when it sought to tighten the definition of a 'reasonable excuse' by way of legislative instrument. The Social Security (Reasonable Excuse - Participation Payment Obligations) (Employment) Determination 2014 (No. 1) sought to change what matters the secretary should take into account when determining whether a job seeker has a reasonable excuse for participation failures. This measure would have stripped away protections for people with mental illness, people who do not have a safe place to live, people with literacy and language issues, people requiring treatment for illnesses, people with drug or alcohol dependency and people who are victims of domestic violence and/or sexual assault. These people are the most disadvantaged job seekers and this government wanted to disadvantage them further.
It is no wonder people find it hard to trust this government when it comes to supporting people into jobs. So we are glad the Senate disallowed that determination. It makes us just that little bit more comfortable knowing that if some of the changes in this bill are to pass, vulnerable people will still have some protection from this mean and dishonest government. So, while Labor is agreeing in principle to the no-show, no-pay provisions contained in this bill, we do have some concerns regarding the practical implementation of these measures. We know that the government has form when it comes to trying to go too far in penalising job seekers, and I have outlined some of that overreach. The explanatory memorandum states:

In practice job seekers would generally have the opportunity to attend a reconnection appointment with their employment provider within a short period of time and thereby have their payment reinstated quickly. Typically this would occur within one to two days of them contacting their provider as prompted through payment suspension. Employment providers will also be able to offer telephone appointments for job seekers in these circumstances. If the job seeker could not be given an opportunity to attend such an appointment promptly it is intended that their payment would otherwise be reinstated.

Our concern in relation to this measure centres on the phrase 'Typically this would occur within one to two days of them contacting their provider as prompted through payment suspension.' We are concerned about how, in practice, job seekers will be notified of their payment suspension, and we are concerned that this is done immediately so that the job seeker has the ability to make contact as quickly as possible. There are instances when job seekers are unaware of penalties having been imposed until they access their bank accounts on the usual payment day and find they have no money. That is when they make contact.

So my question is: how will job seekers be notified when they have been breached for missing an appointment under this measure, and how quickly? If job seekers are immediately suspended upon missing an appointment, and are not notified until some days later, or until they go to get funds, it is foreseeable that some job seekers may go some time with their payment suspended and not be able to get back pay. It may be much longer than two days before they know. Therefore, notice of a payment suspension needs to be provided as soon as the suspension is implemented, to give job seekers the opportunity to contact their employment service provider for a reconnection interview as soon as possible. We will not support job seekers going extended periods without any income support because they were not aware that they had breached their obligations and payments have been suspended. For these reasons we will be moving an amendment that will ensure that a non-payment period will not commence until the person whose payment is to be suspended is notified of their participation failure. We will also be moving an amendment to ensure that, in the event that a reconnection appointment is not available to a person within two business days of that person being notified of a breach, the suspension period will be lifted.

Labor are also concerned that the bill would remove the right to a review of a decision to suspend payments. We are concerned that this sets a dangerous precedent in which people are denied their right to natural justice. We are concerned that it will be used to stop job seekers requesting a review of a decision not to back-pay where they had a reasonable excuse for missing their appointment and where their reasonable excuse had not been taken into account. Labor do not and will not agree to the removal of a job seeker's right to seek a review of decisions which have a financial impact on their lives.

Whenever a government seeks to penalise people for noncompliance, it is only right and fair that those government decision-making processes are subject to review. This is
particularly the case where job seekers could be going without payment for some time. As the payment of back pay from 1 July 2015 will be contingent on job seekers being found to have had a reasonable excuse for nonattendance at an appointment, it is important that the decision is subject to review. For these reasons, Labor will move an amendment in the committee stage to ensure that review rights are retained.

Currently job seekers aged 55 or over on Newstart or on special benefit are taken to have satisfied an activity test when they are engaged in at least 30 hours per fortnight of approved voluntary work, paid work or a combination of both, unless the secretary considers that they should not be exempt from an activity test due to the employment opportunities available to that person. Similar provisions apply to recipients of parenting payments who are 55 and over. The government is seeking to amend the act so that the above concessions would not apply to a class of persons who may be specified in a new disallowable legislative instrument requiring them to be looking for full-time work instead of making a valuable contribution in the voluntary sector. Labor are concerned that older Australians who would be required to meet these activity tests and attend appointments may find the task more difficult, given that the discrimination they are subject to is real and can impact on their wellbeing. We are also concerned that the materials accompanying the bill give no clues as to what classes of job seekers over 55 are to be specified in a legislative instrument to be subject to stricter participation requirements. For these reasons, Labor will move an amendment in the committee stage to remove these provisions from the bill.

Item 1 of schedule 2 of the bill is unrelated to other measures in the bill. It would amend subsections 234(1) and (2) of the Social Security (Administration) Act to give the secretary the power to delegate functions of the secretary not just under the principal act but also under legislative instruments including regulations. Currently the administration act only provides for secretarial powers under the act to be delegated to an officer, the Chief Executive of Centrelink or an employee of an Australian government department. The explanatory memorandum states that the main impetus for this amendment relates to recent legislative instruments made under part 2.16A of the Social Security Act 1991 which relate to the job commitment bonus and which will require secretarial powers to be exercised by persons other than the secretary from 1 July 2015.

Neither the bill nor any of the accompanying materials provide any explanation of why the secretary would need blanket powers of delegation, well beyond matters in relation to the job commitment bonus, including delegation of powers under legislative instruments having no relationship with the job commitment bonus. Indeed, part 2.16A of the 1991 act does not require the Secretary of the Department of Human Services to exercise any functions in relation to the job commitment bonus, either under the principal act or under any legislative instrument. Any secretarial powers exercised either in person or by delegation under part 2.16A are those exercisable by the employment secretary, not the Secretary of the Department of Human Services. For these reasons, Labor will be moving in the committee stage to omit the proposed extension of the secretary’s powers of delegation to legislative instruments.

To conclude, Labor believes that the government needs to focus its attention away from increasing penalties and making life harder for job seekers, and towards having a credible jobs plan. The member for Eden-Monaro in the other place said in a speech in September,
which was reported in the *Financial Review*, that the government needs to focus on reforms including:

… creating a "desperately" needed jobs plan …

Given all of the above, it is Labor's intention to move amendments that will address these concerns, and I trust the chamber will support them. The amendments will be moved in opposition to the government's attempt to remove review rights in respect of the payment suspension decisions. Labor support the second reading of this bill. Subject to the outcomes of the committee stage, we reserve our rights in respect of the third reading.

**Senator SIEWERT** (Western Australia—Australian Greens Whip) (19:13): The Australian Greens will not be supporting the Social Security Legislation Amendment (Strengthening the Job Seeker Compliance Framework) Bill 2014. This bill, rather than supporting people to find work, really is about, once again, heaping up the compliance burden on people, demonising vulnerable people and increasing hardship. That is what this particular piece of legislation will do. Job seekers around this country are already finding it hard enough to make ends meet and to find work. It is particularly hard for job seekers to make ends meet when they are trying to exist on the completely inadequate Newstart and youth allowance.

In fact, Newstart and youth allowance are now so far below the adequacy that in fact people are inhibited from finding work. There is a growing mountain of evidence which shows what impact hardship has on people's ability to find work and to maintain a connection with work or to re-gain their lost connection with work. The first thing the government needs to do is to improve the adequacy of working age payments. That would go a long way to helping job seekers find work.

This government is determined to take a demonising, punitive approach to people who are looking for work, rather than to support people into work. Older job seekers and those in remote areas, people with disability, young people and long-term unemployed face multiple barriers in re-entering the workforce after a period of unemployment. Figures out this morning show that the number of people with disability on Newstart has increased, putting paid to the government's argument that people on the disability support pension has blown out. In fact, there are now more people with disability on Newstart than in the past. We know it is much harder for people with disability to find work. During estimates, when I was asking the Australian Human Rights Commission—unfortunately, I was not able to ask the Disability Discrimination Commissioner because now we have only a part-time Disability Discrimination Commissioner, Susan Ryan, who is also the Age Discrimination Commissioner. Having two jobs makes it very difficult and I am not having a go at the work she undertakes; it is just impossible to deal on a part-time basis with the issues which need to be dealt with as discrimination commissioner.

At estimates, I asked the Human Rights Commissioner about complaints. The highest number of complaints that the Human Rights Commission gets are about disability and the highest number of complaints regarding disability are about employment. We can see, therefore, that people are facing very significant discrimination when they are trying to enter the workforce. Job seekers with a disability who are on Newstart face a great deal of discrimination, along with the barriers of transport to get to work. If you are a person with a disability, maintaining support in the workplace is difficult. These are the people who are being targeted by this government. Rather than punishing people by plunging them into
further financial hardship and putting in place more straightforward compliance measures, this will not help. In fact it makes it harder. The government should be supporting people into employment, providing a much more case management approach and, as I said earlier, working age payments.

The Australian Bureau of Statistics for October 2014 put Australia's unemployment rate at 6.2 per cent. The youth unemployment rate was a much higher 13.5 per cent. We know that this government is also trying to demonise young job seekers and we know from reports coming out that it is even harder for young job seekers to find work than it is for some of the older job seekers. We can see that from the higher rate of youth unemployment. We also know from a recent youth survey by Mission Australia that young people are wanting to work. They are wanting a career. They have some fears about road blocks to their careers, which again puts paid to the government's argument that young people are choosing to sit at home on the couch while getting youth allowance. That is so far from the truth it is laughable, other than that it makes you cry to think that the government is putting around such a furphy, again trying to demonise young job seekers.

The latest figures on job vacancies say there are 137,283 job vacancies. That is down from the figures in some of the submissions that were quoting July figures of just over 146,000 job vacancies. If you look at the number of people on Newstart and the number of people on disability support pension and youth allowance you can see that millions of Australians are looking for work. If you also take into account those who are underemployed—because we know we have significant underemployment—you can see that there are simply not enough jobs to go around. So punishing young people and older workers or those with disability who are unable to find work is unacceptable in a country which says we give people a fair go.

Plunging people into poverty when they already face multiple barriers is yet another barrier to work and leads to further alienation and depression for job seekers. This legislation contains many concerning schedules. We do not think that this bill is redeemable, although we will be supporting the amendments because it is slightly better, but it does not redeem the bill. We are deeply concerned that this bill removes appeal rights. We treat people appallingly and then we take away their appeal rights. It is unacceptable to remove the essential safeguard of the administrative appeal rights for people on Newstart who are going to be subject to these compliance measures. Many submissions made to the inquiry into this legislation were concerned about this measure, including, for example, the National Welfare Rights Network and Jobs Australia. The national welfare rights said that:

Administrative appeal rights are critical to ensure ongoing integrity of the system and the confidence of the public at large as well and social security recipients.

Jobs Australia, the peak employment services organisation of this country, said:

The denial of review rights reduces accountability in the system and may encourage less prudent decision-making.

They are right. It will encourage less prudent decision making because people will now have no access to the appeal rights that are being removed by this legislation.

When you look at suspension and penalty changes, this bill allows harsher, more severe payment penalties, extended penalties, changes to payback, removal of the important warning penalty, changes to penalty start dates and the discretion for the whole payment rather than just penalty payments suspension. There is not the evidence provided for why these changes
are required and why the current penalties and sanctions are insufficient. The recent changes, enabling providers to do follow-up appointments with job seekers, has in fact improved attendance. In other words, a more immediate and personal approach, indicating that a supportive approach—get that: a supportive rather than a penalising approach—is working. It was made clear by evidence in submissions to the inquiry that there are several vulnerable groups who will be particularly disadvantaged by these changes—for example, Aboriginal and Torres Strait Islander people. We already know that Aboriginal and Torres Strait Islander job seekers are subject to financial penalties to a much greater extent than non-Indigenous job seekers. We know that they have been subject to breaches more often than non-Indigenous job seekers. There are a range of reasons for this, including access to transport, lack of service facilities, lack of secure mail services and mobility. It is essential that there are safeguards in place to ensure that barriers do not result in termination of payments for Aboriginal and Torres Strait Islander peoples, because we know that there are many reasons why they may not make their connections or their appointments. We also know that they are suffering from a greater degree of disadvantage than non-Indigenous job seekers.

For older job seekers, we are particularly concerned with the provisions in the bill that remove the ability of certain people on Newstart, special benefit or parenting payment, who are 55 or over, from satisfying the activity test via 30 hours of approved voluntary or paid work. This provision dismisses the valuable work that older volunteers contribute to the community. Older job seekers face multiple barriers to re-entering the workforce, including age discrimination. And as the Australian Council of Social Services said in their submission:

... in the absence of adequate public investment in employment assistance and work with employers to shift attitudes towards older workers, the repeated rejections that would result from imposition of the standard requirement to apply for up to 10 jobs a fortnight would demoralise older unemployed people without greatly improving their employment outcomes.

There is strong evidence that age is a distinct barrier to employers hiring job seekers over the age of 45 years. This needs to be addressed with incentives and not punitive messages. Continued rejections for older job seekers—I know from talking to a number of older job seekers—have a very significant effect on their mental health and it also affects their confidence in applying for jobs when they continuously get knock-backs. We do not have a system that is adequately supporting older workers at this point, and we know that there are a growing number of older workers. Already, a third of longer-term unemployed people are over the age of 45, and that has grown by 41 per cent over the last three years. So we know we have a significant problem here, and the government's response is to make it harder rather than putting in place more measures to help older job seekers. The Restart process is a start, but it is not enough.

I have already touched on people with disabilities in my opening comments, and I want to go into this in a little bit more detail. People with disability already face multiple barriers to entering, and also re-entering, the workforce and also engaging with the social security system. As the Australian Federation of Disability Organisations said in their submission:

People with disability experience one of the highest levels of unemployment and poverty, with almost one in two people with disability in Australia living in or near poverty (45%) and almost one in two people with disability disengaged from the labour market (47%).
The comments they made there about older workers being discouraged with constant rejections, people with disabilities are likewise discouraged with constant rejections, having to overcome barriers, dealing with the discrimination that they face and also maintaining their ongoing connection to employment. There is not enough support for people with disability in employment once they gain employment. These changes will adversely affect people with disability, particularly those who are deaf or hard of hearing, who also find it hard to maintain connections sometimes.

In the broader context, these changes need to be seen in conjunction with the other proposals that have been made in the budget—budget proposals that want to dump young people off income support for six months. Those sorts of changes are just simply about demonising young people. Another change to social security that this government is so anxious to push through is: people with disability will not be able to travel overseas for more than four weeks—again, simply demonising people with disability. You also have to look at this in the context of the GP co-payment, and, fortunately, the university deregulation process has just been voted down by this place—that is another area that would have significantly impacted on peoples’ abilities to change their circumstances and gain higher education.

We will not be supporting the Social Security Legislation Amendment (Strengthening the Job Seeker Compliance Framework) Bill 2014 because it further demonises vulnerable Australians and increases their hardship. We should be taking a supportive approach to job seekers in this country. We know about the excellent work done by organisations that have come to talk to senators and, hopefully, members of the House of Representatives, and we have had case management examples eloquently presented to committee processes around this place.

A good example of that is the work the Brotherhood of St Laurence does with unemployed young people, and the work that St Vincent de Paul does—and many other organisations working with young people that we have seen around Australia. Those are the sorts of examples that we need to be putting in place. Once again, we see legislation from this government that shows a determination to punish people and demonise them; implying that people do not want to work, something that is simply not true.

This bill removes important appeal rights, an unacceptable step that has been widely criticised. If you take away appeal rights here, what is next? The number of Centrelink decisions that are overturned on appeal highlights the importance of the appeal process—to achieve justice for a start. We know this from statistics we learned at estimates and from previous ombudsmans’ reports. The bill also allows harsher, more severe payment penalties, including extended penalties that will expose people to unnecessary hardship. There was no evidence presented to the inquiry into this bill to justify these changes or to explain how the current penalties and sanctions are insufficient.

We know that the approach of working with employment services and individual job seekers is showing success. More individualised support—treating people as individuals, meeting their needs, understanding their barriers and treating them as humans is a good start—helps people engage with employment and start to engage with the process—if they are in fact disengaged from the process. We will not be supporting this bill. I indicate that we will be supporting the amendments because we think they are a step in the right direction. But we will not be supporting the bill.
Senator LINES (Western Australia) (19:32): I too rise to oppose this bill. As the chamber is aware, Labor has put forward amendments tonight. As Senator Siewert has said, this bill has to be seen in a much broader context; it is not a stand-alone bill. When you look at everything the Abbott government is attempting to do to long-term job seekers under 30, you have to wonder what their real agenda is. What is the motivation for the harsh and cruel attacks on most Australians?

I want to first of all look at those under 30. We have seen the sorts of provisions that the Abbott government wants to put in place. They want to deny people access to a benefit for at least six months, which in and of itself is a harsh measure, leading people to fall back on families—if they have them—or become homeless, or who knows what. That measure in and of itself is a shocking measure and one that Labor clearly does not support. But it does not sit there on its own. It lines up with a whole lot of other harsh and cruel measures.

We have seen some very good programs slashed—programs that get young people re-engaged in work, or re-engaged in education. We know that from this month on Youth Connections is going to lose its funding. I must say that I held out hope that somehow the government would see that this is a program that you would never cut, because it has an enduring success rate of getting young people either back into education or back into school. But it seems there is no backing down from this government on Youth Connections. It will lose its funding, and a program that has a proven track record out in the community will disappear. And what do we have in its place? Work for the Dole. Work for the Dole is, firstly, very expensive and, secondly, a failed program. It does not offer the sorts of supports to young people that programs like Youth Connections do.

The other advantage of Youth Connections is that it is not even expensive to run. It is a very economical program; much more economical than Work for the Dole will be. Nevertheless, the government has just run the red pen through it without any analysis or research. They have just decided it has to go, because they think their Work for the Dole program is the one to go for. Last week at a Senate inquiry we heard evidence about another program—Reclink—which also indirectly gets people back to work.

It is not good enough to say to people who are on the margins of society or who find themselves unable to get back into work that a punishment regime is going to work. There is no research to suggest punishing people is going to work. But that is in fact what the Abbott government wants to do with this bill—abolish Youth Connections, cut funding to a program like Reclink—with its harsh regime for those under 30, saying 'You're on your own for at least six months; it could be more.' These sorts of penalties are not about mutual obligation. They are not. It does not matter how the government likes to dress it up; it is not about mutual obligation. They are going too far. It is one-sided and it is about saying to people: 'You are on your own. Government is not there to support you.' It is a 'lifters and leaners' agenda. The government has said that themselves.

We have heard some really shocking comments from the Abbott government; that young people are 'sitting at home on the couch, eating Twisties and playing on the Xbox'. For goodness sake! That brush tarnishes all young people. And where is the evidence for it? There is none. It is just a throwaway line, like 'lifters and leaners', like this view that people need 'a kick up the backside' to get them out the door to work. What work? Sadly, we are seeing climbing unemployment in Australia. None of us in this place wants people to be
unemployed; that is our common motivation. No-one here wants to see people unemployed. But how we get people into employment differs quite markedly between Labor and the government. It seems that the Abbott government's agenda is about punishing people and about saying to people, 'You are on your own. We are here to only help those who are able to help themselves.' And it is a very narrow agenda unfortunately.

When this bill came to us, we were given a very short time frame to examine it. There was a real disincentive for us to hold public hearings. We were asked if we wanted to do a report on the submissions. Of course we did not. We want people to come before the Senate face-to-face. Again and again what we have seen is a failure by the Abbott government to recognise that there are experts out there in the community. I am not an expert on jobs—I am the first to admit that. I do not pretend to be an expert in the employment field. But there are experts out there and we can learn from them. They deal with people who are unemployed, they deal with people who are making tough life decisions every day. That is their expertise yet it seems to me the Abbott government does not want to hear from them because trying to get committees up and giving people a respectful time in which to give their evidence is not something that is at the forefront of the Abbott government's agenda.

We had very little time to examine this bill. In fact, during Senate estimates, because this legislation was not in place, the department was not able to really give us a lot of information. When we held the public hearing a couple of weeks ago we had at best a couple of hours. That does not do justice to any of the evidence that we took. The National Welfare Rights Network has years and years of expertise in this area and we have a lot to learn from them. We do not have to agree with everything they say—I am not suggesting that for one moment—but to dismiss their evidence as somehow 'on the left' or 'not worthy' is a disrespect to that service because they do have something to tell us. We gave them something like 45 minutes. Equally we gave the ACTU and the department 45 minutes each and that was the end of the time that we had. I would like to thank the staff of the committee for doing their best.

But when we time and time again are crammed and get legislation at the last minute, a lot of pressure is put on us to not have an inquiry and it is just not on. The public has a right to know. The government should be open and transparent and these matters should be well ventilated throughout the community because the people who will be the recipients of the outcomes of this legislation, if it gets through the parliament, are ordinary Australians who have a right to understand the motivation behind the legislation.

But this legislation does not sit there in and of itself. It sits in a very harsh regime, which is underpinned by 'you are on your own'. It sits in a regime that is very much a right-wing Tea Party conservative agenda. We are seeing more and more from the Abbott government this Americanisation of a whole range of issues including our social security system, and this is the start.

We are more and more in this country, under the Abbott government, taking the safety net away. We have always had that safety net in place in our country and it is what we pride ourselves on in Australia. We are a fair go country. We look out for each other and that includes having a fair and just social security system, one that has mutual obligation. I have not heard anyone in this place saying 'no mutual obligation'. Of course there has to be mutual obligation. But this is not mutual obligation. Taking away a person's right of appeal, putting
very harsh penalties in place and penalising a person so that if they miss appointments they are not entitled to have back pay go beyond mutual obligation. It is the beginning of an attack on our social security system in a much broader context of saying, 'No, you are a leaner and therefore you are not entitled to payment.' That is clearly where we are heading with this. When you take a step back and take a long-term view of what the Abbott government is putting in place here, it is an agenda which smacks of: we are going to take the safety net away; bit by bit we are going to remove it. That is what we have seen the Abbott government do with this bill.

When Labor was in government, we did have mutual obligation and we did have penalties in place; there is no doubt about that. And there is no reason to make anything harsher on a job seeker. I could not imagine being unemployed for a very long period of time and through perhaps an accident of mine or not being able to get to an appointment suddenly being penalised. It would be completely unfair.

When you take a step back and take a long-term view of what the Abbott government is putting in place here, it is an agenda which smacks of: we are going to take the safety net away; bit by bit we are going to remove it. That is what we have seen the Abbott government do with this bill.

We are seeing now in our country, very sadly, very high rates of youth unemployment. We know from the inquiry that significant numbers of those who currently fall foul of the sorts of obligations that Labor put in place are young men. So it is not as if we do not know who these people are that are currently being penalised. We do know who they are. Of course, there are no prizes for guessing that overrepresented in that group are Aboriginal and Torres Strait Island people, who are also overrepresented in our jails and overrepresented in the unemployment numbers. Why would we then think that applying a harsher penalty to Aboriginal and Torres Strait Islanders will somehow make things better?

This legislation is about generations of disadvantage, marginalisation and racism. It needs a better answer. It needs a much deeper understanding. Yes, have some penalties there but not of this nature, not of continuing to punish people who are already marginalised in our society. It does not make any sense and it will not get people into work because in many places there is no work. I think of Kwinana in Western Australia, which is a beachside industrial town about 40 kilometres from the CBD. It has got an appalling rate of unemployment. It is shocking. So what are we going to do? Will we go into that community and say to young people, 'It is your fault'? The jobs are simply not there for those young people—they are just not there.

Obviously, where there are high rates of unemployment—whether it is for males of a particular age or young people—that should signal to us that we need to do something else, that we need to have more supports in place and that we need to look at what else we can do to make sure that people's self-esteem and their self-worth remain in place. We know, as a society, that long-term unemployment has lots of other consequences. People start to doubt their self-worth. If you are up against someone who is newly unemployed and you have been unemployed for a much longer period of time, you are probably thinking, 'Well, it's the same old same old—I won't get this job either.' And yet these are the very people the Abbott government wants to penalise. To what end? If there are not the jobs there these people will not be able to get them.

Again in my home state of Western Australia we are now seeing—with mining turning more out of the construction stage—higher rates of unemployment. That is a fact, and it is not through the fault of the job seeker. We do not suddenly in Western Australia have a whole new group of 'leaners'. We certainly do not. We have a changing labour market situation, and
for a period of time—and let us hope that it is not a long period of time—we will have a higher rate of unemployment. So what are we going to do? Penalise a whole new group of people? To what end?

Are we going to have them all working for the dole? Are we going to have them all penalised with no back pay the minute that they miss an appointment? All of us in this room have missed, I am sure, significant appointments in our lifetime. I know I have. I am the first to hold my hand up and say that I have missed significant appointments, and I have certainly done it more than once. What we are saying to people like this is, 'You miss an appointment and that's it! That's it: we will fine you. You'll be penalised and not only that, we won't give you your back pay.' I have to say, as someone who has a very strong sense of natural justice, that to take someone's money away and then, when they do the right thing, get back on track and make their appointments, not to pay them that money is inherently unfair. It is really unfair to have that sort of punishment regime—to say to someone, 'Even if you fix up the missed appointment we're still going to penalise you.' It does not make any sense to me.

The other issue of concern to Labor is this longer list of what people can be penalised for and the lack of review. Our society—our democracy—is based on a belief that if you feel that a decision has gone against you that you have the right of review. That is something we should cherish. It is a strong part of our democracy and it is not something that we should take away from people—that principle that if you have been wronged, or you think you have been dealt a harsh blow, that you have a right of reply. Anyone, regardless of their political persuasion, should support something like that. So we want this right of review period to remain in place. For us it sets a dangerous precedent, where people are denied their natural justice and denied their right to appeal. That is inherently unfair as well.

We have heard in this place that Aboriginal people are likely to be penalised and that people with some sort of disability will no doubt fall foul of this, because we already know that those people already fall foul of the current mutual obligations that are in place. Why would we make it harder for them? What is behind the government's motivation here? It is saying to people who are unemployed, 'You really are on your own.'

If we just look at the numbers: last year Centrelink applied more than 13,000 smaller daily no-show no-pay penalties for job seekers with known vulnerability indicators. We knew that those were job seekers who are vulnerable. That included more than 4,000 with psychiatric problems or mental illness. Here is a group with known issues that we sought to penalise last year. More than 2,000—in fact nearly 2,500—with a homelessness flag on their file were penalised. Almost 400 released from prison, almost 300 who had experienced a recent traumatic relationship breakdown and another almost 300 job seekers with cognitive or neurological impairment were penalised. These are some of the groups who, again, will fall foul of this harsh penalty regime. Why would we as a community do that? Why are we not getting underneath those issues and trying to work through what is in the best interest of these groups of people? We should be supporting them, not punishing them. Obviously, whatever we are doing currently is not particularly working with these groups of people, but we are going to make it worse.

We did see from the inquiry that giving the job service agencies the opportunity to be the first point of call when people miss appointments is having an effect. Getting that call from someone who you know and who says, 'Hey, Sue, you've missed your appointment—what
happened?' is working. That is already working; it has not been in place for very long but we are just going to chop that out and say, 'No, we can't be bothered doing that. We're just going to put these penalties in place.'

I would urge the government to look at this and to really come clean on what its agenda is, to drop its Tea Party ideology and to start to give job seekers a real opportunity in Australia. The opportunity of support and proper, fair and even mutual obligation is really what we are seeking tonight. I would urge the government to support Labor's amendments.

Senator Moore (Queensland) (19:52): I rise this evening to make a contribution to the debate on the Social Security Legislation Amendment (Strengthening Job Seeker Compliance Framework) Bill 2014 because it is part of a series of bills that has been put in place around the issues of job participation. People may remember that a previous bill, the Social Security Legislation Amendment (Stronger Penalties for Serious Failures) Bill 2014, was handled by the Community Affairs Legislation Committee. Senator Siewert referred to that in her contribution. Basically, we see the bill before us as part of a series of bills that has been introduced by the government, looking at their view about the best way to ensure that people who are unemployed engage more effectively with the system. That seems to be the basis of the process.

As has been said by a number of contributors, we have no problem with the concept of making sure that people who are unemployed are effectively able to engage with the system with the intent that they will then be able to have opportunities and options for their own futures and, most importantly, will be able to look at getting into employment. We have heard many times about the gap between being out of the workforce and having no sense of hope or no sense of option. The opportunity of getting into work and engaging with the community is the key gap which we are seeking to fill.

There is a great deal of agreement about the process, we believe. As was clearly stated by Senator Cameron, this particular bill is a step too far in terms of the way the operational processes work. We believe that we have to work hard to get the balance right between encouragement, support and responsibility. The concept of mutual obligation is not new. It is worrying that, in introducing new processes or new legislation, sometimes there is overenthusiasm to put forward that only the new group has any acceptance of the rights of the process or any understanding of the process. It is important that we see that the concept of mutual obligation is at the core of our social welfare system, as it has been for generations. I am not talking about a short period. It has been the case for generations that, if you are going to be in receipt of a payment from the Commonwealth, you have responsibilities to engage in a process and work within the system.

The intent of the bill is to strengthen the mutual obligation. We do not believe the evidence is there that it is necessary to make these changes at this time. We believe it is necessary to reinforce the concept of mutual obligation, which has been consistently put forward in evidence before the Community Affairs Legislation Committee, when we had the earlier investigation of the Social Security Legislation Amendment (Stronger Penalties for Serious Failures) Bill 2014, and before the Education and Employment Legislation Committee. Senator Lines mentioned the experience there.

No-one actually rejects the concept of mutual obligation. What we do reject are the processes in this bill, which I believe are too punitive. Core to the concerns that I have with
this bill is the removal of the appeal right that people have now to question judgements that have been made about their engagement and about whether reasonable excuses for not turning up to an appointment are, in fact, reasonable. We have great information. I applaud the information provided to the Education and Employment Legislation Committee by the department. We had very detailed information from the department about how the system operates, how reasonableness is defined, the number of people who have been affected by decisions in the past and also the number of people who have been identified as not meeting their responsibilities. That is a really valuable base upon which to make assessment.

However, the concept that anyone who is impacted by a decision should have the right to appeal is, I think, sacrosanct. I do not understand why that element is put in this bill. I can read the bill, I can read the department's submission and I can understand a little bit about the background as to why they think the penalty for not turning up to an interview should be considered. I understand why there is concern that people are not doing that. I can understand, to an extent, why there is a focus on the particular needs of young people, which comes out in the explanation of the process. I can understand, to an extent—though I do not accept it—the argument about older people who are in the unemployment process. The element that stands out for me in this bill, though, is the rationale for why you would need to take away an appeal right—something that is there now. Indeed, we are concerned that not enough people use it.

I look at the issues around the social welfare system—a system that has always encouraged people to take ownership of their own situation and become personally engaged; in fact, to live mutual obligation. Over the years, I have been involved in a number of reviews, both when I worked in the area and since I have been in this place, looking at the area of appeal and questioning people who work for both the Social Security Appeals Tribunal and the AAT about what they are doing to encourage people to know their rights and to use the current system—to understand that they do have a right to appeal. So I have a basic concern that, even now, when the right exists, everybody does not know they have the right and can access it.

My disappointment is that, in the midst of this bill, which is aimed at making sure that people have greater engagement with the system, one of the key changes is to take away an appeal right. As you know from hearing previous speakers on this side of the chamber, that is a concern that is shared by many. It was certainly shared by a number of the people who came to talk with the committee about their interest in this bill. Naturally, on welfare rights you would expect ACOSS and people who work in the system to identify that this lack of appeal process is of concern. But you also have the Job Network—the very people who are working closest to the people who are caught up in the system—identifying that, amidst all the other issues of engagement and participation, the removal of an appeal is a significant issue.

On that basis, I want to re-raise that because it is something that has troubled me for a long time. I think that our system is based on people knowing their rights. Our system is based on people taking personal responsibility. In that kind of system, in that plan, having a strong appeal process which is available to have decisions independently reviewed means that, if you feel that you have been treated unjustly, if you feel that there have been any errors, you can then have that reviewed. In the process in this particular bill, that is something which is most concerning, and we do not support the removal of the appeal right in the process.
Recently the Community Affairs References Committee has been doing an inquiry on income inequality in Australia. Many of the issues that have been raised in the discussion around this bill came up through evidence and through site visits that we had in that area. We heard really strong evidence from a number of people, some of whom also appeared before the Education and Employment Legislation Committee on this bill, about the issues around employment and making sure that people have a sense that they have options and choices. We heard about the concerns about long-term entrenched poverty and long-term entrenched exclusion from the system.

These same issues were raised by evidence in the committee inquiry on this bill. It was raised that the people who are most needy, the people who have the most need to be involved in some form of job participation and become engaged in the system, are often those who are the most vulnerable and who are the most excluded. It makes sense, to an extent. If you already have a strong education, a strong interest in work and a strong engagement in your society, more than likely you are going to be more job ready than others.

The participation requirements which are central to this bill are focused indeed on the people who need to be involved most. On this basis we completely agree with some of the evidence that was put forward by the department. We need to have people involved. But what is lacking, not just in this bill but in a range of the options that the government have put forward in their plan to have more people in the workplace, is any clear evidence that bringing forward punitive measures has a result of changed behaviour. We have evidence that it does cause difficulties. It does put people into greater need. But where is the evidence—and certainly we have been seeking this from people who are supporting this legislation—that says that, if you make it tougher for people, if you punish them, if in fact you push them further away, that kind of strategy is going to engage, welcome and support to get people back into the system?

And that is the key difference. The process that we as a government supported was surely to reinforce the need for people to be involved—for people to register with their Job Network, to be involved with their Job Network and to have a process of involvement. If there was a breakdown in that and if there was a lack of compliance to a large extent, with people not turning up to interview, not engaging effectively, there was a suspension of payment. The intent of that was to draw to the attention of the person that there was mutual obligation, and we strongly support that. We believe in the concept of having responsibility to ensure that you are working in the system and being involved.

Where this bill ramps it up to another level is that, where that process operates, there is a more directly punitive impact. If it is found that you have missed an interview and the Job Network decides that that is real—we have had significant evidence about the responsibility to determine whether there was a reasonable excuse; the process is still with the Job Network, and then it feeds the information through to the Department of Human Services—the new system is actually saying that, should you re-engage, there is the possibility that you will not have a back payment fulfilled from the time that it was found that you had not fulfilled the obligation. That is the change. The change is not in encouraging people in the system; the change is the depth of the impact if you do not do that.

I raise the concern from the evidence that we have received across a range of inquiries, across a range of community interactions, from the people who work most closely with the
people who are vulnerable, with the people who are already excluded, with the people for whom this legislation has been determined. When you talk with the people from Anglicare, from St Vincent de Paul's and from the various support agencies, their response is that this is not the best lever to respond to the need. From their knowledge, they believe that we need to put everything in place in our system to encourage people to stay in the system and to identify their vulnerabilities.

I know there is a difference in philosophy. I know that the government will bring forward their process and say that this will ensure that people will be involved. However, what we have now is a group of people in the unemployment process. We have, unfortunately, quite a high unemployment rate and a number of people who are highly motivated and are in the process seeking to get into work. Provided that we have a job market and there are jobs available, that cohort will be most easily placed into employment or re-employment. At the other end, we have some people who have generational unemployment issues. We heard about people who, over years, had not been able to be in the workforce. They had no type of modelling. I quote Lin Hatfield Dodds from UnitingCare Australia in her evidence to our committee inquiry on income insecurity, where she said:

*There are people growing up in areas of locational disadvantage, the poverty postcodes, where no-one in a community has ever had a job.*

That is truly a confronting concept. Through the process of this inquiry, we were able to visit communities where that was true: whole areas, regions, where people were in a situation where they had been excluded from a society that looked at the value of education and work.

We need to change that. But that also means that there needs to be a way of ensuring that people are welcomed and supported in the system. I do not accept that more punishment actually creates behavioural change. I accept that there are people who need more work to include them in the system and I know that can be incredibly frustrating. There is enough evidence from the services that we have heard from that offering wraparound support that looks at the individual's issues in their families and in workplaces that have led them not being involved currently in the workplace—when those issues are taken into account and personalised strategies are imposed—gets people more job ready and engaged with the community. On that basis, I do not believe the changes in this bill will end up with the outcomes which were intended.

I am also concerned by the significant savings measures in this bill because it seems to me that the only way that the volume of savings linked to this bill can be harvested is if people are removed from their welfare payments. The intent of the bill is to remove people from payments. If that removal is into work then that is a great result, but we do not have the jobs in our current market to make that happen. Through a range of inquiries we saw the number of people who are without work and when you equate them with the number of jobs that are available generally—let alone in particular locations—it does not add up. That means that people will be in the situation of having their hopes dashed in many cases. The fear, worry and disconnect that no matter what they do it will not make a change is the biggest disincentive that we have, and I think that is the major challenge. We have to overcome that.

The other element of the bill that I have a concern with is the treatment of the older unemployed. This is a particularly sensitive topic. We have many more people over 50 involved in the system and this bill changes the way people over 55 are treated and their
The information from the discussions we had through a number of inquiries is that in this cohort alone there is a need to work personally with individuals. In some cases these are people who have lost their work and have never been able, for whatever reason, to re-engage. I question where the evidence is to show that making their requirement tougher will work. I have seen the work of agencies who specialise in this area. They bring forward intensive support programs based on the individual's needs and background and do work hard with employers to make that linkage. That is the way that we should be moving as opposed to increasing their requirement for compliance, which is what this bill does.

There is a real opportunity. There are people who work specifically in this area. Certainly, the commissioner for the ageing, Susan Ryan, has a great interest in this area and is trying to focus very clearly on skills audits and encouraging people who are ageing to make sure that their respect in their own worth is maintained and that their value as an employee is made known across the community. We should be focusing more on that side of the equation rather than lifting their requirement for engagement to meet the requirements for a social security payment.

I do not disagree with mutual obligation. I do disagree on raising the punitive aspects, which this bill does. There is an opportunity for us to work effectively together to see that we have options in this area rather than going down a track which is based on penalty and savings. We should be looking at how we can invest more into the system and into the individual so that we link people with employment, encourage them into employment and, as Senator Lines spoke so passionately about, show respect to people in this situation. (Time expired)

Senator McLUCAS (Queensland) (20:12): I too rise to make a contribution on the Social Security Legislation Amendment (Strengthening the Job Seeker Compliance Framework) Bill 2014. At the outset, I want to make it very clear that Labor supports measures that are designed to assist people into work. Any commentary to the contrary is simply not true. In government we introduced policies and reforms which were very effective at doing just that. We recognised that there is a need for government policy that assists people to find work—that there is a need to assist job seekers to obtain employment by supporting them and understanding their individual circumstances, their talents and their strengths. It is all about assisting people into employment not victimising these individuals.

As Senator Moore has so rightly said, we agree with the notion of mutual obligation. I think most Australians do. This is not a contested space. People know that income support is provided on the basis that employment cannot be found. I would say that the vast majority of Australians who are receiving income support are very desirous and keen to achieve employed status, and they know that receiving income support is an interim measure to assist them to feed themselves and their family, if they have one, whilst they go through this stage of their life.

As Senator Moore quite rightly said, the unemployment rate in our country at the moment is too high. In my part of Far North Queensland it is far too high. But to say that almost 15 per cent—and those figures are very volatile—of young people in my part of Far North Queensland are leaners devalues my community, and I absolutely defend my community against language that says that my community, to that level, is not attempting to find employment. The truth really is that the jobs are simply not there.
To come back to the bill though, Labor will not support punitive measures which put at risk vulnerable people, and we will draw a line when and where we believe the current government goes too far. And in this bill there are a number of elements where we believe the government has gone too far. Labor did this when we opposed this government's Social Security Legislation Amendment (Stronger Penalties for Serious Failures) Bill 2014, which sought changes that would have seen the most vulnerable and disadvantaged people left without income and without options for up to eight weeks for each penalty. What does that do to people? If you take any income support off a young person, off a young parent, off an older person who is seeking employment and who has made a mistake and been penalised, what do they do? People just cannot work this out. What do they do if you take people off any payment for that long a period?

We are opposing this government's proposal for job seekers who are under 30 and on Newstart going without any payment. Nil money at all for six months. What does that do to the mental health of that young person and what does it do for their state of being accommodated? Labor have been clear: we will not support measures that impact on vulnerable people or that will make people vulnerable. It is totally unreasonable to expect people to survive with no money at all for six months and at the same time be required to meet activity tests such as the ludicrous proposal for job seekers to apply for 40 jobs per month. The government has backed down on this, now moving to 20 jobs depending on circumstances. I commend the small business sector, which has driven this campaign to make the government change its mind. What would happen in a town like mine, where young people are required to put in applications for 40 jobs every month? Small businesses would be swamped if that were to be pursued. I still have concerns about the proposal that you would now have to still apply for 20 jobs depending on the circumstances. People want the jobs—just have a look at the careers pages of the Cairns Post—but there are not many there.

We saw it again when this government sought to tighten the definition of 'reasonable excuse' with its Social Security (Reasonable Excuse—Participation Payment Obligations) (Employment) Determination 2014 (No. 1), which sought to change what matters the secretary must take into account when determining whether a job seeker has a reasonable excuse for participation failures. This was attempting to strip away protections for people with mental illness, people who do not have a safe place to live, people with literacy and language issues, people requiring treatment for their illness, people with drug or alcohol dependency, people subjected to domestic violence and sexual assault. Those were the people we had to protect via the actions we took earlier this year. These people are our most vulnerable job seekers, and yet this government wanted to disadvantage this group even further. But there are no guarantees that if Labor were to agree to the passage of this bill the government would not try again to the change the determination on 'reasonable excuse'. So while Labor agree in principle to the no-show no-pay principle for appointments contained in this bill, we do have some concerns regarding a number of measures contained within the legislation and we will be seeking amendments on a number of elements.

The first area of concern is the 'suspend until attendance' measure. The bill suspends payments for non-attendance at scheduled appointments until a job seeker actually attends a reconnection appointment rather than upon a job seeker saying that they will attend a reconnection appointment. Of course we want people to go to their reconnection
appointments, to go to their appointments with their job service providers—of course we do—but there are some practical amendments that we will make that, frankly, will facilitate less non-compliance in the long run.

We will be making amendments that, firstly, will make the start date for non-attendance penalties commence from the date a person is actually notified of the non-attendance rather than the date of the non-attendance simply because people sometimes do not realise they have missed the appointment, and, secondly, that will provide a legislative basis for the government's stated intention that suspension will not apply where an appointment is not available within two days. These are practical and sensible amendments. They will ensure that people do not get breached for things that, frankly, the system cannot support them to do. If the system structure cannot accommodate the timetable for compliance, then surely the welfare recipient should not be penalised for doing so.

The bill proposes that from 1 July 2015 the government not pay back pay where a job seeker missed their initial scheduled appointment and did not have a reasonable excuse. We are not currently seeking amendments to remove this because we are of the view that the retention of Labor's reasonable excuse determination should act as an adequate safeguard in ensuring that vulnerable people are protected from payment suspension in cases where they are unable to attend their appointment through no fault of their own.

The bill outlines that a total of $161.1 million in savings over four years will be achieved. Labor is concerned that to achieve that level of savings the government is anticipating that there will be very high numbers of job seekers being breached and that they will not have to back pay them. We do want to mark down that concern—that is, that is a lot of money—and we will be watching closely to ensure that people are not being unreasonably penalised through the removal of a back pay provision.

The government is also seeking to remove the right to review a decision to suspend job seekers' payments. Labor is seeking an amendment to remove this so that the status quo is maintained and job seekers are still able to have these decisions reviewed. This is the one element of the bill that I find most confusing. I cannot see what the government's motivation is for this element. Under principles of natural justice, surely the ability for someone to review a decision to suspend a payment should be sacrosanct. It should always be there and available so that if a mistake is made, and mistakes do happen, someone can go back and review the decision.

We are concerned that the bill seeks to remove the right to review a decision in which payments are suspended. We are concerned that that sets a dangerous precedent where people are denied their right to natural justice. We are concerned that it could be used to stop job seekers requesting a review of the decision not to back pay when they had a reasonable excuse for missing their appointment and that reasonable excuse has not been taken into account. We will not stand by and agree to the removal of job seekers' rights to seek a review which will have a financial impact on their lives. Whenever a government seeks to financially penalise people for noncompliance, it is only right and fair that those governments' decision-making processes are subject to review.

I want to go to the report brought down by the Education and Employment Legislation Committee, in particular the Labor senators' dissenting report. They note evidence provided
by the National Welfare Rights Network with regard to the review process, and quote the National Welfare Rights Network, saying:

…restricting appeal rights on the basis that few people would exercise the right to appeal, or that the impact on people would be small, ignores the general unfairness. It also ignores the potential disengagement and undermining of a person’s relationship with DHS and employment services that can occur when a person cannot correct a decision, even if the financial loss was only temporary.

Jobs Australia was also quoted by the Labor senators of the committee. Jobs Australia were reasonably supportive of the bill, but they also submitted similar concerns about the removal of the ability for administrative review of the decision to suspend payments. The report quotes Jobs Australia, saying:

The denial of review rights reduces accountability in the system and may encourage less prudent decision-making …. and we believe that any decisions that affect a person’s payments should be reviewable as a matter of principle.

I agree with Jobs Australia.

There are elements that Labor will seek to amend around the secretary's powers of delegation. But I really want to go to one element of the bill which, once again, I find astonishing, and it is the question of the over-55s part of the bill. The government is seeking to remove current concessions for over-55 Newstart, special benefit and parenting payment recipients in relation to their activity test for these payments. Labor is seeking an amendment to review this so that the status quo is maintained and that these payment recipients continue to receive concessions in relation to activity tests. Once again, I want to go to the Labor senators' dissenting report. They describe the current circumstance where:

… under subsection 502A(1) of the Social Security Act 1991, persons aged 55 years and over who are in receipt of an activity tested income support payment … may be deemed to have satisfied the requirements of the activity test where they have in the fortnightly payment period engaged in at least 30 hours’ approved voluntary work, a combination of voluntary and paid work, or, paid work.

We understand that it is the intention of the government that the current concessions received by job seekers aged 55 to 59 and receiving Job Services Australia's assistance will be removed by a legislative instrument. The next sentence in the Labor senators' dissenting report is quite understandable:

Submissions and evidence in opposition to this was overwhelming—
of course it was overwhelming—
and compelling arguments were outlined by almost all submitters—
including the Australian Association of Social Workers, who said:

… it was difficult to see justification for the proposed changes to the current arrangements for job seekers over 55 … due to the limited job opportunities for those particular jobseekers, and the suggestion that people would willingly retire on Newstart is strongly contested.

I agree. St Vincent de Paul supported their evidence in their submission. They talked about pervasive age discrimination. Unfortunately, pervasive age discrimination is still a reality in our country. Governments of all persuasions have tried many ways to encourage employers to employ people who are older. None of us have succeeded. Age discrimination is a reality that we live with, but to say that this is a group of the so-called leaners—people over the age of 55 who want to volunteer, be part of society and not be socially excluded; we know exactly what happens as soon as people are excluded—is extraordinary.
The Australian Law Reform Commission conducted an inquiry into Commonwealth legal barriers to older people participating in the workforce or other productive work. They decided against proposing any changes to the concessional activity test. The ALRC has argued that the concessional activity test requirement did not appear to be acting as a barrier to mature age participation and that it recognises the value of volunteering not only as a potential pathway to paid employment but also as a form of productive work in its own right.

Labor supports mutual obligation. We know that the best thing we can do to assist people who are unemployed is to assist them to get a job. The way to do it is the trick. My view is that the way to do it is to look at the evidence. The evidence is that people with disability want to work; people over 55 want to work; young people want to work. It is less than helpful for the member for Dawson to say that young people are just sitting around, or lying on a couch eating Twisties. I ask him to withdraw that comment. That is so hurtful to unemployed people, particularly young people.

The numbers of people who are persistently not attending the appointments are small in the scheme of things. That does not mean to say that we do nothing about it. What we need to do is to ascertain why those people are not attending their appointments. We know some of the reasons are to do with transport or to do with the person's mental health circumstances. We know that in many cases the reasons are to do with people's housing arrangements or to do with their literacy.

There are a group of people who are intergenerationally unemployed, and that is a cohort we need to work very closely with. Of course mutual obligation is necessary. It goes two ways. There is an obligation on the job seeker to attend their appointments, to make sure they are doing what they have been asked to, but there is also an obligation on a government, any government, to ensure that they do everything they can do to remove those barriers to participation—that transport services are provided, not necessarily by the Commonwealth but provided, and that we look after the health of job seekers. I commend Labor's amendments to this bill.

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (20:32): Three months ago, I spoke on the Social Services Legislation Amendment (Stronger Penalties for Serious Failures) Bill 2014. Tonight, speaking on the Social Services Legislation Amendment (Strengthening the Compliance Framework) Bill 2014, it feels a bit like Groundhog Day, because they are both essentially about the same thing—the Abbott government's desire to punish job seekers for being unemployed.

The government love punishing job seekers, because they need a scapegoat. They need someone else to blame for their failure to make significant progress towards their goal of creating one million jobs within five years. They have gone very quiet on that of late. We have not heard much about that of late from the other side. That is another broken promise, I presume. Finding someone else to blame is all they have left. That is because they cannot hide the problem—not that that has stopped them from trying.

We know from a report in March this year in The Australian—which those on the other side, when they were in opposition, loved so often to quote from and to get their questions from—that advisers to the Minister for Employment, Senator Abetz, asked Treasury department officials to adjust jobs forecasts and add another 160,000 jobs to their projections. In a scene that could have come straight out of a script from Yes Minister, Senator Abetz...
spent $16,000 of taxpayers' money investigating his own office's attempts to interfere with Treasury jobs data. Funnily enough, though, the investigation found nothing and Senator Abetz refused to make the $16,000 report public.

So, without being able to hide the fact that they are falling short of their commitment to create one million jobs in five years, the government are seeking to blame job seekers for being jobless. The government just cannot accept that their own industry policies are failing to save Australian jobs—jobs in places such as Simplot, Electrolux, Caterpillar, Qantas, BP, Rio Tinto, Kellogg's, BHP, Arrow Energy, Forge, Alcoa, Asciano, Sensis and Caltex. They just refuse to accept that their cruel and unfair budget, which takes an axe to household incomes, is also very damaging to consumer confidence. We all know that consumer sentiment is very pessimistic, as I evidenced last week in a speech. They just cannot accept that it is their fault. The government will blame anyone but themselves for the failure to protect and create Australian jobs. So, according to the government's twisted logic, it must be the fault of the Australian job seekers. And the government will seek to punish job seekers for being unemployed, even though there are not the jobs there for them.

This was the reasoning behind the ridiculous proposal to make job seekers apply for 40 jobs a month—a proposal which was thankfully dumped, not because it would not assist one job seeker to get a job but because it would see businesses swamped with millions of job applications, and those on the other side had a backlash from employers about it. When Senator Abetz was asked on ABC's 7.30 program what job seekers would do in places where jobs are sparse, he replied:

When jobs are sparse, it means that you've got to apply for more jobs to get a job.

Well, if the jobs are not there, you cannot actually get the jobs. But this just typifies the arrogance of the government, who seem to think that, when a person is unemployed and cannot get a job, it is all the fault of that person. The philosophy contained in this bill—and the stronger penalties bill, which I spoke on in this place previously—is that unemployed people are perfectly capable of getting jobs as long as you give them a hard enough kick up the backside; in other words, kick them while they are down.

Only a cruel and heartless government such as this one could come up with a policy as brutal as denying income support to job seekers under the age of 30 for six months of every year. This policy is not just brutal; it is also incredibly stupid. How is a job seeker expected to visit potential employers, post job applications and travel to appointments when they do not even have the money to feed, clothe or house themselves? How do they engage in their participation obligations when they do not have any money to travel? This embarrassing, heartless policy is going to place immense pressure on our emergency relief services and welfare agencies, let alone the friends and families of the unemployed young people who find themselves destitute for six months of every year.

It is enlightening to note that the financial impact statement for this bill outlines estimated savings of $161 million, which indicates that the government anticipates a large number of additional breaches without having to pay those job seekers back. Before I go on to the provisions of the bill, let me make it clear that Labor accepts without question that when a person receives a payment such as Newstart or youth allowance they have a responsibility to actively seek work and to demonstrate that they are serious about seeking work. We accept
that in certain circumstances there should be penalties for job seekers who deliberately evade their obligations, but those are in the minority.

Labor introduced policies and reforms aimed at encouraging job seekers to attend appointments with their employment service providers because we know that this gives them a better chance of getting a job, but we do not support a regime that penalises job seekers for circumstances beyond their control or continues to penalise those who have demonstrated a willingness to re-engage with their participation obligations. Labor will always oppose measures that are unnecessarily punitive and put vulnerable job seekers at risk.

We may be able to support this bill with significant amendments, but not in its current form. Let me explain what this bill seeks to do and why I believe these measures are so unnecessarily harsh. Under the current arrangements the Department of Human Services can suspend the payment for certain participation failures, such as the failure to attend an appointment. The payment can be reinstated when the job seeker notifies the department of their intention to comply with the requirement and the job seeker can receive back pay for the period of their noncompliance. The bill seeks to treat non-attendance failures in the same way as other failures. This means an excuse for nonattendance will not be considered reasonable unless the job seeker gives prior notice or the department is satisfied that it would not be reasonable to expect them to give prior notice.

Through this bill the government is seeking to maintain the payment suspension until the job seeker has actually met the attendance requirement rather than just notified the department that they will do so. In other words, if a job seeker missed an appointment with their employment provider but was not considered to have a reasonable excuse, they would have to attend a reconnection appointment before they could have their payment reinstated. The bill also provides that a job seeker who does not have a reasonable excuse for missing an appointment, or does not give notice of a reasonable excuse, will not be back paid for the period of their noncompliance.

The explanatory memorandum to this bill states:

In practice job seekers would generally have the opportunity to attend a reconnection appointment with their employment provider within a short period of time and thereby have their payment reinstated quickly. Typically this would occur within one to two days of them contacting their provider ...

This may typically occur within one or two days, but that would not always be the case. This measure raises a number of questions, like how would the decision to apply a penalty be communicated to the job seeker? If you are unemployed and you do not have access to a computer, do you have to wait for it to come by snail mail? These things have to be taken into account. How will the government make sure job seekers are notified in a timely manner so they have an opportunity to reconnect?

My colleague Ms Julie Collins, the shadow minister for employment, said over in the other place that she is aware anecdotally of job seekers who were unaware a breach had been applied until they tried to access their bank account on payday. And what if a job seeker is unable to attend a reconnection appointment? Also in the other place the member for Shortland, Jill Hall, said that she had assisted job seekers who were breached because of a car crash or because a family member had been rushed to hospital. These people had their payments reinstated—I acknowledge that—but what if a job seeker did not have a reasonable
excuse for the breach and, because of circumstances beyond their control, was unable to reconnect?

Another provision of this bill applies to mature age job seekers. Currently job seekers aged 55 or over are taken to have satisfied an activity test if they are engaged in at least 30 hours per fortnight of approved voluntary work or paid work. However, the department can decide not to exempt them from an activity test due to the employment opportunities available to that person. The bill would allow the government to remove these concessions for a class of people through a disallowable instrument. The previous speaker, Senator McLucas, commented on this same topic. She said how astounding she thought it was, and I have to say that I agree with her. At the moment the government is proposing to do this for job seekers aged 55 to 59. Labor is concerned that older Australians would find meeting these activity tests more difficult given the reports of the age based discrimination faced by older workers, let alone, once again, the lack of job opportunities. I cannot wait to see those million jobs in five years!

Labor is firmly opposed to attempts by this government to transfer to employment service providers responsibility for decisions about whether job seekers have a reasonable excuse. Stakeholders have been very concerned at this prospect since it was raised and included in the exposure draft of the purchasing arrangements for employment services. The bill seeks to extend the secretary's powers of delegation, and we on this side are concerned that the government could use this provision to delegate its responsibilities to employment service providers. The problem with this is not just that it creates more work for employment service providers but such a move would shift responsibility to employment service providers for something which is clearly a function of government. The Department of Human Services already have the expertise to make these decisions; employment service providers do not, nor are they equipped to deal with the fallout of negative decisions against job seekers. They are overwhelmingly opposed to this measure, which would lead to their staff being subjected to abuse and would damage their relationship with job seekers. Simply as an occupational health and safety issue that has to be of concern. It would also make it more difficult for providers to support and assist job seekers to find a job.

The worst aspect of this bill is seeking to remove the right of review of a decision to suspend payments. This provision runs entirely contrary to the principle of natural justice. Being able to request a review of a decision of the Department of Human Services is a fundamental right of any income support recipient, including job seekers, and it should remain so. As I mentioned in my contribution to the stronger penalties bill, these more punitive arrangements against job seekers who have been breached will have a disproportionate effect on vulnerable job seekers.

In the last financial year, Centrelink applied 13,296 smaller daily no show, no pay penalties to job seekers with known vulnerability indicators. This included 4,019 with psychiatric problems or mental illness, 2,443 with a homelessness flag on their file, 393 released from prison, 286 who had experienced a recent traumatic relationship breakdown and 276 job seekers with a cognitive or neurological impairment. The no show, no pay penalties to job seekers with known vulnerabilities indicators included all of that and that is just atrocious.

Indigenous job seekers have traditionally been overrepresented among those penalised and in the same year, 11,915 smaller no show, no pay penalties were imposed on Indigenous job
seekers, compared to 34,409 non-Indigenous job seekers. In other words, Indigenous jobseekers received a quarter of the no show, no pay penalties.

Labor will not support measures which are harsh and punitive and are going to further disadvantage vulnerable people. The rhetoric of this government when it comes to job seekers implies that they are lazy and unmotivated. The truth is unemployed people want a job. They want the comfort and dignity that comes with earning a decent living. Nobody wants to spend their life living on $35 a day. Not one unemployed person I know wants to spend their life living on $35 a day. The overwhelming majority of job seekers are doing the right thing or are at least trying to. And what happens? They get kicked because there are no jobs available for them to fill or they do not have the skills. Every Saturday, I look at the jobs in the Tasmanian newspapers and I do not know where Tasmanians are going to get a job. It has been mentioned that they could move away but I fail to see how moving away from family, community and a support base could help in any way, shape or form. As I said, the overwhelming majority of job seekers are trying to do the right thing.

For those who are not, for those who are deliberately, flagrantly avoiding their obligations, the Department of Human Services has the tools available to encourage them to comply. But this government is not talking about encouraging people to comply. They are talking about the stick and the carrot and taking the big stick to them. I find that completely unbelievable. What sort of Australia do we want to be? Do we want people to be penalised when there is not enough work out there and people are penalised, especially if they are under 30, by having no income for six months? There is a presumption on the other side and I can understand why—probably all of them would not have come from families where maybe there was not support available. To a large proportion of people in Australia there are no jobs available where they live and there is no family support available either. It is just going to make it so hard for people. I shudder to think how people will approach this sort of thing psychologically. I think we will damage many people and we should not be doing it. I for one do not support it.

This government's plans have the potential not just to punish those who are deliberately flouting the system but also to punish the vulnerable job seekers who are having a go as well. That is completely inappropriate. Some job seekers do make mistakes. Job seekers go through difficult circumstances. It is a very tough market out there.

There are 800,000 job seekers in Australia and fewer than 150,000 vacancies—that is, one in 4.5. It is not as though job seekers are not trying, but this government does not have plans to help them, nor do they have a plan to create jobs. They want to close down trade training centres, a great place for young people to learn some skills so that they are ready for the entry-level job market. This government does not encourage young people to get skills. I tend to think is it a bit like, 'We know where we want to be in society and we do not think anybody else should be able to get there.' All this government has a plan for is punishing job seekers, punishing those who cannot find work.

The punitive approaches contained in this bill and in the stronger penalties bill are typical of the arrogant attitude of the government that, if you do not have a job, you are just not trying hard enough and so we will just kick you up the backside to make sure you find that job. Miraculously it is going to pop out of thin air for you if we kick you up the backside.
Instead of focusing on punishing job seekers, this government should come up with an industry policy to create or save jobs, like they promised to do before the election.

Senator Urquhart: A lovely idea.

Senator BILYK: It would be a lovely idea, Senator Urquhart. As I said earlier, they have gone very quiet on the jobs front of late. We have not heard very much from that side so I am looking forward to hearing what they are going to do. Why do they not come up with a policy that lends support to manufacturing, instead of scaring it away? Why do they not come up with support to stop jobs being sent overseas, such as the jobs in Qantas? Why do they not focus on creating services that help and support job seekers rather than punish them? Why do they not invest in higher education and, instead of a deregulation agenda which puts a university degree out of the reach of the average Australian, listen to the people? I was at an inquiry earlier this evening and unable to be at the vote but I was very pleased that the education reforms were voted down.

Unemployed Australians are this government's excuse—their alibi—for their failure to create jobs. They cannot recognise their own failures, so they blame the victims of the failures instead. Australian job seekers deserve a government—

(Time expired)

Senator ABETZ (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (20:52): I thank honourable senators for their contributions to this debate. To make it absolutely clear, we as a government are committed to creating the environment where every possible job opportunity can arise. That is why, as a government, we went to the last election with a program to get rid of the carbon tax, to get rid of the mining tax, to get rid of red and green tape and to introduce free trade agreements, and I am delighted to report to the Senate that all of those policy initiatives have now been implemented, and we are proceeding even further.

Senator Bilyk tells us in her contribution about government investing money. Can I simply say to those opposite, and anybody listening, that government has no money of its own. It either takes it out of the pocket of a fellow Australian to make the payment or it borrows it from elsewhere, which then requires a future government to take it out of the pockets of our fellow Australians to pay that debt off to whoever lent the money to the Australian government. So in all of these discussions, let us keep in mind that when the Labor Party talks about investment in this and investment in that, they are really saying, 'We want even greater borrowings' or, 'We want to tax the people even more.' And this is in a circumstance where we are borrowing $1,000 million per month just to pay the interest bill on existing borrowings. What we heard from those opposite was that they would increase that indebtedness even further, requiring even further borrowings not only for that but then for the following interest payments.

We, in the government, firmly believe that the best social welfare policy a government can deliver is a job. Everybody knows, or they should know, that if somebody is in gainful employment their physical health, their mental health, their self-esteem and their social interactions are all improved as is the health and wellbeing of everybody in the family unit. That is why we as government are so anxious to get people into jobs. Indeed, those opposite from time to time condemn the government's Work for the Dole program. I remember launching many of them under the Howard government, and when you launch them you see 20 long faces and 20 unhappy campers. But when you go to the graduation six months later,
you see 20 smiling faces and people saying, as they have said to me, 'Eric, you know the only problem with Work for Dole is that it only goes for six months.' Indeed, just recently, I was in the electorate of the hardworking member for Dobell—and what a change it is to have a decent member for Dobell in Mrs Karen McNamara—and inspected a few Work for the Dole programs. The participants were absolutely delighted that they were engaged in meaningful activities; that they could reflect on their day knowing that they had made a positive contribution; that they had helped to improve a community amenity; and that they could reflect on their work that day and having made a positive contribution.

As a caring society, we look after those in need. We on this side are absolutely committed to that. But to achieve that you need a good healthy economy to make those payments. We, as a community, say quite rightly, 'If your luck is down, we will assist you.' An Australian would say in response, 'Thank you,' to society. 'Thank you, my fellow Australians, for digging deeper in your pockets and providing me with assistance during this difficult period. I will therefore undertake my mutual obligation, which is to do everything I possibly can to gain employment.' As the Assistant Minister for Employment, the Hon. Luke Hartsuyker, said in the other place—and if I may, I commend his second reading speech; it was a very good one: This bill will ensure that more job seekers in receipt of income support meet their mutual obligation requirements to attend scheduled appointments with their employment provider.

I have here some statistics. But before I get on to those, I remind Senator Bilyk, with respect to her contribution to this debate and how terrible she thought certain events had been in recent years and in recent times, that that was under the regime of the government of which she was a part. Now to the statistics: in the 2012-13 financial year, while 11.6 million compulsory appointments with employment providers were scheduled, a staggering 4.3 million of those appointments were not attended by job seekers. This is an attendance rate of only 63 per cent and a non-attendance rate of 37 per cent. In the 2013-14 financial year, we had 12.75 million compulsory appointments and, of these, 4.47 million were not attended by job seekers, which is a ratio of 65 to 35. In very rough terms, that is two-thirds to one-third. This sheer volume of missed appointments creates a huge burden and additional cost for the Department of Human Services and employment providers. It is an extra cost on our fellow Australians—the taxpayer. We have no difficulty with unemployment benefits and other benefits being paid where people are doing it tough. But when you have a situation of one-third of those on benefits breaking compulsory appointments, I say to Senator Bilyk and others who have a genuine heart for those doing it tough: keep in mind that there might be some that do play and game the system.

The example Senator Bilyk mentioned would have been exempted. For example, if somebody is involved in a car accident, of course they are exempt from these provisions and they do not form part of the statistic; they are removed from the statistic when they advise the employment provider that on the way to the appointment they were in a car accident—or a close relative died, or somebody had to be taken to hospital. All those examples are fully and absolutely catered for in the regime.

When you are in full-time employment, you are actually expected to turn up to work on time, to perform your duty, to be there between whatever the hours might be. When you are unemployed, to ask that you have an appointment once a month at a scheduled time is—with respect—not too much to ask. Therefore, we want to make sure that the provisions are
somewhat tighter, to protect the taxpayer. But might I also say: I think we do the job seekers a service. It might be described as tough love, but there is no doubt that, if you push people into employment from time to time, they look back and say: 'We cannot believe how we survived during our period of unemployment without doing anything useful during our day'.

So this legislation is not motivated by wanting to punish people—the unfortunate language employed by some opposite. No, we just want a fair and reasonable system that is ultimately sustainable in the long term for our fellow Australians. Let's never forget that each single dollar of unemployment benefit is paid for out of the pocket of one of our fellow Australians.

Workers are expected to keep commitments like appointments in return for their wages; the same sort of standard should be expected of job seekers in receipt of taxpayer funded income support—to quote my colleague that honourable Luke Hartsuyker, the assistant minister.

Currently, a job seeker who has their income support payment suspended because they failed to attend an appointment can get that suspension lifted simply by indicating they will attend another appointment sometime in the future—that is, a person can simply say they will attend another appointment, even if they have no real intention of doing so, and still get their income support. We believe there should be more rigour in the system. This is not about punishment. This is about being fair to all, including the job seeker.

I could go on at some length, because this is a policy about which I feel very passionate: getting our fellow Australians back into employment. Sometimes this requires toughening up the legislation, especially in circumstances where roughly one-third of the unemployed cohort, regrettably, are not keeping their appointments. That comes at great extra cost to the taxpayer and great annoyance to the employment providers. We do those job seekers that failed to have a reasonable excuse no favours by allowing them to continue in that conduct.

The Australian Labor Party have indicated a number of amendments that are going to be moved in the committee stage. I have indicated to the Australian Labor Party that we can every now and then do a count. We understand that the numbers in this place require us to accept Labor's amendments for this legislation to get through. As a result, I do not think I will be an active participant in the committee stage. I will simply say that we do agree with all of Labor's amendments, albeit somewhat reluctantly, to enable the legislation to go forward. On that basis, I commend the bill to the Senate.

Question agreed to.

Bill read a second time.

In Committee

Bill—by leave—taken as a whole.

Senator CAMERON (New South Wales) (21:05): by leave—I move amendments (1), (6), (7) and (10) together on sheet 7261:

1. (1) Clause 2, page 2 (table item 4), omit the table item.
2. (6) Schedule 1, page 6 (line 2), omit the heading.
3. (7) Schedule 1, items 13 to 19, page 6 (line 3) to page 7 (line 8), to be opposed.
4. (10) Schedule 2, page 11 (lines 1 to 6), to be opposed.

Senator CAMERON: I am compelled to deal with some of the issues that Senator Abetz raised in his speech summing up the second reading debate. Labor agrees that people who
have the capacity, the health and the will to work should be helped to get employment. We have always been a party absolutely committed to employment.

In moving these amendments, I will go to some of the issues that have been raised. I seek at the moment to deal with amendments (1) and (10).

Senator Abetz indicated that the government were concerned about jobs. I must say, if the government were fair dinkum about jobs, they would not have chased Toyota and Holden out of the country, getting rid of some of the most skilled jobs in the country and they would not be doing side deals with the Japanese government to send our biggest Defence project to Japan. They would be building the skills for this country. If we had job creation and actually a real plan from the government, not just a three-line slogans about carbon tax, mining tax and free-trade agreements, then many of the issues that we are talking about here would be moot points because people would have access to jobs.

I was on the Senate select committee on new taxes when Labor was in government. The information we had about the mining industry was that the mining industry had about 80 years of easily recoverable minerals available in terms of iron ore. Now that they are going even faster, we will get 70 years. And now people say that that will be even less. There will be plenty of people here with grandkids, plenty of people here with kids who will still be in the workforce when we will have run out of iron ore. So we need a jobs plan.

It is interesting to note that the member for Eden-Monaro, Mr Peter Handy, also called on his own government to create a jobs plan. This jobs plan that the minister was talking about, obviously, is not clear to the Labor Party or to, I assume, other senators in this place and definitely not to the public. So in relation to these two points, amendments (1) and (10) omits item 1 of schedule 2 of the bill and item 4 of the commencement table in clause 3.

Item 1 of schedule 2 of the bill is unrelated to other measures in the bill. It would amend subsections 234 (1) and (2) of the Social Security (Administration) Act 1999 to give the secretary the power to delegate functions of the secretary, not just under the principal act but also under legislative instruments including regulations. Currently the Social Security (Administration) Act 1999 only provides for secretarial power under the act to be delegated by an officer, the Chief Executive Officer of Centrelink or an employee of an Australian government department. The explanatory memorandum states:

The main impetus for this amendment relates to recent legislative instruments made under the social security law which relate to the Job Commitment Bonus, as these contain Secretarial powers that will need to be exercised, other than by the Secretary personally, from 1 July 2015.

These powers would relate to legislative instruments made under part 2.16A of the Social Security Act 1991. Neither the bill nor any of the accompanying materials provide any explanation as to why the secretary would need blanket powers of delegation, including powers under legislative instruments. Indeed, part 2.16A of the 1991 act does not require the secretary of the Department of Human Services to exercise any functions in relation to the Job Commitment Bonus either under the principal act or under any legislative instruments. Any secretarial powers exercised either in person or by delegation under part 2.16A out of those exercisable by the employment secretary, not the secretary of the Department of the Human Services.

Labor believes that item 1 of schedule 2 of the bill is unnecessary and if allowed to stand as printed will have unforeseen consequences in relation to the proper delegation of secretarial
powers not only under the administration act but under part 2.16A of the 1991 act. I 
acknowledge what Senator Abetz has indicated that he supports these amendments—even 
though it is under duress. He will not oppose. On that basis, I formally move amendments (1) 
and (10).

The TEMPORARY CHAIRMAN (Senator Back): Senator Cameron, you have not yet 
spoken to amendment (6).

Senator CAMERON: I was dealing with amendments (6) and (7). What I thought I 
indicated earlier was that I would deal with amendments (1) and (10) together and then 
amendments (6) and (7) together because they are both related.

The TEMPORARY CHAIRMAN: But we will have to deal with (1) first because (10) is 
a separate question. What I propose to do is put the question that (1) be agreed to.

Senator SIEWERT: As I indicated in my second reading contribution, the Greens will be 
supporting these amendments. We still do not think that they get the bill over the line for us 
but we think they do improve the bill so we will be supporting them.

The TEMPORARY CHAIRMAN: Thank you, Senator Siewert, I do appreciate your 
advice. The question is that amendment (1) be agreed to.

Question agreed to.

The TEMPORARY CHAIRMAN: The question is that amendment (10) being schedule 
2 on page 11 (lines 1 to 6) stand as printed.

Question negatived.

The TEMPORARY CHAIRMAN: We will now move to (6), being schedule 1 on page 
6, line 2.

Senator CAMERON (New South Wales) (21:14): On the issue of (6) and (7), these are 
legislative instruments for the over 55s. What (6) and (7) do is to omit items 13, 14, 15, 16, 17 
and 19 from the bill. These provisions will, if passed, commence on 1 July 2015.

The government argues that the measures are required to ensure that mature-age job 
seekers are participating in the workforce rather than being dependent on income support. 
Currently, job seekers aged 55 or over on Newstart or on special benefit are taken to have 
satisfied an activity test when they are engaged in at least 30 hours per fortnight of approved 
voluntary work, paid work or a combination of both unless the secretary considers that they 
should not be exempt from an activity test due to the employment opportunities 
available for that person.

The government is seeking to amend the act so that the above concessions would not apply 
to a class of persons who may be specified in a new disallowable legislative instrument 
requiring them to look for full-time work instead of making a valuable contribution in the 
voluntary sector. Labor is concerned that older Australians who would be required to meet 
these activity tests and attend appointments may find the task more difficult, given that the 
discrimination they are subjected to is real and can impact on their wellbeing.

We are also concerned that the materials accompanying the bill gives no clues as to what 
classes of job seekers over 55 are to be specified in a legislative instrument to be subject to 
stricter participation requirements. While in principle it is reasonable to extend appropriate 
job search requirements to older people who are unemployed, Labor believes that the bill does
not take into account the greater difficulties older people have in securing employment, given widespread discrimination against older workers.

The TEMPORARY CHAIRMAN: The question then is that amendment (6), being schedule 1 on page 6, be agreed to.

Question agreed to.

The TEMPORARY CHAIRMAN: Now we move to (7), being schedule 1 and items 13 to 19. The question is that those items stand as printed.

Question negatived.

Senator CAMERON (New South Wales) (21:18): I move:

(2) Schedule 1, item 8, page 4 (before line 10), before subsection 42SA(2A), insert:

(2AA) If:

(a) a participation payment is not payable to a person for a period (the non-payability period) under subsection (2) because of the person's failure to attend an appointment with the person's employment provider; and

(b) on a day (the relevant day), the Secretary requires the person to attend a rescheduled appointment with the person's employment provider; and

(c) the rescheduled appointment is on a day that is more than 2 business days after the relevant day;

then, despite subsection (2), the non-payability period is taken to end under that subsection at the end of the relevant day.

Note 1: The requirement to attend the rescheduled appointment will be a reconnection requirement or further reconnection requirement.

Note 2: For business day, see section 2B of the Acts Interpretation Act 1901.

This is that a payment suspension period reconnection appointment is to be available within two business days. This amendment inserts a new subsection 42SA(2AA). This is an amendment to subsection 42SA of the Social Security (Administration) Act 1999, which inserts a new subsection to require that a payment suspension imposed following a determination by the secretary under section 42SA(1) must be lifted if a reconnection appointment cannot be made available within two business days of the person having undertaken to attend a rescheduled appointment.

The opposition understands that it is the government's intention that a reconnection requirement will be made available to a person whose payment has been suspended within two business days of the beginning of the suspension period. The explanatory memorandum states this intention quite clearly:

In practice job seekers would generally have the opportunity to attend a reconnection appointment with their employment provider within a short period of time and thereby have their payment reinstated quickly. Typically this would occur within one to two days of them contacting their provider as prompted through payment suspension. Employment providers will also be able to offer telephone appointments for job seekers in these circumstances. If the job seeker could not be given an opportunity to attend such an appointment promptly it is intended that their payment would otherwise be reinstated.

We are concerned that this intention is insufficient. Labor is concerned that the bill does not include a legislative requirement for the suspension to be lifted if an appointment cannot be rescheduled within two days. Under the bill as it stands, the intention that it will occur will be
given effect through administrative arrangements only. Administrative arrangements do not guarantee that the two-date limit will actually end up being what is put in place or that it will not be changed at a later date.

Small changes to the administrative arrangements could significantly alter the practical effect of this bill, and it is appropriate that the parliament retain oversight of enough of the settings to guard against the possibility that a reasonable sanction regime could be turned into an oppressive and harmful one. This amendment ensures that a reasonable sanction regime cannot be turned into an oppressive and harmful one.

The TEMPORARY CHAIRMAN: The question now is that amendment (2) be agreed to.

Question agreed to.


Schedule 1, page 4 (after line 17), after item 8, insert:

8A At the end of section 42SA

Add:

(4) The Secretary must notify the person of a determination under subsection (1). The Secretary may do so in any way that the Secretary considers appropriate.

This relates to the non-payment of participation payments where the secretary must notify persons of a determination. It inserts a new subsection (4) in section 42SA. This amendment inserts a new subsection, 42SA(4), into the Social Security (Administration) Act 1999, to require the secretary to notify a person that the secretary has made a determination under subsection (1) that a payment is not payable to the person due to a participation failure.

While it is currently the case that a person in respect of whom a determination under subsection (1) has been made is notified of the determination under the administrative arrangements, there is presently no statutory duty on the secretary to do so. Because of the scheme in relation to non-payment periods being put in place under this bill, particularly in relation to when non-payment periods will commence, it is important that the secretary now carries a statutory duty to notify a person that a participation payment will not be payable because of participation failure.

This amendment is also consistent with amendment (9), which if carried will provide that, for the purpose of calculating the maximum penalty amount for a non-attendance failure, the non-attendance failure penalty period will begin on the day the person is notified by the secretary that a determination under the subsection has been made. In relation to the method by which the secretary will notify a person, we expect that that will be made by the usual means—that the person concerned would receive notifications from Centrelink. If a person has an expectation they will be contacted by phone, SMS, email or letter, then that will be the method by which the secretary will notify them. In any event, notification should be by the most timely and effective method possible in the circumstances of the case.

Question agreed to.


(4) Schedule 1, items 10 and 11, page 4 (lines 26 to 30), to be opposed.
This amendment relates to non-payment periods and merits review. This amendment omits items 10 and 11 from the bill. The amendment to the bill to omit item 10 would amend the Social Security (Administration) Act 1999 to remove the right of a person to seek an internal review pursuant to section 129 of a decision pursuant to section 42SA(1) or the new subsection 42SA(2A) proposed in the bill. Similarly, the amendment omits item 11 which would amend the Social Security (Administration) Act 1999 to remove the right of a person to seek a review of a decision of the secretary under section 42SA(1) or section 42SA(2A) by the Social Security Appeals Tribunal, pursuant to section 144 of the act.

Under section 42SA(1) the secretary may determine that a participation payment is not payable to a person if they fail to participate in a participation activity they are required to undertake or they fail to attend an appointment they are required to attend or they fail to comply with a reconnection requirement. There is a range of issues relating to this amendment that I have dealt with to some extent in my speech in the second reading debate. On that basis, I simply seek the movement of this non-payment period.

Question negatived.

(5) Schedule 1, item 12, page 5 (lines 9 and 10), omit subitem (3).
Amendment (5) goes to the issue of merits review. It omits subitem 12(3) from the bill. This amendment omits from the bill a provision dealing with the commencement of items 10 and 11. This amendment is consequential to amendment (4) in relation to the removal of merits review rights.

Question agreed to.

Senator CAMERON (New South Wales) (21:26): I move opposition amendment (8):
(8) Schedule 1, item 24, page 9 (lines 5 to 7), omit "period for which the participation payment is not payable under subsection 42SA(2) because of the person's failure referred to in paragraph 42SA(1)(b) or (ba)", substitute "non-attendance failure penalty period". This amendment goes to the issue of the failure penalty period. It amends item 24 of the bill. The amendment omits the words 'period for which the participation payment is not payable under subsection 42SA(2) because of the person's failure referred to in paragraph 42SA(1)(b) or (ba)', and substitute "non-attendance failure penalty period". This change is consistent with the wording of proposed subsection 42T(3B) in amendment (9).

Question agreed to.

Senator CAMERON (New South Wales) (21:27): I move opposition amendment (9):
(9) Schedule 1, item 24, page 9 (after line 11), after subsection 42T(3A), insert:
(3B) For the purposes of subsection (3A), the non-attendance failure penalty period is the period:
(a) beginning on the day the person is notified by the Secretary of the determination under subsection 42SA(1); and
(b) ending on the day the period under subsection 42SA(2) ends.
Amendment (9) goes to the issue of payment suspension—failure penalty period to begin on the day the secretary notifies of the determination. It inserts a new subsection 42T(3B). This amendment to the subsection requires that the first day for which a participation failure penalty is calculated is the day on which the secretary notifies a person of the secretary's
determination under subsection (1) that a participation payment is not payable as a result of noncompliance with a participation penalty. Again, I dealt with these issues in my speech in the second reading debate. I think that what this amendment is all about is well understood.

Question agreed to.

Bill, as amended, agreed to.

Bill reported with amendments; report adopted.

**Third Reading**

**Senator ABETZ** (Tasmania—Leader of the Government in the Senate, Minister Assisting the Prime Minister for the Public Service and Minister for Employment) (21:29): I move:

That this bill be now read a third time.

The Senate divided. [21:34]

(The Acting Deputy President—Senator Back)

Ayes ......................43
Noes ......................10
Majority ................33

AYES

Back, CJ
Bullock, J, W,
Cameron, DN
Carr, KJ
Collins, JMA
Day, R.J.
Faulkner, J
Ferravanti-Wells, C
Heffernan, W
Lazarus, GP
Ludwig, JW
Macdonald, ID
Marshall, GM
 McGrath, J
McLucas, J
Muir, R
O’Sullivan, B
Polley, H
Ruston, A
Sinodinos, A
Wang, Z
Xenophon, N

Birmingham, SJ
Bushby, DC (teller)
Canavan, M.J.
Colbeck, R
Dastyari, S
Edwards, S
Fawcett, DJ
Gallacher, AM
Ketter, CR
Lines, S
Lundy, KA
Madigan, JJ
McEwen, A
McKenzie, B
Moore, CM
O’Neill, DM
Peris, N
Reynolds, L
Singh, LM
Sterle, G
Williams, JR

NOES

Hanson-Young, SC
Ludlam, S
Rhiannon, L
Siewert, R (teller)

Lambie, J
Milne, C
Rice, J
Waters, LJ
Question agreed to.
Bill read a third time.

National Water Commission (Abolition) Bill 2014
Second Reading

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

Senator SINGH (Tasmania) (21:37): I rise to provide the house with Labor's position on the National Water Commission (Abolition) Bill 2014, a gratuitous bill in which I see no merit. Labor opposes it in its entirety without amendment. Mr Adam Lovell, the Executive Director of the Water Services Association of Australia, put it very well when he said:

The potential closure of the National Water Commission along with the abolition of the COAG standing council this year means that water management is, almost inconceivably, left with no focus at the national level. From an industry managing more than $120 billion worth of assets—at least in an urban sense—and $15 billion in turnover, it seems almost unbelievable that governments, both federal and state, would not see a need for national leadership.

On behalf of the Labor Party, I would like to assure Mr Lovell and his many constituent businesses that, at the federal level, there is a government in waiting at least that understands the need for national leadership and guidance of Australia's unfinished water reform process.

The government's moves to abolish the National Water Commission are nothing more—and probably less—than the latest absurd example of the Abbott government's bogus budget savings mantra. The government's rationale for abolishing the National Water Commission is that there has been considerable progress in national water reform and that there is an expected saving of $20.9 billion over the forward estimates. Despite this government's flexibility with the English language, even it could not argue that 'considerable progress' means all necessary water reforms in Australia have been achieved or even partially completed. Even Senator Birmingham—who, I am pleased to say, is taking this bill through for once; he has been given the role in his portfolio to do so—has made it clear that the National Water Commission is integral to getting water reform right in this country and that it must see through the unfinished National Water Initiative, see through the unfinished Murray-Darling Basin reform and hold governments to account to get sustainable management of Australia's water resources in a way that is market driven and that ensures that finite water is used for the best possible purpose at the best possible value and causes—be they in rural communities or urban infrastructure.

For all the successes of the National Water Commission, there remains much more to be achieved. Rural and regional towns and cities are, particularly in New South Wales, lacking water security and are likely to face severe water shortages before the end of the coming summer. Improvements in water efficiency and water conservation as well as new water resources will be required and without the National Water Commission there is no clear avenue through which to drive and harness the benefit from national coordination in water resources.
reform. Water reform in the Murray-Darling Basin under the Basin Plan is only just beginning to take shape, with the full effect of the plan not expected until 2019 and a number of key milestones to be met by the states and the Commonwealth in the meantime—milestones which the Productivity Commission is not equipped to measure.

Under this legislation the Productivity Commission will take over responsibility for assessing progress on the National Water Initiative implementation, for weakened audits on the implementation of the Murray-Darling Basin Plan as required by the Water Act, for audits of the implementation of the Basin Plan and associated water resource plans, for monitoring water markets and payments to basin states and for the biennial National Water Planning Report Card. These are the most important responsibilities, which even the few stakeholders open to the abolition of the National Water Commission listed as critical. The National Farmers' Federation representative at the Senate inquiry said that holding the states and the Commonwealth to account for actually delivering on water reforms was critical indeed, and that the assessment and audit function—making sure that the states and territories do not mark their own homework—was No. 1 for them. I warn the National Farmers' Federation that it will be disappointed—

Senator Heffernan: Mr Acting Deputy President, I rise on a point of order. Obviously the senator is doing a great job—

The ACTING DEPUTY PRESIDENT (Senator Back): What is your point of order, Senator Heffernan?

Senator Heffernan: My point of order is that she does not know what she is talking about. The greatest fraud on the public purse in recent times was the Nimmie-Caira buyback, which was $185 million of federal fraud.

The ACTING DEPUTY PRESIDENT: Senator Heffernan, thank you. Yours is a debating point.

Senator Heffernan: Oh, is it?

The ACTING DEPUTY PRESIDENT: You can get onto the speakers list at any time, and we will enjoy listening to your contribution.

Senator Heffernan: Senator Singh, you are reading out a speech that someone wrote for you.

The ACTING DEPUTY PRESIDENT: Thank you, Senator Heffernan. Resume your seat—

Senator Heffernan interjecting—

The ACTING DEPUTY PRESIDENT: Senator Heffernan, would you resume your seat, thank you. Get onto the speakers list.

Senator SINGH: Thank you, Mr Acting Deputy President. You would think that Senator Heffernan has been in this place long enough to know what a genuine point of order is.

The ACTING DEPUTY PRESIDENT: Please continue, Senator Singh.

Senator SINGH: Nevertheless, it is 9.44 at night, and perhaps Senator Heffernan has lost sense of what he is in here for.

The ACTING DEPUTY PRESIDENT: Do not be distracted, Senator Singh.
Senator SINGH: I warn the National Farmers’ Federation that it will be disappointed by the government because allowing the states and territories to mark their own homework is exactly what this government plans to do. This government will weaken the National Water Commission’s formal assessment tasks into a far less rigorous procedure of voluntary self-reporting by the Commonwealth, states and territories—a procedure merely coordinated by the Productivity Commission. This far less rigorous process will ensure states and territories mark their own homework. The No. 1 fear of the National Farmers Federation will come true. Partly this is because the Productivity Commission simply is not an auditing agency. There are other bodies better equipped to undertake this kind of function like, for example, the National Water Commission itself.

Most submissions to the Senate inquiry dismissed the government's claim that dispersing responsibility for the administration of the National Water Commission’s responsibilities between the Productivity Commission, the Department of the Environment and the Australian Bureau of Agricultural and Resource Economics and Sciences would deliver anything like the effective and constructive contribution of the NWC to water reform priorities in Australia. And to quote the Australian Conservation Foundation:

To abolish the National Water Commission … and give responsibility of water management to the Productivity Commission would be a short-sighted and backward step, particularly in the absence of substantial changes to the mandate and operation of the Productivity Commission. It would likely result in another wave of conflicts over water due to the absence of what all sides regard as a well-respected expert independent body.

So the Productivity Commission is not currently equipped under its enabling legislation nor its staffing profile to deliver the kind of collaboration and stakeholder engagement needed on this unimaginably important social, environmental and industrial issue.

Ironically, in its 2012-13 annual report the Productivity Commission described the 'diminution of specialist public sector research bureaux' as a contributing factor to Australia’s failures in the area of evidence-based policy development, which it describes as 'an essential element of all good policy'. But the government has given no indication that it will address the weaknesses in the Productivity Commission’s legislation to better equip it to carry out its new responsibilities. By now, the government has admitted many times there is no budget crisis, there is no budget emergency. It should reconsider the necessity—

Senator Birmingham: Sorry? I'm not admitting that!

Senator SINGH: Well, that is what Joe Hockey has made very clear—that there is no budget emergency.

Senator Birmingham: You are verbalising him somewhat, Senator.

Senator SINGH: Senator Birmingham, you may not be admitting that but your Treasurer is admitting that.

The ACTING DEPUTY PRESIDENT: Order! Communication will go through the chair, and Mr Hockey will be referred to as Mr Hockey. Senator Birmingham, please allow Senator Singh to continue.

Senator SINGH: Thank you, Mr Acting Deputy President. The government should reconsider the necessity of its paltry and mean saving because there is no rationale behind it. The government will save slightly more than nothing—to be specific, 0.0001 per cent of
government expenditure over the forward estimates—by abolishing the National Water Commission, but it will lose every dollar of the extraordinary value of the corporate knowledge, subject expertise and universally acknowledged independence of the National Water Commission. For a saving of one-thousandth of a per cent, the government endangers the more than $13 billion that has been invested in water reform, particularly in the Murray-Darling, that is delivering value for money. This is not a rationale. Just because the abolition of the National Water Commission is one of the few recommendations from the discredited Commission of Audit this government is pursuing to make this futile exercise appear worthwhile, that is no rational reason to cast aside the jobs, the people and the potential for ongoing water reform guaranteed by the existence of the NWC.

But I fear that, once again, rationality has played no part in a policy decision of this government. Instead it seems that, once again, ideology is what is trumping all. The abolition of the National Water Commission is perhaps the most illogical example of the government's pogrom against those Australian agencies and programs that have until recently been successfully tackling the impacts of climate change. This government has now attacked or destroyed: the renewable energy target, the Climate Change Authority, the Clean Energy Finance Corporation, the Australian Renewable Energy Agency, the Climate Commission, the Biodiversity Fund, the carbon price, the energy efficiency opportunities legislation and now the National Water Commission. All of these agencies and programs are, or were, successful at tackling climate change. None of them have been more successful over such a long period of time as the National Water Commission. Indeed, its proud record of achievement has been charted in Hansard numerous times by Senator Birmingham himself. One only has to go to Hansard to find Senator Birmingham on the record, proudly highlighting the achievements of the National Water Commission.

The vast majority of the 32 public submissions to the Senate inquiry into this bill supported maintaining the National Water Commission and its funding. That is something for the government to listen to—the vast majority of public submissions that were provided to its own Senate inquiry. The proposed termination of the NWC will see advice from the agencies diverted through the minister's political advisers, as the government desires. This outcome will disappoint many of those submitters to that Senate inquiry who emphasised the importance of the NWC's perceived and actual independence. The submission of Environment Centre NT noted:

Independent Federal oversight of the [National Water Initiative] is required to ensure water resources are far less likely to become depleted, that resource allocation decisions are made under a fair, transparent and informed process …

Importantly, research conducted and funded by the NWC has also been critical to building well-informed decision-making processes around water resource allocation and management.

Professor Richard Kingsford, director of the Centre for Ecosystem Science at University of New South Wales, said in his testimony to the inquiry:

I think that one of the great strengths of the National Water Commission has been that it has been at arm's length from government. Not only that: it has had expertise in the fact that the water commission is at the top, representing the different water sectors. That was very important in criticising, often, the way water was managed in the states and by the Commonwealth. My biggest concern, which I have articulated in my submission, is the opportunity for shifting responsibility across different parts of
government if we do not have this function at arm's length of government, as it was for the National Water Commission.

I think that is my biggest concern about the abolition of the National Water Commission. It was a trusted entity by all parties: even though sometimes the states did not like what came out of it, everybody respected it as a sort of independent umpire.

That submission speaks for itself and it replicates so many submissions that were made to that Senate inquiry that this government now chooses to ignore through its abolition bill—something Senator Birmingham knows very well through his past involvement in this portfolio area, something I hope that he chooses to not ignore when he makes his contribution on this bill.

Australia's society, climate and reliance on water demands devoted, collaborative, whole-of-government and leading-edge management of Australia's most valuable economic, societal and environmental resource. Without an independent agency not only is there a risk of inefficient management and thus the prospect of increased bills; a significant and entirely unnecessary threat of jurisdictional and stakeholder backsliding on water reform and the multiparty support that has been a hallmark of the Nation Water Initiative is in jeopardy of breaking down. This risk has already become manifest, according to the submissions provided by the Water Association, the Water Services Association of Australia, Konfluence and Watervale Systems. They said:

Unfortunately we are already seeing backsliding from States in relation to implementing the National Water Initiative:

- increasing politicised pricing determinations with rates of return that will not encourage private sector investment,
- in many growing regional centres the transition to upper bound pricing is slow to non-existent, and
- poor governance arrangements, for example some governments have not moved towards upper-bound pricing for utilities which is a clause stipulated in NWI.

There is no doubt that a national, coordinated approach to water reform is needed to deliver on the National Water Initiative to: give frank and fearless advice to governments of all persuasions across jurisdictions; engage Australians and promote the need for and benefits of ongoing water reform; ensure plans are made to secure Australia's economic future; improve vital economic regulation across the water sector; facilitate increased private sector investment; improve the robustness of urban water planning; and ensure the water sector maintains and improves its performance over the long term.

The rationale presented to justify the abolition of the National Water Commission lacks rigour. The National Water Commission has been very effective in promoting and progressing water reform, and preparing Australia for the impacts of climate change. It still has much critical work left to do, if only this government would allow it to do that critical work. Unfortunately, if this governments gets its ideological, denying way, it will succeed in abolishing a successful, respected and valuable government agency. I feel that the words of Professor Richard Kingsford offer the most accurate and the most appropriate testament to the work of the National Water Commission and its staff. Professor Richard Kingsford said:

I think the NWC has done a phenomenal task over the most extraordinary landscape of controversy in the period that it has existed ... I think what we have actually seen driven and very well formulated by
the work of the National Water Commission is nothing short of probably Australia's most fundamental reform process in the last 100 years.

In the last 100 years, Mr Deputy President, and this is what this governments wants to abolish all for the saving of one-thousandth of a per cent for its budget bottom line. This is nothing short of an ideological position by this government. It fits very well with its ideological position in regard to climate change, in regard to pricing carbon, and in regard to renewable energy, and is another backward step that this country is taking in regard to water reform. It does nothing to advance Australia's interest in the water reform space or the climate change space, and that is why those of us of the opposition in the Labor Party will not be supporting this very disingenuous and short-sighted piece of legislation.

Debate adjourned.

ADJOURNMENT

The DEPUTY PRESIDENT (21:58): Order! I propose the question:

That the Senate do now adjourn.

Abbott Government

Senator McGrath (Queensland) (21:58): Having entered this place only five months ago, this is going to be my first Christmas as a senator for Queensland. As is customary at Christmas, you think about the year that has passed and the year ahead, and you think about those who have helped you and those who have hindered you along the way. But, also, you start to think about those people who have been good and those whom you would like Santa Claus to bring presents to. I should particularly mention three wonderful people in the whips office, otherwise I will never get a speaking slot in this place ever again—Charlotte, Bec and Megan. I hope that they take this offering in goodwill.

There are those who are good and those who are bad. The Labor Party and the Greens, I am afraid, have been very naughty boys and girls this year, and I do not think Santa Claus is going to be bringing too much for my friends in the Labor Party and the Greens. I think there might be some lumps of Queensland coal for the Labor Party and, hopefully, extra coal for the Greens because of their naughtiness and how they have behaved, sadly, over these past few months.

I would like to set the record straight, to remind the Greens and Labor of the achievements of this government. If I have time, I can then highlight some of the disappointments and some of the naughtiness of Labor and the Greens. It would be very wrong of me to talk about what happened in our party room today, and I would get in lots of trouble from the whips office, but what is in the public sphere at the moment is the presentation that the Treasury gave about the highlights and the wonderful things that this government has been able to do since the election on 7 September 2013. So what I am going to do is just very, very quickly give you a highlight—

Senator Moore interjecting—

Senator McGrath: I know my friends in the Labor Party really, really look forward to this!

Senator McEwen: You're going to sing it, are you?
Senator McGRATH: I am not going to sing. If there is one thing you do not want, it is to hear me sing—or even to watch me dance.

Senator Birmingham: We've had dancing in the chamber before!

Senator McGRATH: I will not be dancing. I do not do that. I am very puritan in that respect. But let us talk about what the government has been able to do in the almost 15 months that it has been in power. It has commenced the budget repair job, and isn't that fantastic, ladies and gentlemen? It is fantastic. It has started to get the budget back under control.

We have delivered the largest infrastructure package ever. You can go to Queensland and see where the infrastructure is starting. If you go along the Gateway near Deagon, you can see the works and the planning for what is going to happen. We can talk about the Bruce Highway and the extra funds that are going to go into the Bruce Highway. As a senator who lives in regional Queensland—admittedly the Sunshine Coast but I spend a lot of time driving up and down the Bruce Highway—I am particularly excited about the work they are going to do on the Bruce Highway.

We have repealed the mining tax. We have repealed the carbon tax. We went to the election saying we would get rid of those taxes, and we have delivered. We have got rid of that carbon tax. We have got rid of that mining tax. Do you know what has happened with that? After getting rid of those taxes, we have seen the largest falls in electricity prices on record. For those Queenslanders listening at the moment—farmers driving their tractors and things like that, if they are still out there tonight—that means that your electricity prices are going to go down. We have got another hot summer coming up, as we always have in Queensland—it is not to do with climate change; we live in a hot state—and this means electricity prices are going to be lower and people's electricity bills are going to be lower.

We have privatised Medibank Private, in one of the largest floats this year globally, and we have raised over $1 billion more than was expected. Do you know what that means? That means that money is going to go to pay off the debt that the axis between the Greens and the Labor Party wreaked upon future generations of Australians. That debt is $1 billion a month in interest alone. So we have privatised Medibank Private.

We have removed around $2 billion worth of red tape. That is over 57,000 pages of legislation. That is probably about this much. For people listening at home, I have put my hand up about two feet high. That is a lot of legislation. That is a good thing.

Senator Moore interjecting—

Senator McGRATH: Senator Moore, I realise you are very excited about this, but it is a good thing we are getting rid of red tape.

We have also ended—and this is quite serious—the age of entitlement for industry. We have made some tough decisions in relation to the car industry, and that has not necessarily been popular in some parts of this country. But it has helped us to finalise three free trade agreements—with Korea, Japan and China. What that is going to do for the Australian economy and the Asian economy, opening up borders, is fantastic. We have to think about our geographical placement, and having those three free trade agreements will certainly cement us as part of Asia.
We have delivered smaller government. I think most people here know that I am a big fan of small government, and getting rid of 76 agencies, authorities and boards is a positive start. I would like to see some more progress in that area, but that is just me speaking as a mere backbencher.

We have also had $1 trillion worth of environmental approvals. Over 300 major projects have been approved. That means jobs. It means jobs for people not just in Queensland but across Australia. It means that we can get this country moving again. The more jobs we have, the more money people can earn. The more they can spend, the more it grows the economy. We really want to grow the pie for all Australians.

But we have done other things. We have rebuilt the employee share schemes, because we want people to be able to own the companies they work for. We have dealt with Labor's tax backlog. I was a bit surprised about this, because Labor and the Greens are the parties of tax—and I respect them for that; those are the views they hold; I disagree with their views—but there are almost 100 unenacted tax measures. Some of these measures have not been enacted for so long that, when the Treasurer was wandering around the Treasury building, he could not find any public servants who knew what these tax measures dealt with, because they have been waiting there for so long to be enacted. We have taken the leadership—and this was shown in the G20—in cracking down on tax cheats: a 15-point plan with the OECD.

But we have got more to look forward to this coming year. It is going to be a very exciting year. I am a new person here, but everyone says that, in the last sitting week, everyone puts the cranky pants on and people get a little bit short with each other, but I am very excited about this coming year, because we have got some very exciting things happening. We have got the Federation white paper coming out. I am really excited about that and what that means in terms of how the different levels of government deal with each other. We have got the tax white paper coming out, which I also find terribly exciting. We have got the Intergenerational report, which will come out in February. We will hopefully have further progress on budget reforms. And—and I think we should all agree on this—we have got other free trade agreements that we should encourage the government about. I think Labor would come together with us and support further free trade agreements—with Europe, with India and with the Gulf council.

Senator Birmingham: We have negotiated them; we have just not finalised them.

Senator McGrath: Finalising them would be very good. What is a little bit disappointing is how Labor—and this is why they are going to get a nice lump of Queensland coal from Santa Claus for Christmas—are sabotaging the budget and stopping us from getting on and getting the budget back on track. Labor are opposed—and, Mr Deputy President, I am sure you will be shocked to hear this—to $28 billion worth of savings, and this includes $5 billion worth of their own savings. I hope that Labor, when they are having a sip of communion sherry or something like that over the break, will decide that they will support these changes to help us get the budget back on track.

The other thing is that Labor want an additional $15 billion of spending restored. That would worsen the budget bottom line down to $43 billion. Australia just cannot afford that. While Santa might bring his presents for free—and he is a good person, and I love Santa for that—the budget does not come for free; it is the Australian taxpayers who pay for that. I hope that the Labor Party and the Greens realise that they cannot just keep squeezing the poor
Australian taxpayer to pay for their unfunded promises. I hope that they will join with us in helping to restore the budget bottom line.

The DEPUTY PRESIDENT: Thank you for that entertaining contribution.

Queensland: Occupational Health and Safety

Senator LUDWIG (Queensland) (22:09): I rise tonight to speak on occupational health and safety in my home state of Queensland. Far too often there is little attention paid to the impact that workplace health and safety has on working Australians and their families when it fails to provide the protections that it is meant to. During the 10-year period ended in 2012 Australia saw a 28 per cent annual reduction in the incidence of work related injuries. During the same period our nation saw a 42 per cent decrease in annual compensated work related fatalities. Whilst these numbers are encouraging, there is still much work to be done: 531,800 people in Australia suffered a work related injury or illness in the last year and 180 people, unfortunately, died. That is why today I take this opportunity to highlight work being done in my home state at the University of Queensland. The work is scheduled for completion in mid-2016.

The Centre for Research on Exercise, Physical Activity and Health within the School of Human Movement Studies won a grant from the Heart Foundation to examine employees' and employers' perceptions of physical activity in the workplace. It was a small grant but worthwhile. The $150,000 grant will be used to identify practical solutions to promote activity and encourage workers to sit less through the day. This research will support the Heart Foundation's work to advocate for activity-promoting workplaces. According to the lead researcher, Professor Wendy Brown, if workplaces encourage more physical activity and discourage long periods of uninterrupted sitting at work, the risks of employees developing certain health problems can be significantly reduced. These health problems include ailments that kill many Australians every year, such as heart disease, type 2 diabetes and some types of cancer.

The research will use focus groups to explore the knowledge, attitudes and perceptions that employees and managers have of sitting and moving at work, and ideas and ways for improving workplace activity patterns. Professor Brown said that the research will target people working in the transport, mining and manufacturing industries as well as in call centres and private sector offices. By interviewing managers in the same companies they do hope to discover existing policy initiatives and the feasibility of introducing further strategies to encourage less sitting and more activity in the workplace.

Dr Nicholas Gilson acknowledged the role that unions play in mediating between employees and employers along with the role played by OH&S managers. They are hoping to investigate the role that managers play in championing physical activity guidelines and promoting a workplace culture of moving more and sitting less. The end result will be a two-part report that will highlight strategies that support and influence the creation of activity-promoting workplaces, barriers to making positive changes and practical resources with best-practice case studies.

Work safety is good for the Australian economy, good for productivity and good for workers and their families. I take this opportunity to commend the University of Queensland and their partners in this research for taking proactive action to support working families in
this important area of Australian life. However, while researchers are looking for new and innovative ways to protect the health and wellbeing of Australian workers, members opposite and their state counterparts in the Queensland government are doing their very best to erode even the most basic existing protections—protections that have been fought for over many generations by working Australians and the unions which represent them. This includes the attacks by the Abbott government on the Road Safety Remuneration Tribunal and their intent to reintroduce the Australian Building and Construction Commission and to change access to the Comcare scheme. We have seen attacks by the Abbott government on the Asbestos Safety and Eradication Agency as well.

Do not be deceived: these attacks are a short-term policy at the expense of long-term productivity, health and safety. These changes are being made by a Prime Minister who said before the election that he would not attack workers' conditions. Well, workers' conditions are being attacked by this government. If it was not enough that he had his fingers on their penalty rates and super, he is coming for some of the most basic hard fought for protections. To top it off, if those opposite have their way, when hardworking Australian workers do get sick or injured at their workplaces they will be slugged with a fee to see a doctor.

Similarly, Mr Abbott's Queensland counterpart, Premier Campbell Newman, has been attacking OH&S protections at the state level. We have seen changes that reduce a person's access to compensation based on the level of their perceived injury. Specifically, if an employee did not meet the quota set out by the government that determines the severity of their injury, they would not be entitled to seek common law remedies against their employer, even if their employer could be shown to have been negligent in maintaining workplace safety. These are not the only changes to worker safety regulations that have put against Queensland workers. The Work Health and Safety Act came into effect in May. Among the dangerous changes made by this legislation were a requirement that union officials with a right to entry permit give 24 hours notice before they can enter a workplace to investigate an OH&S violation and removing the power of a health and safety representative to direct workers to cease unsafe work should they become aware of a risk in the workplace. These changes by Liberal governments at both the state and federal level show where their priorities lie. If they can save their rich mates a few dollars here and there they will cut anything they can from Australian workers and their families.

On a happier note, as we approach the festive season can I enjoin with one thing on which I do agree with the Queensland government WorkCover and that is to make sure workers stay safe during this time. It is a dangerous period for workers. WorkCover advises that claims tend to rise as we approach the Christmas period. At this time everybody is rushing to finish things before the Christmas holidays. They are busy finalising their work. It can be very easy to lose concentration and this can lead to mistakes and injuries. If your business is employing temporary workers to cover the holiday season or adding staff to deal with the holiday rush, do take a moment to remember to ensure they have a full safety induction, that they have been briefed and trained in the operational safety of machinery. And turn an eye to temporary workers: they can also be at a greater risk because they are hired for a short period and most often for a specific job and they can be vulnerable to not receiving the full safety training. It does not stop there. We also need to ensure they also are well trained before entering workplaces.
Christmas parties can be a great time to catch up with co-workers and to celebrate the year's end. It is also worth remembering from the perspective of employers and employees that the safety message still applies. It is still a workplace, one to which everyone wants to return after the pleasant co-worker engagements and then to meet their families. To employers, please do all you can to ensure your workers stay safe over the festive season.

**International Day of People with Disability**

**Senator SIEWERT** (Western Australia—Australian Greens Whip) (22:18): Tomorrow, 3 December, is International Day of People with Disability, which is a United Nations sanctioned day which aims to promote an understanding of people with disability and to encourage support for their dignity, rights and wellbeing. Under the United Nations Convention on the Rights of Persons with Disabilities, Australia is obligated to ensure and protect all human rights and fundamental freedoms for people with disabilities. Under the convention, article 1 says:

> The purpose of the present Convention is to promote, protect and ensure the full and equal enjoyment of all human rights and fundamental freedoms by all persons with disabilities, and to promote respect for their inherent dignity.

Article 16 says:

> States Parties shall put in place effective legislation and policies, including women- and child-focused legislation and policies, to ensure that instances of exploitation, violence and abuse against persons with disabilities are identified, investigated and, where appropriate, prosecuted.

It also has a number of other articles which go to the safeguards of people with disabilities. Last week, we had a call for—which I strongly support, as do 10,000 Australians at the last count on the petition—a national inquiry into looking at issues of exploitation, violence and abuse against persons with disability, especially women, which is far more excessive than violence against the general population. Ninety per cent of Australian women with an intellectual disability have been subject to sexual assault, domestic violence or other forms of violence. There is no national coordinated legislation to prevent and address violence against people with disability, including family domestic violence. The United Nations treaty monitoring bodies have made strong recommendations to Australia in regards to addressing all forms of violence against people with disability.

Data on violence and abuse against people with disability is often not collected and is recorded in house and reduced to administrative error. There is no independent statutory national protection mechanism to protect, investigate and enforce findings related to abuse experienced by people with disability. People with disability living in institutional settings continued to experience violence, particularly sexual violence, in residential and institutional settings, where they frequently experience sustained and multiple episodes. This is a national disgrace which deserves a national inquiry. I have had email after email from people telling me why they think there should be a national inquiry. I do not have time to read out all I have received about I want to read why they think there should be a national inquiry. I will begin with someone who has asked not to be named. In fact, most people have asked not to be named. I have an email saying:

Hello,

I am a disability advocate. I have spastic quadriplegia, otherwise known as cerebral palsy
Five years ago, I was in institutional care, where I had to have support workers take care of me 24/7 due to my disability. During my stay there, I saw and experienced things people should never ever have to experience. Support workers would forget to give me food and water and even forget to feed me my medications, crucial to my living. There was also a time where I suffered acute dehydration and constipation, because they did not give me my water through my feeding tube. Lastly, my chair was often soiled with urine and faeces because no-one checked on me or gave me enough time on the toilet. My chair also broke often, because these workers did not know how to operate it. Most of the time, I would sit in my room alone, helpless and feeling sorry for myself. Throughout my time there, I was constantly under emotional distress, so much so that for a time I stopped eating.

I was also sexually abused during my stay there, but I do not feel comfortable talking about it in the email. I would rather talk about it face-to-face.

I have also seen other incidences happening where clients fall out of their hoists and out of bed on a regular basis, because the care centre did not offer support workers sufficient training in hoisting or lifting. Other clients were also given the wrong medications and had to have their stomachs pumped in a hospital.

I am writing to you to let you know that there is a great need for a national inquiry by the Federal government into all aspects of disability care in institutional settings.

We hear too often of people being taken advantage of sexually and physically. Their liberties were taken away from them and they have no way of speaking out. I want to get my story out and speak on behalf of these disadvantaged and marginalised individuals. I was lucky to have got out. Others, not so much.

I am calling on the media to help us vulnerable people with disabilities have a chance to speak out, and obtain justice. We do not talk enough about the physical and emotional toll it takes on these individuals.

What is worse, if you are unable to communicate your problems, or have family or friends to support you, you are left with no hope, nowhere to go and certainly no justice.

Given the 4 Corners interview about Yooralla, I think now is the right time for a positive cultural change. It is sickening to think that a lot of abuse goes unnoticed. More so, when the Federal government chooses to turn a blind eye, and place the responsibility on the states.

It is time for care service providers to be made accountable, and for clients to be able to heal from the pain, anger and torture that they have suffered.

To do this we need a national inquiry. It is not enough for the Federal government to say that the states should deal with a systemic problem.

Another one said:

My son has severe autism and a chromosome abnormality that makes him very small and very cute. He has only been in residential care twice. He was 8 years old when respite once a month at a residential care unit was suggested to me by my case manager. He looked more like a 4 year old. I expressed my fears that as he cannot speak I would have little way of knowing if anyone hurt him if he was out of my care. My case worker pointed to the real importance of me needing a break and respite; and that my son would be okay without me in the safe care of professionals. The first weekend he came home happy; but when I picked him up the second time he was not making his usual happy noises. When we arrived home and I asked him if he hadfun, he began to shake uncontrollably. This was unusual. I had to hold and cuddle him in my arms for three hours as he shook as if he’d been terrorised. He would not let me go. I have no idea of what happened at the residential care house, but I had never seen him this scared.

Watching 4 Corners last weekend made me feel physically sick. Why is it that the government is not doing more to protect these precious people. I vote—I will always be my son's voice. Do something about the rampant abuse of special needs people please! I can't care for my son for the rest of my life.
alone, and what happens when I die? We are vulnerable and count on a national inquiry into the abuse of people with disability.

This one is from a support worker:
I have worked as a support worker for the past almost four years and have worked with some beautiful, beautiful people of all abilities in that time. But I have also seen people spoken to and treated in some awful ways. The majority of staff I work with are people who have genuine respect for the people they support. But the system is incredibly under-resourced and only getting more stretched and stressed as the NDIS rolls out.

Here is another one:
As a disabled person myself, I support a move to a national inquiry into abuse in the disability sector. I was fortunate to be in a service provider for three years where everyone but one carer was respectful and ethical towards people with disability. The one carer in question was acting inappropriately when I was around, but thankfully when I spoke out action was taken and the person was kicked out. While my service provider acted in good faith, others have not. And that is why this inquiry is needed about how much neglect, abuse and assault there are in the disability sector in Australia.

And here is another one:
It is inappropriate to investigate only Yooralla when the evidence is that the abuse of people with disabilities is across many services, including children at schools. It is inappropriate for the state to investigate as it will be investigating itself in the main and its own subcontractors. This presents a significant conflict of interest. A national inquiry, properly resourced is the only appropriate response.

And finally:
It is just not on for anybody to abuse anybody else. Ever!

The DEPUTY PRESIDENT: Thank you, Senator, for bringing that to the attention of the Senate. The Senate stands adjourned and will happily meet again tomorrow at 9:30 am.

Senate adjourned at 22:28

DOCUMENTS

Tabling

The following documents were tabled by the Clerk pursuant to statute:

Tuesday, 2 December 2014


National Health Act 1953—
National Health Determination under section 84AH (2014) (No. 5)—PB 96 of 2014 [F2014L01611].
National Health Determination under paragraph 98C(1)(b) Amendment 2014 (No. 11)—PB 90 of 2014 [F2014L01599].
National Health (Highly specialised drugs program for hospitals) Special Arrangement Amendment Instrument 2014 (No. 9)—PB 93 of 2014 [F2014L01610].
National Health (Listed drugs on F1 or F2) Amendment Determination 2014 (No. 11)—PB 95 of 2014 [F2014L01609].
National Health (Prescriber bag supplies) Amendment Determination 2014 (No. 1)—PB 91 of 2014 [F2014L01607].
National Health (Price and Special Patient Contribution) Amendment Determination 2014 (No. 7)—PB 89 of 2014 [F2014L01597].


Public Service Act 1999—Public Service Classification Amendment (Work Level Standards and Other Measures) Rule 2014 [F2014L01601].

Tabling

The following documents were tabled by the government pursuant to statute:

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CHAMBER
Australian Human Rights Commission—KA, KB, KC and KD v Commonwealth of Australia (Department of the Prime Minister and Cabinet, Department of Social Services, Attorney-General’s Department)—

Report No. 80.

Statement by the Attorney-General (Senator Brandis).


Health—

Eating disorders—Letter to the President of the Senate from the Minister for Health (Mr Dutton), dated 26 November 2014, responding to the resolution of the Senate of 3 September 2014.

Medical internships—Letter to the President of the Senate from the Minister for Health (Mr Dutton), dated 24 November 2014, responding to the resolution of the Senate of 2 October 2014.

Human Trafficking and Slavery Interdepartmental Committee—Sixth report—Trafficking in persons: The Australian Government response, 1 July 2013 to 30 June 2014.


Treaty—Bilateral—Treaty on Mutual Legal Assistance in Criminal Matters between Australia and the Socialist Republic of Viet Nam (Sydney, 2 July 2014)—Text, together with national interest analysis.