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For searching purposes use http://parlinfo.aph.gov.au

**SITTING DAYS—2015**

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**RADIO BROADCASTS**

Broadcasts of proceedings of the Parliament can be heard on ABC NewsRadio in the capital cities on:

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For information regarding frequencies in other locations please visit http://www.abc.net.au/newsradio/listen/frequencies.htm
FORTY-FOURTH PARLIAMENT
FIRST SESSION—SIXTH PERIOD

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

Senate Office holders
President—Senator Hon. Stephen Parry
Deputy President and Chair of Committees—Senator Gavin Mark Marshall
Temporary Chairs of Committees—Senators Christopher John Back, Cory Bernardi,
Sam Dastyari, Sean Edwards, Alexander McEachian Gallacher, Susan Lines,
Deborah Mary O'Neill, Nova Maree Peris OAM, Dean Anthony Smith,
Zdenko Matthew Seselja, Glenn Sterle, Peter Stuart Whish-Wilson and John Reginald Williams
Leader of the Government in the Senate—Senator Hon. Eric Abetz
Deputy Leader of the Government in the Senate—Senator Hon. George Henry Brandis QC
Leader of the Opposition in the Senate—Senator Hon. Penny Wong
Deputy Leader of the Opposition in the Senate—Senator 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 Hon. Penny Wong
Deputy Leader of the Opposition in the Senate—Senator Hon. Stephen Conroy
Leader of the Australian Greens—Senator Richard Di Natale
Co-deputy Leaders of the Australian Greens in the Senate—Senator Scott Ludlam and
Senator Larissa Joy Waters
Chief Government Whip—Senator David Christopher Bushby
Deputy Government Whips—Senators David Julian Fawcett and Anne Sowerby Ruston
The Nationals Whip—Senator Barry James O'Sullivan
Chief Opposition Whip—Senator Anne McEwen
Deputy Opposition Whips—Senators Catryna Louise Bilyk and Anne Elizabeth Urquhart
Australian Greens Whip—Senator Rachel Siewert

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

<table>
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<tr>
<th>Senator</th>
<th>State or Territory</th>
<th>Term expires</th>
<th>Party</th>
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<td>Abetz, Hon. Eric</td>
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<td>Back, Christopher John</td>
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<tr>
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Pursuant to section 42 of the Commonwealth Electoral Act 1918, the terms of service of the following senators representing the Australian Capital Territory and the Northern Territory expire at the close of the day immediately before the polling day for the next general election of members of the House of Representatives.

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<td>Peris, N.M.</td>
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(1) Chosen by the Parliament of New South Wales to fill a casual vacancy (vice R. Carr), pursuant to section 15 of the Constitution.
(2) Chosen by the Parliament of New South Wales to fill a casual vacancy (vice J Faulkner), pursuant to section 15 of the Constitution.
(3) Chosen by the Australian Capital Territory Legislative Assembly to fill a casual vacancy (vice K. Lundy), pursuant to section 15 of the Constitution.
(4) Chosen by the Parliament of Queensland to fill a casual vacancy (vice B. Mason), pursuant to section 15 of the Constitution.

**PARTY ABBREVIATIONS**

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

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<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 on Counter-Terrorism</td>
<td>The Hon Michael Keenan MP</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. Charles Porter MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Prime Minister</td>
<td>The Hon. Alan Tudge MP</td>
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<tr>
<td>Minister for Infrastructure and Regional Development (Deputy Prime Minister)</td>
<td>The Hon. Warren Truss MP</td>
</tr>
<tr>
<td>Assistant Minister for Infrastructure and Regional Development</td>
<td>The Hon. Jamie Briggs MP</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>The Hon. Steven Ciobo AO MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Trade and Investment</td>
<td>The Hon. Steven Ciobo MP</td>
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<tr>
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<td>Senator the Hon. Eric Abetz</td>
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<tr>
<td>Assistant Minister for Employment (Deputy Leader of the House)</td>
<td>The Hon. Luke Hartsuyker MP</td>
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<tr>
<td>Attorney-General</td>
<td>The Hon. George Brandis QC</td>
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<tr>
<td>Minister for the Arts (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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<td>Senator the Hon Concetta Fierravanti-Wells</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>Assistant Treasurer</td>
<td>The Hon. Joshua Frydenberg MP</td>
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<tr>
<td>Parliamentary Secretary to the Treasurer</td>
<td>The Hon. Kelly O'Dwyer</td>
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<tr>
<td>Minister for Agriculture</td>
<td>The Hon. Barnaby Joyce MP</td>
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<td>Senator the Hon. Richard Colbeck</td>
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<td>Minister for Education and Training (Leader of the House)</td>
<td>The Hon. Christopher Pyne MP</td>
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<tr>
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<tr>
<td>Minister for Defence</td>
<td>The Hon. Kevin Andrews MP</td>
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<tr>
<td>Minister for Veterans' Affairs</td>
<td>Senator the Hon. Michael Ronaldson</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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<tr>
<td>Assistant Minister for Defence</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Defence</td>
<td>The Hon. Darren Chester MP</td>
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<tr>
<td>Minister for Communications</td>
<td>The Hon. Malcolm Turnbull 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, 16 June 2015

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

Constitutional Recognition of ATSIP

Foreign Affairs, Defence and Trade Joint Committee

Meeting

The Clerk: Proposals have been lodged as follows by the Joint Select Committee on Constitutional Recognition of Aboriginal and Torres Strait Islander Peoples for a private meeting on 17 June at 10 am, and by the Joint Standing Committee on Foreign Affairs, Defence and Trade for public hearings today, from 5.30 pm and on 24 June from 11 am.

The PRESIDENT (12:31): Does any senator wish to put the question on those motions? There being none, we will continue.

BILLS

Communications Legislation Amendment (SBS Advertising Flexibility and Other Measures) Bill 2015

Second Reading

Debate resumed on the motion:

That these bills be now read a second time.

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (12:32):

On the night before the last election, Tony Abbott stared down the barrel of a camera and uttered this earnest vow:

No cuts to education, no cuts to health, no change to pensions, no change to the GST and no cuts to the ABC or SBS.

It was Mr Abbott's final offer to the Australian people, a solemn promise—a promise he made on SBS World News. He asked the Australian people to trust him, to take him at his word. They did. But he lied. And we all know what has happened since. Mr Abbott promised there would be no cuts to SBS, yet last year he cut the budget of SBS by $53.7 million. The Communications Legislation Amendment (SBS Advertising Flexibility and Other Measures) Bill 2015 is intended to allow SBS to put more ads on TV to try to make up for some of Prime Minister Abbott's cuts that he promised not to make to SBS's budget. It is designed to cover up and paper over another broken promise.

There may be good reasons to support some of the measures in this bill, but, if the parliament passes it, it will be complicit in Prime Minister Abbott's broken promise. That is
why the opposition will not support this bill. SBS viewers should not have to watch more ads during their favourite shows to make up for the Prime Minister's and the Liberal Party's lies. Yet this legislation will allow a doubling of the advertising—

**The ACTING DEPUTY PRESIDENT (Senator Williams):** Senator Conroy, I remind you and all senators about using words such as 'lies' and 'lied' and such imputations in this chamber. It is the same in the other chamber: they are unparliamentary. Continue, Senator Conroy.

**Senator CONROY:** On the point of order, I am not quite sure what you are ruling. You have not asked me to withdraw. I would be shocked if you did, because the 'carbon tax lie' is a standard mantra which you yourself have uttered more times than I can count. Every member opposite has used the word 'lie' in direct relation to policies and former Prime Minister Gillard.

**The ACTING DEPUTY PRESIDENT:** Senator Conroy, there is no point of order. I have not made a ruling. I am just reminding senators, including you, about language that is unparliamentary. We have discussed this at length, and I just bring that to your attention.

**Senator CONROY:** Thank you, Mr Acting Deputy President, but I would reiterate the point I made while taking that point of order that the Liberal Party constantly described the 'carbon tax lie' every single day in this chamber. They called the former Prime Minister a liar every single day in this chamber. So I accept the point you make and I accept the consistency with which you have just not ruled, as in you have not made a ruling.

**The ACTING DEPUTY PRESIDENT:** That is right.

**Senator CONROY:** But let's be clear about this: what the Prime Minister did when he looked down the barrel of that TV camera on the night before the election was lie. It is as simple and clear-cut as that. He promised no cuts. He made cuts.

**The ACTING DEPUTY PRESIDENT:** Senator Conroy, I take offence at what is unparliamentary. We have just been through this and now you are trying to promote that very language again. We have moved on from what has happened in the past. It has been discussed around here, and I find it unacceptable. I ask you not to use such language. Next time I will ask you to withdraw it.

**Senator CONROY:** Mr Acting Deputy President, you yourself and every member opposite has used the 'carbon tax lie' every day in the chamber, and you still do it now. It is not a forgotten thing that ended in 2013. Every single time the carbon tax is referred to, there is the word 'lie'.

**The ACTING DEPUTY PRESIDENT:** Senator Conroy, do you have a point of order?

**Senator CONROY:** I am actually speaking. I am not on the point of order at the moment. I am actually speaking. I am disagreeing with—

**The ACTING DEPUTY PRESIDENT:** Resume your seat, Senator Conroy! You are accusing others, along with me, of using that language every day in this chamber. That is untrue. Continue your speech, Senator Conroy, and let's move on.

**Senator CONROY:** A *Hansard* search will quickly expose the truth, Mr Acting Deputy President, and I am not afraid of it. If you would like me to organise a *Hansard* search on
every single one of your colleagues on that side of the chamber about the words 'carbon tax lie', I am happy to do it.

The ACTING DEPUTY PRESIDENT: Resume your chair, Senator Conroy. Senator O'Sullivan on a point of order.

Senator Conroy interjecting—

The ACTING DEPUTY PRESIDENT: Order, Senator Conroy!

Senator O'SULLIVAN: That last passage was a complete and direct reflection on the Chair and the Acting Deputy President, and Senator Conroy should be asked to withdraw the remarks.

Senator CONROY: What! A search of Hansard?

The ACTING DEPUTY PRESIDENT: Senator Conroy, the debate would be better served if you started debating the topic and continued your speech.

Senator CONROY: I appreciate that. I appreciate your indulgence, genuinely. However, the whole debate revolves around a promise the Prime Minister made and has broken.

Senator O'Sullivan: There will be no carbon tax under our government. That promise—

The ACTING DEPUTY PRESIDENT: Order! Order on my right! Continue Senator Conroy.

Senator CONROY: Come in Spinner! I will ignore the interjections.

The ACTING DEPUTY PRESIDENT: That is a very good move, continue.

Senator CONROY: Last year, the Prime Minister cut the budget of SBS by $53.7 million. So this piece of legislation is designed to cover up and paper over another broken promise—said down the barrel of the camera. If only you had gagged him that night—down the barrel of a camera. That is why the opposition will not support this bill. SBS viewers should not have to watch more ads because those opposite have broken their promise—a solemn undertaking. I remember the cant and the hypocrisy from the current Prime Minister. He said politics is about trust—we have to be able to trust.

Senator O'Sullivan: The Killing Fields—8.30 pm, compulsory viewing.

Senator CONROY: He said that trust is what this election is about. Then he looked down the camera and he lied. He looked down the camera and he told a bare faced lie—no cuts to education; no cuts to health; no cuts to the ABC; no cuts—

Senator O'SULLIVAN: Mr Acting Deputy President, on a point of order. Senator Conroy just made a direct allegation that the Prime Minister lied. That language is unparliamentary.

Senator PoIley: He did! It is a fact.

Senator O'SULLIVAN: Let me finish. Do not yell over the top. Standing orders are quite clear on this particular issue in making such a reflection.

The ACTING DEPUTY PRESIDENT: Thank you Senator O'Sullivan. Senator Conroy will continue debate, remembering what I mentioned earlier about being unparliamentary.

Senator CONROY: I will move it along. This legislation will allow a doubling of the advertising that SBS can broadcast between 6 pm and midnight every night. This will mean
more ads during the shows that most people watch on SBS. This will mean more ads during the SBS World News, more ads during Insight, more ads during Dateline, more ads during the football and more ads during the cycling. There is a risk that it will lead to more programs being designed to fit around ads rather than the other way around.

As FreeTV said in their submission to the inquiry into this legislation by the Senate Environment and Communications Committee:

… the proposal to increase prime time advertising on the SBS equates to the introduction of a fourth commercial television broadcasting network by stealth.

When Mr Shorten asked the Prime Minister about this broken promise in question time, in November last year, Mr Abbott claimed it was not a broken promise. He claimed that it was not a cut. He said it was an 'efficiency dividend'. What weasel words. What mealy-mouthed weasel words from the Prime Minister. Mr Abbott took the Australian people for fools before the election, and he is continuing to take the Australian people for fools.

One person was not fooled—the Prime Minister's close and dear friend, Mr Turnbull! When the Minister for Communications went on Sky News and was asked if this was an efficiency dividend, this was his answer—and I ask everyone in this chamber, particularly our representative from Queensland to listen to what Mr Turnbull said. He told the truth. He said it was not an efficiency dividend. So let's get this right—the Prime Minister of Australia, on the floor of parliament says it is an efficiency dividend, but the Minister for Communications goes on Sky News and says it is not an efficiency dividend. What do you call that? Somebody has to be telling a lie. I do not know—you can pick! Somebody is not telling the truth. Mr Turnbull did not finish there. He said:

This is not an efficiency dividend … certainly there are cuts.

So the Prime Minister says on the floor of parliament that there no cuts, and Mr Turnbull says there are cuts. Mr Acting Deputy President, you are very touchy today on the issue around whether someone tells a lie, and I can understand that you have to uphold the parliamentary processes, but those opposite have got nowhere to go on this, as you well acknowledge—nowhere to go. Mr Turnbull went on to say:

Certainly there are cuts. He said no cuts to the ABC or SBS—there are cuts to the ABC or SBS. So the Prime Minister says there are no cuts, and Malcolm Turnbull says that the Prime Minister said there would no cuts to the ABC or SBS. Well, there are cuts to the ABC and SBS. There are the facts. No wonder the good Queensland senator from the coalition wants to stand up and try to interject, because he is trying to cover for the fact that—

**Senator O'Sullivan:** There will be no carbon tax under this government. The biggest political lie in decades.

**Senator Conroy:** Oh, he is going for the carbon tax!

**The ACTING DEPUTY PRESIDENT:** Order!

**Senator Conroy:** Come in spinner! Did he just say 'lie'? Did I just hear him accuse someone of lying in the chamber? Come in spinner!

**Senator O'Sullivan:** Goose and gander!

**The ACTING DEPUTY PRESIDENT:** Continue.
Senator CONROY: In February this year, the Prime Minister finally told the truth. He finally told the truth—he admitted it. He even boasted that this was a broken promise. So even the Prime Minister gave it up in February, but you still keep batting on over there, Senator O'Sullivan. This is what the Prime Minister said:

… we have broken that. And frankly, it is just as well we did …

So he switched from saying there would be no cuts to the ABC and SBS to saying:

… we've broken that. And frankly, it's just as well we did …

This is talking about cuts to the SBS which he claimed would not happen. He then boasts that he is glad that he did it and that he is glad that he broke the promise. Not only did the Prime Minister break his promise not to cut SBS's budget but he was proud of it, and now SBS viewers are being asked to pay the price for another broken promise by Mr Abbott.

SBS has an important role to play in Australian society. It provides an outlet for multicultural programming, news and content that showcases Australia's ethnic diversity. If this bill is passed, the scales will be tipped too far in favour of profit over the public benefit. This place should not become complicit in allowing SBS to be turned into another commercial broadcaster. The solution is simple. The Prime Minister promised on the election eve that there would be no cuts to the SBS. Everybody in this chamber on that side was elected on the promise. You should keep that promise. You should not break trust. You should vote against this legislation, and I urge you to do so.

Senator LUDLAM (Western Australia—Co-Deputy Leader of the Australian Greens) (12:46): The Greens will be opposing the Communications Legislation Amendment (SBS Advertising Flexibility and Other Measures) Bill 2015, and I will briefly spell out why. Before I do, I want to ask the government to clarify one simple issue. I hope that Senator Fifield—or any of the other coalition senators who file in here this afternoon to explain themselves on this bill—will just be a bit clear about where this is all going.

The question is this: when will you actually be happy? Will you be happy if this bill is passed and SBS starts broadcasting the same amount of advertising during prime time as commercial TV stations? Is that what this is about? Will you be happy when SBS is allowed to have as much product placement in its programs as an episode of, say, MasterChef or The Block? Is that what this is about? Will you be happy if the creeping commercialisation of the SBS spreads to the ABC and we start seeing advertising breaks on 7.30? Is that where this is going? Will you be happy if SBS is eventually rolled into the ABC under the cover of meeting more of your efficiency targets? Will you be happy if both get privatised or broken up to create a fourth commercial free-to-air TV network? Is that what this is about?

What we want to know, in the course of the debate that is going to be undertaken this afternoon, is where is this all going and where will it end. I ask this because all indications are that this legislation is just one step along a path which Prime Minister Abbott and Minister Turnbull cooked up, presumably before the election. The Prime Minister wandered a bit off message in guaranteeing that this would not happen, but nonetheless that has not stopped them. It was a plan to deal with what they see as the problem of Australia's public broadcasters. They probably had a bit of help from the Institute of Public Affairs, which have openly called for the ABC to be broken up and put out to tender and for SBS simply to be privatised—just get rid of it. They probably also had a bit of help from Mr Murdoch, who
wants public broadcasting done away with entirely in Australia because he does not like the idea of a taxpayer funded competitor. That is fine. Those are his business interests, and he is pretty good at prosecuting those.

Step 1 in this genius plan was to assure the Australian public on the eve of the federal election that there would be no cuts to ABC or SBS. Senator Conroy has canvassed that at reasonable length. You look people in the eye, you tell them that there will be no cuts and then right after the election you cut their budget. People loathe being lied to; they loathe it. People remember. You might think that people forget, but no, it is all being stored up; people remember what you said and then what you did. Step 2 was to implement the cuts anyway, under the cover of an efficiency dividend, and smash up the Australia Network. So that has gone now.

Step 3 is to significantly enhance the amount of advertising on SBS and formally allow the kind of really objectionable and intrusive in-program advertising which has already driven Australia's other free to air TV programs towards endless reality TV dramas in order to sell more cans of whatever is special at Woolworths and Coles this week and more of everything at Bunnings—the kind of fusion and merging between content and advertising that is so far advanced on the commercial TV stations. No-one except the IPA says it out loud, but it is pretty clear what the next steps are going to be: rolling SBS, its back office structures and its advertising rules into the ABC and then flogging both off to the highest bidder. I dare any one of you to come out and just let us know that that is where this is heading. It is pretty obvious that that is what some of you want; it is just that you do not have the courage to front up and say so. The staggering thing is that actually—

Senator O'Sullivan interjecting—

Senator LUDLAM: We finally hit a bit of a nerve. It is all right; you will get your opportunity, Senator O'Sullivan.

The ACTING DEPUTY PRESIDENT (Senator Williams): Senator Ludlam, pass your remarks through the chair, please.

Senator LUDLAM: Through the chair, Senator O'Sullivan will get the opportunity. He is not on the speaking list; he is happy to sit on the back row sniping, as he does so well. Through you, Mr Chair, I am happy to hear Senator O'Sullivan's actual views.

The extraordinary thing is that nobody, apart from these ideologues, actually wants this to happen. There are no interest groups demanding that SBS carry more advertising. Nobody is marching in the streets demanding that the public broadcasters be privatised. Nobody wants what is occurring here—the creeping commercialisation of a really treasured public institution. In fact, it is quite the opposite. We have a petition with 62,000 signatures on it opposing more advertising on SBS. I dare you to find five people who think it is a good idea to increase prime time advertising on SBS.

We have all of Australia's major free-to-air broadcasters—Seven, Nine and Ten—all opposing the changes. They might seem like slightly unlikely allies, but I think that they have a really valid point. The commercial broadcasters are struggling, as it is, with declining ad revenues and declining forecasts for the kind of ad revenues that they rely on solely—ad revenues, in-program advertising, sponsorship agreements and various other commercial arrangements. The last thing that they want is a fourth commercial competitor, juiced up with
taxpayers' dollars and bidding into a pool that is the same size of advertising content on prime time. So I think that they do have a point.

We have poll after poll showing that Australians regard SBS and the ABC as two of the nation's most trusted institutions. Australians trust the ABC and SBS a damn sight more than they trust your government. That is just a fact. That is not a Greens opinion. That is just weight of numbers. Sorry, colleagues, but it is true. The truth is the government is only pursuing this course to satisfy the demands of a rather extreme ideology. Let us get that to the end, but the tactics are that of blackmail. It is nothing more complicated than that. It is as cheap as hell blackmail: 'Pass our broadcasting bill or SBS gets it. We're just going to cut the budget unless you allow us to increase the amount of advertising that they run in prime time.' I respond really poorly to blackmail. There is only one way to deal with people of that character: refuse to play the game. We will be opposing the bill.

It is bad legislation and it will deliver poor outcomes for SBS. The audience hates it. There will be negative outcomes for the rest of the television industry, because you are bidding in an advertising pool that is not growing; in fact, there are arguments that it is shrinking. As senators we should be listening to the basic common sense and commercial reality that the broadcast environment has got to and send the bill back to the drawing board.

There has been a lot of debate about how much money the legislation will allow SBS to raise, and the estimates diverge wildly. The bill's regulatory impact statement estimated $8 million to $9 million per year. This is not a total of more advertising money for SBS. Let us be really clear about that. It allows SBS to run double the amount of advertising on prime time plus four minutes of its own sponsorship materials and its own promo material. It is 14 minutes an hour, in prime time, of non-content.

The Lewis review into the ABC and SBS—when they were investigating 'efficiencies,' as you chose to call it—put estimates a lot higher. They said: $20 million on the table. The industry group Free TV estimated a lot higher: around $148 million per year. We do not know where SBS's figures come from, because they have been deemed commercial-in-confidence. That is not that helpful when you are trying to form a view. All of these outcomes are negative, both for the viewers of SBS, the station itself, and the broadcasting industry, more generally.

If the government's estimates are correct, the bill substantially increases advertising on SBS and degrades people's viewing experience for a mere $8 million a year, which the government could afford to pay. If we held the Prime Minister to his word—and we have all learnt, through bitter experience, that we cannot do that—this would not be happening, certainly not for $8 million a year. If the higher estimates are correct, we should pay more attention to the views of the free-to-air industry and the commercial broadcasters. That is ripping ad revenues out of the pool of commercial broadcasters who have local-content obligations that SBS does not have. We should take their arguments more seriously. There is simply no room in a market the size of Australia for a fourth commercial network.

The iceberg hidden under the water, as a number of commentators have pointed out, is formally allowing SBS to pursue more product placement in its programs. It is likely to influence its programming choices towards content that is more likely to make it more money, putting in place a direct conflict with the charter. Chasing the MasterChef stuff or The Block is just long-form advertising and may be very entertaining. It does nothing for me but it is out
there and people love it. It is really easy for SBS to say that it will not happen. They have been protesting. We have had a number of Senate committee inquiries where SBS has had a gun to its head, in the background, so I am not really blaming SBS management. They have been put in this position by the executive, by this government, who said, ‘We won't cut your budget,’ and then ‘Now we're cutting your budget.’ They have sent SBS forward to argue. We have not been able to get to the bottom of whose idea this was. That was one of the disappointments of the committee process—that it has not been possible to pinpoint whose brilliant idea this was.

Anyone who has spent any time in a large media organisation will know that the sales and editorial departments continually clash over issues of independence and that sales has a history of winning—not within SBS, necessarily, because their charter obligations are so strong and the audiences demand it. That is what this government is sabotaging with a bill of this kind. The other iceberg we should be mindful of is the likelihood of further cuts. As SBS's advertising restrictions are lightened and it makes more money, there will be nothing to stop a future government from using that situation as an argument to lighten its restrictions further. This is scope creep. This is a step along the way. We know this is not the last time this issue will be visited. The communications minister of the day will be back in this place arguing for further measures to push SBS towards full commercialisation. That long-run trend has been evident for many years. It is a slippery slope.

The first step down that slope was taken 25 years ago when SBS opened up to advertising, to seek sponsorship to help it broadcast the World Cup, and it has been sliding faster ever since. I guess both sides are somewhat guilty of this, but this government has elevated it to something of an art form. You are responsible, when you come into government, for the maintenance and protection of these public institutions. The most fundamental principles that we should hold, when debating measures like this, are to not try to fix something that is not broken. SBS is not broken. It is a treasured institution. It does a wonderful job of broadcasting content that reflects Australia's multicultural society. So stop messing with the formula.

Here is some advice to Liberal and National MPs on that side of the chamber, with their instinctive loathing of all things public. Whether it is public housing, public health, public education, public transport for public broadcasting, the coalition are desperate to hollow out these treasured public institutions and convert them to for-profit commercial operators. Why don't you quit your well-paid public-sector jobs and go work for the private sector? Knock yourselves out. Quit your public-sector jobs and go work in the private sector. Maybe you are just not cut out for government. Maybe it is just not for you. We will be standing up for SBS and its charter obligations and will not submit to this shallow blackmail. We oppose the bill.

Senator IAN MACDONALD (Queensland) (12:58): Senator Ludlam may well want us to get jobs in the privatised SBS that he so wrongly predicts. What would we do? Would we get a salary of $700,000 or $800,000 or $900,000 like some of the bosses at SBS? At the ABC, one of the presenters—who is the guy who does Q&A? What is his annual salary? It makes yours look infinitesimal, Senator Ludlam, so don't take up that argument.

I can understand your feigned expertise on commercialisation and advertising. After all, the Greens political party is practically the plaything of Graeme Wood—one of the great advertisers, on all mediums, in days gone by—who gave to the Greens the biggest-ever single donation to a political party in the history of this country. Something like $1.6 million was
donated to the Greens political party by a guy who makes his money out of advertising. You might recall, Mr Acting Deputy President, it was the same Mr Graeme Wood—

The ACTING DEPUTY PRESIDENT (Senator Williams): Senator Macdonald, resume your seat, please. Do you have a point of order, Senator Ludlam?

Senator Ludlam: Yes, I do have a point of order, Mr Acting Deputy President. I ask you to draw the senator's attention to his remarks and the question that is before the chair. We are debating a bill about SBS. I ask you to inform Senator Macdonald of what is actually happening today and what this debate is about.

The ACTING DEPUTY PRESIDENT: I will remind you, Senator Macdonald, to debate the bill. Continue on, please.

Senator IAN MACDONALD: Thank you, Mr Acting Deputy President. It is pretty typical of the Greens, isn't it? They can give it but they cannot take it. Senator Ludlam spent the whole of his speech attacking the government and yet, when one points out a few home truths about the Greens political party and the record donation they got from a private individual, he takes a point of order. Here is the party that is all in favour of free speech, except when it impacts upon the Greens political party. It shows that, for the Greens political party, there was not really free speech. You will remember it was the same Mr Graeme Wood, the big donor to the Greens political party, who wanted the Greens political party, after this donation, to actually get a tax-free break for him in his new online newspaper.

Senator Ludlam: Mr Acting Deputy President Seselja, I rise on a point of order: right before you took over the chair, the former chair brought Senator Macdonald to order. He is now in direct violation of what the chair had asked him to do. I am not sure if you are aware of what occurred just before you arrived.

The ACTING DEPUTY PRESIDENT (Senator Seselja): I am not. You will have to draw that to my attention, Senator Ludlam.

Senator Ludlam: I am just asking you to draw Senator Macdonald's attention to the matter that is before the chair, because I am not really sure where this rant is going. It is certainly not relevant to commercialisation of SBS.

The ACTING DEPUTY PRESIDENT: Thank you. On the point of order, Senator Macdonald.

Senator IAN MACDONALD: What I am doing in this debate—and this is a debate—is responding directly to the issues which were specifically raised by the previous speaker, which was Senator Ludlam, and in a debate that is what you do in this chamber. If someone like Senator Ludlam protrudes falsehoods and misinformation, then it is my duty as the next speaker to point it out and to point out the motive behind the Greens' tirade.

Senator Milne: Mr Acting Deputy President, on the point of order: I would call on Senator Macdonald to withdraw the slur that he made a moment ago with regard to Mr Graeme Wood. All of the imputations of the kind that he is suggesting were actually ruled out by the Privileges Committee.

The ACTING DEPUTY PRESIDENT: That is a debating point, but of course I would ask Senator Macdonald if he would like to withdraw. On the substantive point of order, I was not here earlier and did not hear the elements that Senator Macdonald is responding to. It is a
broad-ranging debate. People are entitled to respond. I would simply remind Senator Macdonald to be cognisant of the bill before the Senate, the Communications Legislation Amendment (SBS Advertising Flexibility and Other Measures) Bill 2015.

Senator IAN MACDONALD: Just finishing that, before I move on to the bill, in response to Senator Ludlam's speech and the arguments he was making, I point out that Mr Graeme Wood tried to get a tax deduction, per kind favour of the Greens, for an online newspaper he was going to set up. That is after he made the largest ever single donation to a political party in the history of this country.

Senator IAN MACDONALD: On the point of order, everything I have said is a matter of fact and is recorded in the Hansard of this chamber. A matter of fact cannot be defamatory.

Senator Ludlam: Mr Acting Deputy President, you might remember that Senator Conroy spent most of his time talking about lies. Mr Acting Deputy President, you might remember that Senator Conroy was removed from that portfolio, even by Mr Shorten, not only because of his incompetence as minister in charge of communications but also because of his complete inability to understand the bill and to talk to it. Senator Conroy spent most of his time talking about lies. Mr Acting Deputy President, you might remember that Senator Conroy and most of the Greens political party were part of a government that, on the eve of the 2010 election, looked the television cameras and the Australian public directly in the eye and the then leader, Ms Gillard, said: 'There will be no carbon tax under the government I lead.' And of course it took the then Labor government no more than a few weeks to break that promise and bring in the carbon tax, which they had solemnly promised they never would and which, in fact, as a promise, won them the 2010 election. So with Senator Conroy drawing attention to that dark period in the
Labor Party's history it is understandable that even the current Labor leader does not want Senator Conroy involved in the communications portfolio at all.

Senator Ludlam wanted an assurance from the government. I am sure the minister will deal with this more fully in his concluding remarks, but you asked the question, Senator Ludlam, and here is the answer: no, there is no intention to sell off the ABC or to privatise it. If I might quote an interjection from my colleague Senator O'Sullivan—'More's the pity,' but that will not happen.

But the ABC and the SBS, like everybody else, have to play their part in a bit of belt tightening. You remember it was the Labor-Greens government that, from a $60 billion credit at the end of the Howard era, went on to run up a debt that, if unchecked, would have reached $600 billion. This is a debt that is costing every Australian $3 million per day in interest. That is why the ABC and the SBS have to tighten their belts, just the same as everyone else. Senator Ludlam made a useful comment about senators taking jobs in an industry like communications. If we did that, Senator Ludlam, I repeat: we would be earning $500,000, $600,000 or $700,000, like the presenter of Q&A does. Do you ever criticise him, Senator Ludlam? Of course not. Why not? Because Q&A and many other programs like that are really mouthpieces for the Greens and for the Labor Party. I am not anti-ABC. In fact, I am a great supporter of rural ABC. Some of their programs are reasonable, but I never torture myself by watching Q&A or the Sunday morning program, whatever it is called. It is just one commentator after another constantly running the Labor Party's lines and the Green's lines. But they continue to receive funding and they will always receive funding from the coalition government.

Senator Ludlam tried to use his star status as a Twitter user. He needs another one of those viral things that saved his bacon at the last election—only, I might say, after we had to have another election. Senator Ludlam is looking for that. He is trying to find something that might attract the Twittersphere, so he makes up any lie that might get him a run on the Twittersphere. But you wanted to know about advertising—

Senator Milne: Mr Acting Deputy President, I rise on a point of order; again, I ask Senator Macdonald to withdraw the imputation that my colleague Senator Ludlam will tell any lie to get a run in the media. That is unparliamentary and I ask that it be withdrawn.

Senator IAN MACDONALD: I withdraw that and—

The ACTING DEPUTY PRESIDENT: Senator Macdonald, before you proceed, I agree it is unparliamentary and thank you for withdrawing. Please proceed.

Senator IAN MACDONALD: I will just reword it. Senator Ludlam knows that what he says is not factual. It is just something he made up to try to get the attention of the Twittersphere. Many will sit by and allow that misinformation and that abomination of facts to go unchallenged. I have to say that I am one of those senators who will not. That is why I draw attention to it.

Senator Ludlam was saying that SBS will now have constant advertisements. If he read the bill, or listened to the minister's speech, he would understand that SBS has a strict limit of five minutes per advertising hour, which equates to a maximum of 120 minutes of advertising shown per day. However, SBS earns the majority of its advertising revenue during peak viewing times, between 6 pm and 10 pm, when it broadcasts special events such as the FIFA
World Cup. The bill will amend the Special Broadcasting Service Act to allow for a more flexible approach, allowing the SBS to show up to 10 minutes of advertising per hour, but with a daily overall limit of 120 minutes. This will allow SBS to schedule up to 10 minutes of advertising during higher-rating programs, to increase its overall advertising revenue, while scheduling less advertising during other hours so that the 120-minute daily cap is not exceeded.

I do not know what Senator Ludlam could not understand about that. He was alleging that there will be wall-to-wall advertising on the SBS should this bill pass. Clearly, if he had bothered to read the bill, rather than try to get a run in the Twittersphere, he would have understood these issues without deliberately inventing arguments that he knows are simply not factual. The bill will enable SBS to earn $28.5 million of its funding via advertising flexibility. The proposed amendment will enable SBS to average its current advertising allocation of five minutes per hour across the schedule.

This is somewhat interesting: I understand that The Australian Financial Review reported at the end of 2014 that Mr Gyngell is the highest paid CEO in Australia, making around $19.6 million a year. It would be curious if the large free-to-air networks were to claim that this legislative amendment could lead to job losses, including in regional areas, when the CEO of a commercial network is being paid close to the total amount SBS is seeking to generate. Some of the arguments that have been put forward about the bill simply do not warrant further consideration.

I point out that this bill was investigated by the Senate Environment and Communications Legislation Committee, which took evidence from a range of people. After consideration, the bill was recommended by the committee, and it is my submission to this chamber that the bill should be passed.

SBS's primary concern about this legislative change, according to its evidence, is the impact on its audience. SBS understands that any change to its advertising arrangements will impact audiences. But SBS conducted research which showed that the overwhelming proportion of respondents, some 73 per cent, would prefer that SBS offer the same amount of its unique programming and services funded by slightly more advertising rather than risk losing those programs and services altogether.

I reiterate that ABC and SBS have to tighten their belts the same as everyone else does to help pay off Labor's debt of $700 billion, which is costing the average Australian hundreds of dollars a second in the interest that we pay to lenders. SBS, the same as everyone else, has to tighten its belt. That means that, for SBS to continue with the same programming, it needed to get revenue from somewhere else—and it can get that revenue through increased flexibility in the way it advertises. It seems to me that it is a win-win situation for all concerned. The bill provides the flexibility that SBS needs, and that will enable SBS to continue to promote the things that make SBS unique.

I recognise and give credit to the Liberal government and Liberal prime minister who actually set up SBS, who recognised the need for a multicultural broadcasting entity. As with so many innovations in Australia's way of life and governance, this was an initiative of a Liberal government and a Liberal prime minister—something, of course, that the Greens would never recognise. With those comments, I urge the Senate to pass this bill in its entirety.
Senator URQUHART (Tasmania—Deputy Opposition Whip in the Senate) (13:18): I rise to speak on the Communications Legislation Amendment (SBS Advertising Flexibility and Other Measures) Bill 2015. These government ministers really are the masters of euphemisms when it comes to naming their bills, aren't they? It is such an innocuous name for what is essentially a $28 million cut to Australia's multicultural broadcaster. In the interests of accuracy, I suggest that the bill should be renamed 'the communications legislation amendment (breaking pre-election promises and creating a fourth commercial broadcaster) bill'—but of course those opposite are not interested in accuracy.

Just to set the record straight: in his presentation, Senator Macdonald talked about the committee report, and I want to make sure that the record shows that Labor senators did not support the passage of this bill. We actually opposed it in our dissenting report and we proposed that the bill not be passed. I just wanted to correct the record.

What the government are interested in is ripping out the heart of public services. This is yet another example of the hatred of those opposite for all things public. We have seen it in the attacks on our national broadcaster. We have seen it in the government's decimation of the Public Service. We have seen it in cuts to health and education. We are seeing it again here today. This bill is simply a cut by another name.

Before the last election, as we have already heard today from previous speakers on this side, the then Leader of the Opposition, Mr Tony Abbott, went to the Australian people and told them with a straight face that there would be:

… no cuts to education, no cuts to health, no change to pensions, no change to the GST and no cuts to the ABC or SBS.

That is exactly what our Prime Minister said on SBS News the night before the election. Less than two years later, the government have broken each and every one of those promises bar one. We have seen $50 billion slashed from health. A further $30 billion has been ripped out of education. They have tried their hardest to cut the pension, but Labor managed to stop that one, in this place. Of course, we have seen half a billion dollars in cuts to the ABC and SBS. As far as the GST goes, the government's inability to break it so far is certainly not for want of trying.

The reality is that this is a fundamentally sneaky government that cannot be trusted. They cannot be trusted with health, they cannot be trusted with education, they cannot be trusted with the GST, they cannot be trusted with pensions, they cannot be trusted to look after the ABC and now we know they cannot be trusted with our multicultural broadcaster.

The bill before us is one part of the legislative means to break the promise that the Prime Minister made to Australians about SBS. We know that the 2014-15 budget papers included cuts to SBS of $53.7 million. What the bill before us today does is to seek to make up $28½ million of these cuts. Whether the bill passes or not, there can be no dispute that the government has broken its promise of no cuts to SBS. No matter what happens in this place today, almost $54 million has been ripped out of SBS. No matter what the outcome of the bill, it will not change the fact that this government has broken yet another promise.

As Deputy Chair of the Environment and Communications Legislation Committee, I participated in the recent inquiry into this bill. SBS's own submission to this inquiry recognised the fact that this bill is cuts by another name when it said:
As a result of the Lewis Efficiency Study, Minister Turnbull announced further cuts to SBS's funding in November 2014. Of the cuts, $25.2 million was based on back office efficiencies that SBS was already working towards. A further $28.5 million was predicated on successful legislative amendment to the SBS Act, which would provide SBS with additional advertising and sponsorship flexibility and allow SBS to deliver this portion of the funding cut via a modest annual revenue increase. The total funding cut of $53.7 million over five years from 2014-15 has already been reflected in SBS's forward estimates.

So it is clear that the bill is nothing but an attempt by the government to make the parliament complicit in the breaking of a clear promise. I can tell you right now that Labor senators will have no part in this.

So what exactly is in this bill, and what will it mean for our multicultural broadcaster, its audience and other stakeholders? The bill allows SBS to screen double the amount of advertising currently allowed between the hours of 6 pm and midnight. This will mean that in prime time viewers are likely to see 10 minutes of ads in comparison to the current limit of five minutes. Not only that, but SBS will still be able to screen four minutes of promos in addition to the commercial advertising. Both Free TV and Save Our SBS contended that the passage of this bill would equate to the creation of a fourth commercial television network by stealth, as outlined earlier by Senator Conroy. This month Save Our SBS delivered a petition signed by 62,000 Australians who are thoroughly opposed to the measures within this bill. Many are concerned that the important social role that SBS plays will be subjugated to the need to meet budgetary targets. SBS is not just about entertainment and information. It has a role that extends far beyond the remit of most television stations. It reflects and encourages diversity. It recognises the stories of those who might be invisible in the mainstream media and it plays a vital role as a driver and participant in the national conversation about many important cultural issues. In difficult geopolitical times like this it can play a crucial role in fostering understanding between different cultural communities.

In the hearings the committee consistently heard concerns that the search for advertiser dollars will undoubtedly not coincide with SBS's legislative charter. As the imperative to secure revenue becomes a much more pressing demand for the network, there will inevitably be times when charter obligations will come into direct conflict with commercial realities. Witnesses voiced concerns that an effective doubling of the amount of advertising permitted on SBS during prime time hours could lead SBS to neglect its charter and commission programming of a more commercial nature in order to attract ratings and advertising dollars. Programming considered contentious or niche could very well be sidelined in favour of more mainstream content. Commercial realities will unavoidably become a very real consideration in the broadcaster's decision-making processes. Even the government's own Lewis review accepted that this is the case, when it said:

…there will be greater pressure on SBS management to consider the trade-off of delivering on commercial expectations, against delivering those functions described in the SBS Charter.

In creating a fourth commercial network, this bill will also have impacts on existing broadcasters. Free TV argued at the inquiry that the bill represents a significant threat to existing commercial broadcasters' revenues. At the hearing in Melbourne the CEO of Free TV, Julie Flynn, said on this matter:

Free TV is strongly opposed to the bill because it enables SBS to make up cuts in government funding by competing with commercial free-to-air broadcasters for revenues from a finite advertising pie. It is
wrong in principle for privately funded broadcasters to have to subsidise a government funded broadcaster.

Free TV also recognised that if commercial broadcast revenues are hit the Australian screen industry could pay the price. On this issue, CEO Julie Flynn said:

In practice, it will potentially have a serious impact on our broadcasters’ ability to continue to fund expensive Australian content.

The committee received 27 submissions to this inquiry. Only two of those 27 supported the bill before us here today. SBS’s was one of the two, but, given that the government was holding almost $29 million of their operating budget to ransom, it is hard to see that they were left with any other choice. The other exception was the Federation of Ethnic Communities Council of Australia, but their reluctance was very clear. In the hearing FECCA representatives outlined the conflict that the bill presented when FECCA’s Senior Deputy Chair, Eugenia Grammatikakis, said:

We have found ourselves between a rock and a hard place given the current situation. On principle FECCA would not wish to see increased advertising on SBS; however, we are concerned that if this bill does not pass it could mean cuts to programs, to services and to opportunities to invest in additional initiatives that we believe could benefit our multicultural and multilingual Australian community.

This is hardly what you would call a glowing endorsement.

Labor will never support a bill that allows the government to break its promise that there will be no cuts to the SBS. For that reason we will not be supporting this bill.

Senator RUSTON (South Australia—Deputy Government Whip in the Senate) (13:29):

Before I comment on the Communications Legislation Amendment (SBS Advertising Flexibility and Other Measures) Bill 2015, can I draw to the attention of the chamber the fact that, despite what has been said by those opposite and by those at the other end of the chamber, the changes this bill proposes are very small. They have come about not because the government have thought that this is a fabulous idea which is going to be the most wonderful thing for the Australian public, for viewers of SBS and for the media but because we inherited the most extraordinary budget position and we were forced into a situation where we had to find savings across the board. Mr Deputy President Seselja, you would know that nobody, no agency, no program, nothing was left unscrutinised for opportunities to find additional funding to fix up what was the most extraordinary budget disaster, a disaster we inherited in September 2013. Getting that onto the record puts into context the fact that we even need to be here today discussing this bill.

You would think from listening to those opposite and to those at the other end of the chamber that somehow we had made some extraordinarily huge change which is going to end up seeing a massive amount of additional advertising on SBS. The simple facts are that in a 24-hour period there is no capacity whatsoever for SBS to increase the total amount of advertising they put to air. At the moment they are required to have only five minutes per hour. Should this legislation pass the chamber today, SBS will still be able to advertise for only 120 minutes in any 24-hour period, which adds up to five minutes per hour. So the scenario been painted on the other side that somehow we are going to end up with a completely and utterly bogged down and over-advertised SBS is just a load of baloney and it should be called out for exactly what it is. The bill is simply seeking to give some level of
flexibility to SBS to be able to make advertising placements at a time when they have more capacity to generate revenue.

The other thing we also need to remember is that SBS is already a hybrid model, by which I mean a model which includes both taxpayer or state-supported funding and a level of commercial advertising. It is not a pure model like the ABC, which has no advertising, and, on the other hand, it is not purely a commercial model like the commercial stations, which have to generate their entire revenue through commercial means. You may think the SBS hybrid model sounds interesting and unique. It is not interesting or unique in any way, shape or form. The majority of multicultural broadcasters, particularly government-funded broadcasters, around the world have some level of commercialisation. The ABC is probably the more unique of them because it does not have any commercial aspect to its funding model. If you look around the world at some of the countries to which we consider ourselves aligned—for instance, Canada is a very good example of where they use hybrid models for their national broadcaster—we can see that the information being spun by those who oppose this bill is factually inaccurate. And as I said, the fact that we have to be here in the first place because of the budget situation makes it even more hypocritical that they will not allow us to pass this minor amendment to give the SBS the flexibility they seek to generate a little additional income, so that they can take some pressure off what is already very much a budget under pressure.

Also discussed, the efficiency studies undertaken by Lewis when we came to government were to establish how we could ensure that both of our national broadcasters are as efficient as possible. The review undertaken by Mr Lewis was very clear that there are a number of things the ABC could do back of house to enable them to achieve some savings to go to the bottom line of the government's budget without any need to attack programming or content. A similar undertaking occurred with SBS. It must be stated that the findings of the Lewis report acknowledged that the SBS is quite an efficient organisation. Certainly some areas identified where efficiencies could be made, but it was very clear that the SBS would have more difficulty in achieving the kinds of savings that we were hoping for simply by addressing back-of-house inefficiencies in the way Mr Lewis, the independent assessor, believed the ABC could. The Lewis review made an independent recommendation that by allowing the SBS to change the placement of a very much capped amount of advertising in a 24-hour period they may be able to generate a small amount of additional income to assist in making their contribution to the bottom line of the budget problem we inherited when we came into government.

The placement opportunity comes about because, for those of you who are watchers of the SBS—I certainly am at occasions and there is nothing we enjoy more than watching the Tour de France or the World Cup—there is an opportunity for SBS to maximise revenue when they broadcast programs on their station which will attract a very large audience, ones which advertisers would seek to be promoting during those programs.

We have to remember that, because of the SBS charter, they have to do quite a lot of programming which would not necessarily be attractive to an advertiser. A lot of the content is culturally very specific and, while it appeals to a very important part of our Australian community, it probably is not a community that is necessarily going to attract high-paying advertisers. We need to recognise that we often make SBS, by virtue of their charter, run
programs to which they cannot attract advertising. If you are suggesting that there absolutely must only be five minutes of advertising per hour for every hour instead of only an average of five minutes over a 24-hour period, you are being very, very restrictive of the capacity of the SBS to be flexible in generating the maximum amount of revenue it can within the constraints of its charter.

There are a couple of things that I think everybody would immediately associate with SBS, such as the Tour de France and the World Cup. During these broadcasts, obviously a lot of advertisers would be keen to participate in that space. Similarly, with multicultural cooking shows there may be opportunities for the SBS to target a little more advertising in a particular hour simply because they have advertisers that will be happy to spend the money. However, the comments by those opposite, about the capacity for this minor amendment bill to somehow prevent the SBS from being able to deliver their charter because they will have such extraordinary commercial imperatives put on them, also need some further discussion because that simply is not true. The SBS, since they were first allowed to have some commercialisation through advertising a number of years ago, seem to have managed the balance of achieving some sort of commercial outcome through advertising without ever jeopardising or compromising their charter. I sat through the debate during the committee hearings into the bill and I listened to the witnesses, and nobody—but nobody—was able to provide us with any clear evidence as to how or why the charter would be compromised by a change from a situation where only five minutes of advertising an hour, and only 120 minutes a day, was permitted to a situation where only 120 minutes a day was permitted but up to 10 minutes in any hour, where, in the process, advertising time in another hour was forgone. To suggest that that kind of minor change will cause this extraordinary situation for SBS where they will not be able to meet their charter strikes me as possibly some scaremongering for the sake of politics rather than any clear or defined reason or evidence to suggest that that will happen.

During the inquiry, there was a huge amount of discussion of the figures that were put forward by the SBS concerning the additional revenues that they believe they would be able to achieve over the forthcoming years through a change of this nature in comparison to the numbers put forward by the free-to-air television network agency, Free TV. Whenever anybody puts forward a proposal, an argument or an advocacy document in support of their argument, of course they are going to skew it as much as they possibly can in the direction that most supports their argument, but the disparity between the SBS and Free TV was so massive that it really warrants some comment. The first thing I would say is that SBS are obviously going to be in the best possible position to understand the impact that a change will have on the bottom line of their commercial advertising revenue. As we quite rightly accept, the SBS have a charter that requires them to achieve an amazingly different set of outcomes than a commercial television network would be required to achieve. Obviously, SBS are in possession of the facts that will tell them what additional hours and numbers they are able to achieve. They will know what their fill rates are at certain times of the day and night. They will know what their fill rates are when it comes to particular types of programming. So one would suggest that there is no reason why the SBS would not be in the best position to provide information that is as close to accurate as possible. It was difficult for us to get to the very bottom of exactly what the figures were because this kind of commercial information is something that neither the free-to-air television networks nor the SBS are likely to put on the
public record—because, of course, that would be detrimental to them in the longer term. But, even if we accepted that the figure was somewhere in the middle between what Free TV was saying and what SBS were saying, we are still talking about something of the magnitude of 0.1, 0.2 or 0.3 per cent of overall television advertising revenue.

We seem to be arguing in this chamber today about something that will have a major impact for SBS and will allow them to make a contribution to the bottom line of the budget dilemma that we face but, in the process, probably have very, very little impact on broader advertising revenue. If we suggested that additional commercial advertising revenue of $28.5 million over the forward estimates, which SBS project that they are likely to be able to earn, will somehow be of such significance that it will have a huge effect on the free-to-air commercial advertising market, I think we would be kidding ourselves. There are a lot of things that are changing in the television space at the moment, as you would be well aware, Mr Acting Deputy President. The change in the digital marketplace at the moment is putting such extraordinary pressure on free-to-air television. In only the last few weeks, Netflix has come into Australia, and we have Foxtel and the like and online streaming. There are such a myriad of things challenging this space and the advertising dollar that commercial television networks are able to access that it would seem a little like crying poor and crying foul to suggest that not allowing a possible 0.1, 0.2 or 0.3 per cent change would be a silver bullet or panacea to deal with the issues currently facing the free-to-air networks. I think that is probably stretching the issue a little too far.

In summary, the committee acknowledged that SBS play an extraordinarily important and pivotal role in building social cohesion in Australia. There is no doubt that they serve a very diverse group of communities which all of us, as members of this place, have a responsibility to make sure that we also serve. They provide information, education and entertainment across myriad platforms, myriad cultures and myriad requirements.

The committee also considered the evidence, and it was quite clear that there was no evidence whatsoever to suggest that a move of the sort that has been proposed by this piece of legislation would in any way representative a move to establish SBS as a fourth fully commercial television channel. There was no evidence to that effect, and anybody who comes into this place and tries to convince this place and those listening that that is the case has not read the evidence that has been put before us. It is clear that the bill proposes to introduce flexibility to the SBS; there is no question about that. But it is not in any way suggesting that we are changing the status of the SBS or doing anything that would be considered internationally as an unusual model for this type of broadcaster.

Similarly, the committee does not consider that the proposed amendments are in any way a threat to the SBS’s charter. As I have said in my contribution up to this point, the SBS has been providing a charter obligation within a hybrid model for a number of years. I do not think anybody in this place has ever questioned up until now their capacity to deliver on that charter without compromise. So I do not think there is any evidence to suggest that this minor amendment is going to make any difference to that. None of the evidence that I was listening to was such, and I sat through the entire inquiry listening to every word that every witness said and I read every submission. So I do not think there was any such evidence. There were plenty who were prepared to suggest that it was going to happen, but I did not see any evidence to support the allegations that were being made.
In addition, the committee notes the SBS board will also be required to come up with a set of reporting and governance requirements regarding the placement of advertising. So, once again, there is a requirement for the SBS to be transparent in the delivery of any changes that may transpire if this legislation should be passed in this place, and there are safeguards that have been put in place to ensure that nothing is going to occur that would be able to be swept under the carpet and not be seen. The legislation requires transparency, and transparency invariably gives the opportunity for somebody who see something that is untoward to say something. So I think the safeguards have been very well thought through and they are very evident.

The fact that this is such a small component of the overall television advertising budget that we are suggesting may be changed I think is something that needs to be considered. We have an obligation in this place to ensure that we return this budget to surplus and, hopefully, one day in the future, start addressing some of the extraordinary level of debt that we have inherited. To suggest that any organisation within the control, the power or the budgets of this particular government should not have to share in some of the contribution to fixing up the budget deficit and bottom line is just an outrage. This is made all the more disappointing because it was not us, as a coalition government, that caused the problem in the first place. We are merely seeking to remedy the problems that we inherited from those opposite, who sit here today and refuse to allow us to make the changes that we need in our budget so that we can get this country back onto a trajectory of profitability and so that we do not make our children—your children, Mr Acting Deputy President and my children—inherit a debt because of the largesse and overspending of our generation. I do not think I want that on my conscience. I find it very hard to believe that those on the other side would want it on their consciences either.

Another comment that was very clear in this debate was about fill rates. There is a lack of acknowledgement within this space that the SBS has a lot of difficulty with its fill rates for many of the programs that it is required to put to air. I am wholeheartedly in support of recommending that the Communications Legislation Amendment (SBS Advertising Flexibility and Other Measures) Bill 2015 be passed. I am supportive of that because I believe that we have an obligation in this place to make sure that we have the most efficient and effective organisations that we possibly can. I acknowledge the work that the SBS has done to make sure that their back-of-house operations are as efficient as possible. But, in doing so, I also acknowledge that the capacity for SBS to make the changes and the budget savings was more difficult and, therefore, this bill is essential.

Senator SINGH (Tasmania) (13:49): We will not forget the night before the election. Tony Abbott stared down the barrel of the SBS camera and he said there would be no cuts to the ABC and SBS. We know now that that was a complete lie because this bill, the Communications Legislation Amendment (SBS Advertising Flexibility and Other Measures) Bill 2015, would not be before us today if it were not for the fact of Tony Abbott breaking his promise. It is a cut, plain and simple. He promised not to cut the funding of our public broadcasters, both ABC and SBS, and he lied. Now he is trying to make SBS viewers pay that price.

This bill is really about creating a fourth commercial channel by stealth. The 2014 budget included cuts to SBS of some $53.7 million. This bill seeks to make up for $28.5 million of
those cuts. That is around at least half of the cuts that this government has made to SBS. It was a $53.7 million cut from a Prime Minister who, at the election, said there would be no cuts.

So that is where we find ourselves now in this place: having to debate a bill which should never have come to this parliament in the first place. Whether this bill passes or not, there can be no dispute that the government has broken its promise of no cuts to SBS. During the Environment and Communications Legislation Committee inquiry into the provisions of the Communications Legislation Amendment (SBS Advertising Flexibility and Other Measures) Bill 2015 that we are now debating, the evidence presented raised several critical issues in the provisions of this bill. In its own submission to the inquiry, SBS itself admitted that the subject of this bill equates to a budget cut at the hands of the Abbott government. I want to show exactly where that is clearly on display, so I will quote from SBS’s submission:

As a result of the Lewis Efficiency Study, Minister Turnbull announced further cuts to SBS’s funding in November 2014. Of the cuts, $25.2 million was based on back office efficiencies that SBS was already working towards. A further $28.5 million was predicated on successful legislative amendment to the SBS Act, which would provide SBS with additional advertising and sponsorship flexibility and allow SBS to deliver this portion of the funding cut via a modest annual revenue increase.

So, SBS’s own submission into this particular bill through that Senate inquiry shows very clearly how they have articulated what has been hoisted upon them, and that is a huge cut to their budget.

This bill is very much an attempt by the government to make the parliament complicit in breaking a clear promise by the Prime Minister to the Australian people that there would be no cuts to SBS. Those of us on this side of the chamber, the opposition, will not be complicit in the Prime Minister’s breaking his election promise. If those government senators want to be complicit in that then I am sure you will vote for this bill. But you need to remind yourselves, as much as you do your leader, Prime Minister Tony Abbott, what this will actually mean to you, to your electorates and to you as a government as you go back to the people if this bill is passed and tell them: ‘Sorry; we broke yet another election commitment. No, it wasn’t ABC this time; this time it was SBS.’ In doing so, all you have done is create a fourth commercial channel by stealth.

There is significant disagreement between unreleased government SBS modelling that predicts a return to SBS of $28.5 million should this bill pass and free-TV modelling that predicts a return of $148 million over four years. But the bottom line with all this is that SBS viewers should not have to watch more ads during their favourite shows to make up for Tony Abbott’s lies. Why should the viewers, the electorate, suffer because the Prime Minister could not keep his word, could not keep his promise to the Australian people? SBS has an important role in our multicultural Australian society. It provides an outlet for multicultural programming, news and content that showcases Australia’s ethnic diversity. So we need to be careful not to turn our SBS into just another commercial broadcaster. SBS needs to be driven by a purpose much more important than profit.

I understand that the committee also heard that the bill would mean that advertising on SBS during prime time could equal or exceed that allowed on commercial networks. So, not only is this creating a fourth commercial channel by stealth but it means that advertising could actually exceed the amount that is currently on our current commercial channels—all to make
up this shortfall of $53.7 million that has been slapped on SBS by a government, by a Prime
Minister who broke his promise after the election. I understand that on top of that free TV
throughout that committee process testified that the passage of the bill represented a threat to
commercial broadcasters themselves. So, even they are worried about their revenues and their
bottom lines. Not only is this a threat to SBS, to its viewers, to the electorate, but it is actually
also a threat to existing commercial channels.

If the Prime Minister had kept his word, if he had kept his promise of no cuts to the ABC
and no cuts to the SBS—which he said as he looked down the barrel of that SBS camera—
then we would not be in this position of having to now see SBS being turned into just another
commercial channel. It is a cut, plain and simple. Tony Abbott broke his promise to cut the
funding of our public broadcasters, ABC and SBS. In doing so he lied, and now he is trying to
make SBS viewers pay the price.

Senator Canavan: Mr President, a point of order: that is the second or third time Senator
Singh has imputed that the Prime Minister has lied. I believe that that language is
unparliamentary. I think Senator Singh should realise that, given her experience and my
relative inexperience.

The PRESIDENT: Thank you for the point of order. I will just advise all senators to be
cautious in their remarks about members from the other place.

Senator SINGH: It is plain and simple. However you want to gild the lily, Senator
Canavan, it is a lie, it is a broken promise. That is what your leader has done. You have the
opportunity, though, to not support it. So, why don't you do the right thing and actually not
support this broken promise? Maybe then you will be able to go back to your electorates and
hold your heads up high. At this point in time, all you can do is go back to your electorates
and say that it has been a broken promise by this government—no cuts to the ABC and SBS.
That is exactly all you have done: cut our public broadcasters to a very deep degree, to the
point that SBS is turning into a commercial broadcaster. Those of us on this side of the
chamber will always stand by our public broadcasters for the greater good of this country, for
the telling of Australian stories, including multicultural stories. And that means that these cuts
should not happen. We will not turn SBS into a commercial channel by stealth.

Senator CANAVAN (Queensland) (13:59): I think the Labor Party have a lot of difficulty
with the English language. They are calling this 'cuts'—it is actually an increase in revenue. It
is no surprise because, in their budgets, they used to call tax increases 'saves'. Do you
remember that? Tax increases were savings according to them. They have a problem with the
English language. (Time expired)

QUESTIONS WITHOUT NOTICE

Asylum Seekers

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:00): My
question is to the Minister representing the Minister for Foreign Affairs, Senator Brandis. I
refer to the Indonesian Vice-President, who says, in response to allegations that the Abbott
government paid people smugglers:

It is wrong for a person to bribe, let alone a state. Such an act is definitely incorrect—

Opposition senators interjecting—
Senator WONG: Those of us on this side might care what the Indonesian Vice-President has to say, but clearly the finance minister does not care.

Opposition senators interjecting—

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

Senator WONG: Well, the clock is now at 25.

The PRESIDENT: Senator Wong, you can finish your question.

Senator WONG: I will repeat the question. I hope the finance minister cares a little about what the Indonesian Vice-President said. The Vice-President said:

It is wrong for a person to bribe, let alone a state. Such an act is definitely incorrect in the context of bilateral relations …

What is the foreign minister's response?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:01): Thank you very much indeed, Senator Wong, for that question. Senator Wong, we do not comment on operational matters, as you know. In fact, Senator Wong, evidently you are not familiar with Mr Shorten's train wreck of a press conference about 45 minutes ago, when he was asked this very question. He was asked this very question whether the Labor Party, when it was in government, paid people smugglers. Do you know what Mr Shorten had to say? Mr Shorten said, 'Well, we don't comment on operational matters.' So, Senator Wong, I suggest that the next time you prepare for question time, you have a glance at what your leader has said in the hour before question time.

Of course, we know that the Labor Party paid money to people smugglers. We know $500 million worth of money went into the coffers of people smugglers, who charged a fee of approximately $10,000 per passage to 50,000 illegal entrants into Australia—

The PRESIDENT: Pause the clock! Order, Minister!

Senator Moore: Mr President, I raise a point of order on direct relevance to the question that was asked, which was about the foreign minister's response rather than a history lesson about what they believe.

The PRESIDENT: Senator Moore, in relation to the point of order, Senator Brandis did answer the question first-up, indicating that he would not be commenting on operational matters. And as has been the tradition and convention in this chamber for decades, ministers can always enhance their answers once they have answered the substantive question.

Senator BRANDIS: So we know that people smugglers in Indonesia were enriched during the period of the Labor government to the tune of tens of millions of dollars, because we know there were approximately 50,000 illegal entrants to Australia, whose average fee, as we also know, was US$10,000. That is the extent to which people smugglers were enriched during the period of the Labor government. But because the Abbott government has stopped the boats, stopped the drownings, we have also stopped the people smugglers.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:04): Mr President, I ask a supplementary question. I refer to the Indonesian foreign minister, who says:
Actually, it's not difficult for Australia to answer my question from Saturday regarding the issue of payment, and not to distract on the issue …

That is a direct quote from the Indonesian foreign minister.

Senator Cormann interjecting—

Senator WONG: I know the Minister for Finance may not think it is an important point. Has the Abbott government provided a response to the Indonesian foreign minister and, if so, what is it?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:05): As I said, Senator Wong, I am familiar with the remarks attributed to the Indonesian foreign minister. What I can tell you, Senator Wong, is that unlike when you were a member of the cabinet, unlike during the period of the Labor government, the Indonesian people smugglers have gone broke. They have gone broke because they have no business. And the reason they have no business is that they have no customers, because the Abbott government stopped the boats. Senator Wong, I know you are reluctant to acknowledge that fact. I know how reluctant you are to face the shame of having made a decision that resulted directly in the deaths of 1,100 people, most of them innocent women and children. I know how that sits with your humanitarianism, Senator Wong, but you will never escape the shame of that decision. You will never escape your record and you cannot escape the fact that the Abbott government stopped the boats. (Time expired)

Senator WONG (South Australia—Leader of the Opposition in the Senate) (14:06): Mr President, I ask a further supplementary question. I refer to a spokesperson for Indonesia's security ministry, who says that the Australian foreign minister's call for Indonesia to enforce sovereignty over their borders was 'not an appropriate statement for her to make and she should withdraw'. How is the Prime Minister's Jakarta, not Geneva, foreign policy going?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:06): I am pleased to tell you, Senator Wong, that the relationship between Australia and Indonesia, notwithstanding that there are interruptions from time to time, most recently at the time of the executions of Chan and Sukumaran—

Senator Cameron interjecting—

Senator BRANDIS: something that you might choose to laugh about, Senator Cameron, but that we regard as a human tragedy.

The PRESIDENT: Pause the clock!

Senator Wong: Mr President, I rise on a point of order. That was a false and, if I may say, malicious imputation. That was not what Senator Cameron was responding to, and the Acting Leader of the Government should withdraw it.

The PRESIDENT: If the Attorney-General deems it appropriate, it would assist if he would like to withdraw that remark in relation to Senator Cameron.

Senator BRANDIS: Mr President, if it assists you, I will. As I was saying, the relationship between Indonesia and Australia occasionally faces difficulties. That has been the case on the watch of both sides of politics, but the relationship is in extremely good shape
notwithstanding. It is in much better shape, I might say, than it was during the period of the Labor government when, for example, as a result of a decision of Senator Ludwig—who now lingers there on the backbench—when he was minister for agriculture we banned the export of live cattle to Indonesia, interfering with the food chain of that nation. (Time expired)

Budget

Senator SINODINOS (New South Wales) (14:08): My question is to the Minister for Finance and Minister representing the Treasurer, Senator Cormann. Will the minister update the Senate on how Operation Budget Repair is progressing?

Senator CORMANN (Western Australia—Minister for Finance) (14:09): I am pleased to report to the Senate that Operation Budget Repair is progressing well. One budget measure at a time, step by step, we are cleaning up the budget mess that Labor left behind. This week it is likely that we will even be able to deal with one of the outstanding measures of Labor's last budget, because Labor is now in agreement when it comes to reversing the second round of income tax cuts linked to the carbon tax. We have Operation Sovereign Borders to clean up Labor's mess at the border; we have Operation Budget Repair to clean up Labor's mess with the budget. The recent interaction between both of those operations is because, under Labor, when they lost control of our borders, when they lost control of our budget, they imposed $11 billion worth of budget blowouts on Australian taxpayers. Australian taxpayers were forced to fork out more than $11 billion more than they should have because Labor lost control of the borders.

As a result of our successful efforts to stop the boats, in 2015-16 alone, in this year's budget alone, we have been able to save half a billion dollars in spending that otherwise would have had to be incurred. Operation Sovereign Borders is supporting Operation Budget Repair—unlike Labor, which was taking government spending as a share of GDP under the worst finance minister in the history of the Commonwealth to in excess of 30 per cent, we have—

Honourable senators interjecting—

An opposition senator: Name them!

Senator CORMANN: It might be a senator from South Australia who is sitting across the chamber. Under this government, government spending is peaking at 25.9 per cent and is tracking down to 25.3 per cent. Under our government we are back on track to surplus, unlike the previous government. (Time expired)

Senator SINODINOS (New South Wales) (14:11): Mr President, I ask a supplementary question. Will the minister advise the Senate of the next steps in Operation Budget Repair?

Senator CORMANN (Western Australia—Minister for Finance) (14:11): Firstly, this government will continue to be totally committed to doing everything within the law to stop the boats. That will continue to help us to save taxpayers' money. Because the Labor Party has suggested that they would again do what they did in the Rudd and Gillard years—they would again dismantle our successful border protection policies—taxpayers across Australia would again be forced to pay for the after-budget blowout to fund the cost of porous borders under a future Labor government, if it were ever to happen. This week this government will put forward the Labor budget measure from the 2013-14 budget not to proceed with the second round of income tax cuts linked to the carbon tax, because this government got rid of the carbon tax altogether. We know that Labor will bring the carbon tax back. We will also put
the changes to the pension assets test to the parliament in this sitting fortnight, and we look forward to receiving the support of the chamber. *(Time expired)*

**Senator SINODINOS** (New South Wales) (14:12): Mr President, I ask a further supplementary question. Will the minister advise the Senate of any alternative approaches to repairing the budget?

**Senator CORMANN** (Western Australia—Minister for Finance) (14:12): I regret to say that there is no alternative Operation Budget Repair from the alternative prime minister. The alternative prime minister does not have what it takes to repair the budget in the same way as he does not have what it takes to keep our nation safe and secure. In fact, Labor's budget black hole keeps increasing—today Labor added another $2.4 billion to their budget black hole. This is undermining our economic security in the same way as Labor, in the past, has undermined our national security. Labor is now against an increase in the pension for pensioners with comparatively fewer assets, and they are against returning the pension arrangements for pensioners with significantly more assets on top of their family home to those arrangements in place for most of the period of the Howard government. That is reckless and irresponsible. Labor should get out of the way. *(Time expired)*

**National Security**

**Senator KIM CARR** (Victoria) (14:13): My question is to the Minister representing the Minister for Foreign Affairs, Senator Brandis. Did the government authorise the disclosure of classified intelligence material in *The Australian* newspaper story 'Spies, police have paid … informers for 15 years', published today?

**Senator BRANDIS** (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:14): The Australian government never releases classified intelligence material.

**Senator KIM CARR** (Victoria) (14:14): Mr President, I ask a supplementary question. Did the government authorise the disclosure of classified intelligence material in *The Daily Telegraph* newspaper story 'Aussie spies in boats payoff', published on 15 June?

**Senator BRANDIS** (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:14): The Australian government never authorises the release of classified intelligence material.

**Senator KIM CARR** (Victoria) (14:14): Mr President, I ask a further supplementary question. What action has the government taken to investigate the unauthorised disclosure of classified intelligence material relating to the operation of the Australian Secret Intelligence Service and other intelligence agencies?

**Senator BRANDIS** (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:15): Senator Carr, I think even you can work out that, if I were to respond to that question, I would be confirming what you assert. I do not.

**National Security**

**Senator WRIGHT** (South Australia) (14:15): My question is to the Attorney-General. Like many others, the Attorney-General has celebrated the 800th anniversary of the Magna Carta this week, praising it for limiting the arbitrary power of the Crown. Does it then pain...
the Attorney-General to have to simultaneously promote new citizenship laws which will drastically increase the arbitrary powers of the executive, or is the minister oblivious to what appears to be staggering hypocrisy?

**Senator BRANDIS** (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:16): I am very proud to serve in a government which adheres to the principles of Magna Carta and adheres to the principles of the rule of law fiercely. Those principles, I might remind you, include the freedom of the individual. They include principles like low taxation. They include principles like constitutional governance and of course they include the principles of the rule of law. There is no inconsistency whatsoever between the fierce and tenacious defence of those principles and strong laws to keep our people safe from those who would do us harm particularly in this new era of global terrorism.

You are right when you say that the government will be introducing amendments to the Citizenship Act shortly. Those amendments, we expect, will be introduced next week and they will, as the Prime Minister has announced, provide for the loss of citizenship by dual Australian citizens who are involved in terrorist crime. And I can tell you that overwhelmingly that is what the Australian people want us to do, it is what the Australian people expect us to do and, although the opposition have been somewhat equivocal on the question, we understand that that is what the opposition wants us to do as well. There is no inconsistency whatsoever between adhering to the principles of Magna Carta and keeping our people safe. Indeed, it was to keep the people of that realm safe that Magna Carta was enacted some 800 years ago.

**Senator WRIGHT** (South Australia) (14:18): Mr President, I ask a supplementary question. Bret Walker SC has said the government's intention to put the sole power to decide citizenship in the hands of Minister Peter Dutton is 'constitutionally unthinkable' and a misreading of his advice. Given that it is a minister's job to be popular but a judge's job to be right, how can the Australian people trust any government which wants to bypass the courts?

**Senator BRANDIS** (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:18): Let me read you what Mr Bret Walker said in his report on 28 March 2014 on page 75. Let me read it to you in full, and you work it out for yourself:

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

That is word for word what Mr Walker said in March last year, and we are following that advice to the letter.

**Senator WRIGHT** (South Australia) (14:19): Mr President, I ask a further supplementary question. A leaked question time brief yesterday exposed these laws to be all part of one great big game of chicken for the Abbott government. Attorney-General, is national security
another 'by hook or by crook, whatever it takes' area for this government? Indeed, are there any human rights or freedoms this government will not trade away for political advantage?

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): National security is not a game of chicken. National security is about keeping our people safe. Do you know that in 2013 there were more people around the world killed in terrorist crimes than in any year since statistics were first collected in 1948? You obviously know that last December Australians tragically suffered the deaths of two of our citizens in the Martin Place siege. The Australian people not only expect governments but, frankly, expect parliaments—including you—to enact laws that will deal with a threat the severity of which you and your political colleagues continue to deny but which this government has shown the mettle and the strength to thwart.

Asylum Seekers

Senator BACK (Western Australia) (14:21): My question is to the Assistant Minister for Immigration and Border Protection, Senator Cash. I ask: will the minister advise the Senate of the importance of a strong and resolute approach to border protection?

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (14:21): I thank Senator Back for his question and for his ongoing interest in protecting Australia's borders. I can advise the Senate that it has now been 324 days since there was a successful people smuggling venture to Australia. You might ask yourself why. The answer is this: it is because those of us on this side instituted—

Senator Cormann: They said it couldn't be done.

Senator CASH: They said it could not be done—absolutely. They said it could not be done, and we have proved them incorrect. What we have done on this side of the chamber is stop the boats. We have stopped the 50,000 people that came here under the former government's policies from coming to Australia. We have also stopped the deaths at sea—almost 1,200 people drowned at sea under the policies of the former government.

Perhaps one of the greatest achievements of this government has been getting children out of detention. Do you remember how many children arrived under the former government? In excess of 8,400 children. In July 2013, 1,992 children were in detention. Imagine my surprise, colleagues, when last week there was a small protest outside of my office—people protesting children in detention. They delivered teddy bears to my office. Imagine my surprise, though, when Senator Lines from Labor turned up at my office with a teddy bear! A senator from that side of the chamber that was responsible for putting children into detention came to my office and protested about this government's stance on getting children out of detention. Senator Lines, does your hypocrisy know no bounds?

Senator BACK (Western Australia) (14:23): Mr President, I ask a supplementary question. Will the minister advise the flow-on benefits to Australia of having a strong and resolute approach to border protection?

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (14:24): There are significant flow-on benefits to the Australian public in having strong borders. We heard from
Senator Cormann previously that not only have we stopped the boats, but we are now also paying down Labor's debt and deficit. In relation to that, those on the other side were responsible for an almost $12 billion budget blow-out because of the way they controlled Australia's borders. As a result of the policies on this side, we have already re-invested into the budget $2.5 billion, and that is just the start. We have announced savings in the 2015-16 budget of an additional $½ billion. While those on that side are spending taxpayers' money with absolutely no regard at all, we on this side are putting in place responsible policies that are returning savings. (Time expired)

Senator BACK (Western Australia) (14:25): Mr President, I ask a further supplementary question. I thank the minister and ask: are there any alternative approaches to the government's strong and consistent border protection policies which Australians overwhelmingly endorsed at the last election?

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (14:25): It is a very timely question from Senator Back, given that next month is the Labor Party's national conference. The Labor Party faces a dilemma. They need to decide at their national conference: do they support the proven policies of the coalition government that have stopped the boats? Or will they do as the Deputy Leader of the Opposition has done and refused to commit to maintaining the strong policies that have put the people smugglers out of business? Ms Plibersek was repeatedly asked—eight times in fact—whether Labor would commit to keeping the coalition government's strong border protection policies, which we know have stopped the boats, have stopped the deaths at sea, have returned money to the budget and have seen children released from detention. Time and time again, Ms Plibersek refused to commit. Only time will tell, and we on this side—(Time expired)

Housing Affordability

Senator McLucas (Queensland) (14:26): My question is to the minister representing the Prime Minister, Senator Brandis. I refer to the Secretary of the Treasury, Mr John Fraser, who says that Sydney is unequivocally in a housing bubble, and the Reserve Bank Governor, Mr Glen Stevens, who says that the Sydney property market is 'acutely concerning' and 'crazy'. Does the Prime Minister share the concerns of the Secretary of the Treasury and the Governor of the Reserve Bank?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:27): Well, Senator McLucas, it is an important issue, and the Australian government is committed to pursuing policies that will enable young Australians to get into the housing market, but not at the cost of reducing the price of homes, because, Senator McLucas, as you and I both know, the principal asset that most Australians will own in their life is their home. It is their home, and we view with very deep concern the Labor Party's suggestion that negative gearing arrangements will be interfered with, were there to be a Labor government. We know what would happen: asset prices would fall and rents would go through the roof. That is your prescription, Senator McLucas; that is the prescription of the Australian Labor Party; and we will not have a bar of it. We will not have a bar of it.

We believe that houses should be affordable. We also acknowledge, by the way, that this is also an issue for state governments and for municipal governments. We acknowledge that one
of the ways in which this problem can be addressed is by releasing more land for development in our great cities. We acknowledge that, and we also acknowledge the importance of restoring the economic prosperity, which suffered so gravely during the period of the Labor government, so that more people can be in employment and more people can afford houses. Senator McLucas, that is what we intend to do. What you intend to do is to pursue a harebrained policy that would see the value of people’s principal asset fall without achieving any enhancement of housing affordability and would see housing rents in particular go through the roof. We will never do that, Senator McLucas.

Senator McLUCAS (Queensland) (14:29): Mr President, I ask a supplementary question. In light of the concerns of the Secretary of the Treasury and the Governor of the Reserve Bank, does the Prime Minister hope Sydney house prices keep escalating, denying more first homebuyers the opportunity to enter the housing market?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:29): Senator McLucas, we understand that Australian homeowners want to see the value of their asset protected. As I said in answer to your principal question, the family home is the principal asset that most Australians will acquire in their lifetimes. We accept there are challenges to do with housing affordability. Of course there are. But the solution is not to deflate the value of the principal asset that most Australians own. That is not the way to go about it.

There are various strategies to address this problem. One of them, as I said before, is the release of more land for development. Senator McLucas, we are not going to pursue the harebrained policy that your leader has been contemplating lately of interfering with negative gearing arrangements in any way that will reduce the cost of an asset while increasing the rental cost.

Senator McLUCAS (Queensland) (14:30): Mr President, I have a final supplementary question. Can the Minister representing the Prime Minister outline the government’s plan to tackle housing affordability in Sydney and other high-cost housing markets?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:30): I have mentioned one measure, Senator McLucas, and that is encouraging the states and, where appropriate, municipal governments to release more land for development. But we are doing more than that. Let me tell you something else we have done. Against your opposition, we abolished the carbon tax, as a result of which the cost of acquisition of a new home fell $5,000 below what it would otherwise have been. Senator McLucas, you complain about the price of housing and yet, directly as a result of a policy you voted for, new houses were $5,000 more expensive than they would otherwise have been. We have reversed that measure and we will not contemplate it, as you intend to. (Time expired)

National Disability Insurance Scheme

Senator JOHNSTON (Western Australia) (14:31): My question is to the Assistant Minister for Social Services, Senator Fifield. Will the minister update the Senate on the latest quarterly results on the operation of the National Disability Insurance Scheme?

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (14:32): Thank you, Senator Johnston, for your
question. I notice in the gallery are Councillor Walsh from the City of Darebin and Councillor Mulholland from the City of Banyule, both of whom are very strong supporters of the National Disability Insurance Scheme. Senator Johnston is correct: we recently released the latest quarterly report of the NDIS on 3 June, and there is good news. There are now over 13,000 participants in the NDIS. There has been $754 million committed to those individuals to ensure that they get the better deal that they deserve. That represents about 85 per cent of the numbers which are required in the bilateral agreements with the states and territories. That is up from 81 per cent in the last quarter. I can report that the average package cost is around $34,000, which is largely unchanged from last quarter, where it was about $35,000, and remains a little bit below the expected full scheme average of $36,000. That means that the NDIS's budget is pretty much on track. I should also indicate that satisfaction levels remain high amongst NDIS participants.

There were some important elements in the budget to support the NDIS. Obviously the government is absolutely 100 per cent committed to the scheme. The budget included an allocation of $695 million in the coming financial year for the NDIS. It also included $143 million to build the ICT system that the NDIS requires and also $20 million for an early rollout for kids in Western Sydney, which is terrific news.

Senator JOHNSTON (Western Australia) (14:34): Mr President, I have a supplementary question. Will the minister advise the Senate how the government intends to progress the National Disability Insurance Scheme over the next six months?

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (14:34): I am in the process of negotiating with the jurisdictions as to how the NDIS will roll out beyond the existing seven trial sites throughout the rest of those jurisdictions. Those discussions are going very well. I mentioned in response to the primary question that there was an early rollout in Western Sydney—in Penrith and the Blue Mountains—for people with disability below the age of 17. That is happening early. That will benefit 2,000 young people in the west of Sydney. It was great to be in Penrith recently with Fiona Scott and Louise Markus from the other place. We signed a memorandum of understanding with the New South Wales government to see the NDIS roll out beyond trial sites for the first time in Western Sydney. I think that is something we can all agree is good news. (Time expired)

Senator JOHNSTON (Western Australia) (14:35): Mr President, I have a final supplementary question. Will the minister inform the Senate how the 2015 budget further invests in the National Disability Insurance Scheme?

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (14:35): As I mentioned, there is $143 million for a new ICT system which ultimately will help ensure that there is a virtual marketplace where service providers and individuals receiving supports can meet. That is going to be important. It also will have an important role in the actuarial and insurance approach that the NDIS takes to ensure that the scheme is sustainable. There is in the budget the $20 million that I mentioned in relation to Western Sydney. In terms of the government's commitment to the NDIS, I would like to quote Mr John Della Bosca, head of the Every Australian Counts campaign and former Labor minister in New South Wales. He said:
The Abbott Government's strong support for the NDIS cannot be questioned. They are funding the NDIS and in doing so transforming the lives of people with disability.

It is a good thing that this is something that enjoys support across the chamber.

**Infrastructure**

**Senator MUIR** (Victoria) (14:36): My question is to the Minister representing the Minister for Infrastructure and Regional Development, Senator Cash. The 2015 budget papers, when compared to the 2014 budget papers, show that Commonwealth infrastructure payments are down $802 million this year on what was promised in 2014. Far from taking up that cut, another $1.2 billion is cut from the following year, 2015 into 2016. At a time when overall public spending on infrastructure is falling steeply, how is it responsible to downsize Commonwealth spending by $2 billion?

**Senator CASH** (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (14:37): I thank Senator Muir for his question and for providing us with some notice of the question. The government, I can confirm, has not cut spending on infrastructure. In last year's budget, our commitment was $16.4 billion more than the former Labor government's—and now it is $17 billion more. That is part of our record $50 billion investment plan to build a strong, safe and prosperous future for all Australians.

Budget Paper No. 1 of this year's budget, on page 541, shows that road transport expenditure increases from $4.214 billion in 2014-15 to $5.935 billion in 2015-16 and again increases in 2016-17 to $8.401 billion. Likewise, rail transport expenditure in 2014-15 was $740 million. It increased to $1.079 billion in 2015-16 and it again rises to $1.303 billion in 2016-17. To ensure value for money for the taxpayers, the timing of expenditure on infrastructure projects is tied directly to milestones. This means that the actual expenditure each year will vary from that which was estimated. The predictions are based on the cash flows requested by the states, taking into account when they expect to meet those milestones. The changes to predicted expenditure also take into account the anticipated return of the East West Link payment. Of course Senator Muir will be well aware, as will the parliament, that the government has kept the $3 billion for the East West Link quite literally in a locked box. It is there for any government who wishes to build it. In the meantime, Minister Truss is negotiating other worthy projects in Victoria to keep that state moving. (Time expired)

**Senator MUIR** (Victoria) (14:39): Mr President, I ask a supplementary question. Is it not the case that the government promised to spend $35.4 billion over five years last year, but this year there is only $33.2 billion over five years? Where has that money gone?

**Senator CASH** (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (14:39): I thank Senator Muir for his supplementary question. The government retains the biggest infrastructure investment commitment in Australia's history. We have a record $50 billion of investment in infrastructure in Australia. But it is particularly pertinent that Senator Muir should query an alleged reduction in the infrastructure spend. As a Victorian senator, you are clearly acutely aware of your state's Labor government and their decision not to build the East West Link. As a responsible member of this place, I am sure that you join us on this side in questioning this unprecedented decision and what is a complete waste of Victorian taxpayers' money. The answer I gave to the first question confirms that $3 billion has been set aside for the East West
Link project. Minister Truss is also discussing new projects with the Victorian government that could be added to the investment program for that state. *(Time expired)*

**Senator MUIR** (Victoria) (14:40): Mr President, I ask a further supplementary question. Why is the government spending less than $1 million on the Heavy Vehicle Safety and Productivity Program this year, when it promised to spend $48 million in the 2014 budget?

**Senator CASH** (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (14:41): I can confirm for Senator Muir that no cuts have been made to the Heavy Vehicle Safety and Productivity Program. Successful projects under round 4 of the Heavy Vehicle Safety and Productivity Program were announced by Minister Truss in March of this year. Under round 4, 53 proposals will receive total funding of $96 million over this and the next financial year. Project proponents are currently finalising funding instruments with the Department of Infrastructure and Regional Development. The government is committed to delivering the full $248 million commitment announced in the 2014 budget. Our commitment, of course, is boosting our economy. It is creating tens of thousands of jobs—not those jobs in Victoria, unfortunately, which have been denied to the people of Victoria. It is increasing capacity on our freight routes and, importantly, reducing congestion for all road users.

**Defence Procurement**

**Senator CONROY** (Victoria—Deputy Leader of the Opposition in the Senate) (14:42): My question is to the Minister representing the Minister for Defence, Senator Brandis. I refer to a recent column by the chair of the government's own Commission of Audit, Tony Shepherd, entitled 'The case for building submarines in Australia'. When reflecting on the success of the Anzac frigate and the Collins class submarine procurements, Mr Shepherd observes:

> After the selection of a short-list of experienced offshore designers, funded project definition studies led to the submission of fixed price tenders for a local build which maximised the involvement of Australian industry. The Abbott government should follow this well-proven, risk-reduction path.

Minister, why is the government ignoring the chair of its own Commission of Audit and pursuing its risky and unproven competitive evaluation process?

**Senator BRANDIS** (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:43): Senator Conroy, this government has a lot of respect for Mr Tony Shepherd. Mr Shepherd has been the subject of repeated vilification and abuse from those on your side of the chamber, so I am very surprised to see you invoking his name. Nevertheless, the answer to your question is: we are determined to ensure that Australians get the best value for money, and we are determined to ensure that the future submarine program is based on the best interests of the Australian people. That is what we are going to do. It is for that reason that we are going through a competitive evaluation process to assess who is the best international partner to partner with Australian industry in the construction of the future submarine. Senator Conroy, I see you shaking your head. Well might you shake your head when you reflect upon the record of the government in which you served when it came to the future submarine, because, Senator Conroy, for six years your government did nothing—not a thing—to advance the future Australian submarine, therefore opening up a capability gap into the future. During the six years of your Labor government not one warship was commenced at any Australian
shipyard—not one. Senator Conroy, when the Abbott government came into office, we found the submarine program delayed by six years and the air warfare destroyer commenced by the Howard government way behind and way behind budget as a result of you. (Time expired)

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (14:45): Mr President, I ask a supplementary question. I refer the minister to comments by the former commander of the Japanese submarine fleet, retired Vice Admiral Kobayashi, who was questioned about whether Australia has the skills to build our future submarines. Does the minister agree with the vice admiral's assessment that Australian shipyards 'don't have enough skilled workers to fashion the high-tension steel'?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:45): I am not familiar with Vice Admiral Kobayashi's remarks, but if that is what the retired vice admiral said then I do not agree with the proposition that Australian shipyards do not have a high level of skill and proficiency—because they do. That is why this government has progressed the air warfare destroyer project, which was left in tatters by your government. That is why this government, as a result of the competitive evaluation process, is going to select an international partner—

Senator Kim Carr interjecting—

Senator BRANDIS: an international partner yet to be selected—who will partner with the Australian shipbuilding industry to produce the best result for the Australian people.

The PRESIDENT: Senator Carr, even though it is disorderly to interject, I just remind you to refer to senators by their correct title.

Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (14:46): Mr President, I ask a further supplementary question. I again refer Senator Brandis to Mr Shepherd's column, which outlines the unequivocal benefits of building our future submarines right here in Australia. In Mr Shepherd's own words: 'Our next-generation submarines should be built in Adelaide'. Minister, when will this government heed the advice of its own experts and keep its promise to build 12 submarines in Adelaide?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:47): Senator Conroy, if you are so powerfully persuaded by Mr Shepherd's words, why didn't you do anything for six years? Why did you do nothing for six years? Why did you let the Australian submarine project go into abeyance for six years? Why did you not commence the construction of a single warship at any Australian shipyard for the six years that you were in office? That is your record. Senator Conroy, I know that you are uncomfortable with things like tender processes. Senator Conroy, when we talk about tender processes, you have form. We know that when you were the minister responsible, for example, for the NBN—

The PRESIDENT: Pause the clock.

Senator Moore: Mr President, I rise on a point of order on direct relevance to the question. Whilst the minister has spoken widely on his own issues, the question is: when will the government heed the advice of its experts? It is the current government's actions, not a reflection on the past.
The PRESIDENT: I remind the minister that he has 13 seconds in which to answer the question.

Senator BRANDIS: You presided over a tender process which you yourself, in your own words, described as 'corrupted'. Senator, the future Australian submarine is going to go through a proper process, a competitive evaluation process, to achieve the best result for the Australian people. (Time expired)

South Australia: Vocational Education and Training

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (14:48): My question is to the Assistant Minister for Education and Training, Senator Birmingham. Will the minister update the Senate on the impact of the South Australian Labor government's WorkReady training policy on South Australia's vocational education and training sector and, in particular, on South Australia's unemployment rate.

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (14:49): I thank Senator Fawcett for his question. As I told the Senate yesterday, South Australia's training sector and, more importantly, the skills and employment market face dire consequences as a result of the new WorkReady policy that the South Australian Labor government is applying. It strips choice away from students and employers in South Australia. Guaranteeing 90 per cent of places solely to the TAFE sector is a significant backward step to the more than 70 per cent level of contestability that used to exist in South Australia.

The real concern there is that we will see two major impacts on employment—a direct impact for registered training organisations, with estimates of around 10,000 potential job losses as a result of this decision; but then, of course, a further impact throughout the rest of the economy as a result of the fact that there will be fewer skilled workers available, less choice for students and employers in where to go to access their training. This comes at the worst of all possible times for South Australia, with confirmation last week that South Australia now has the unhappy record of having the highest unemployment rate in the country.

But you should compare this, Mr President, with what has happened elsewhere in the country. In the period since the Weatherill government was re-elected, unemployment has gone down in Queensland, unemployment has gone down in New South Wales, unemployment has gone down in Victoria and unemployment has gone down in Tasmania. While all of those states have managed to get unemployment down, since the Weatherill government was re-elected unemployment has gone up in South Australia to the highest in the nation, because they are not getting the policy settings right for South Australia and this new WorkReady policy will only compound that problem and create greater employment difficulties for SA in the future. (Time expired)

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (14:51): Mr President, I ask a supplementary question. Will the minister advise the Senate on how this new South Australian Labor government skills policy will discourage international vocational education and training students from coming to South Australia?

Senator Cameron: Plenty of Japs there. Plenty of Japanese coming

Government senators interjecting—
The PRESIDENT: Senator Brandis on a point of order. Order on my right!

Senator Brandis: Mr President, I think racist remarks are unparliamentary, and I think that the description of our Japanese allies as 'Japs', by Senator Doug Cameron, ought not to be allowed to stand.

The PRESIDENT: Senator Cameron, if you feel that you would like to withdraw that I will give you that opportunity.

Senator Cameron: If it assists the Chair, I will withdraw.

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (14:52): What we see from the state government in relation to their new work ready policy is great inconsistency when it comes to the announcement they have just made that they want to try and reinvest in international education. International education is a huge industry. It is our fourth largest export industry, our largest services industry, and is worth nearly $1 billion to the South Australian economy alone. But at the same time as saying that they want to reinvest—they have backflipped on previous cuts there—they are implementing a policy that will dramatically harm choice in relation to domestic students. By shutting out many domestic students you harm the existence of those training providers. Without a strong domestic market we simply will not have quality providers there to compete for those international students. Eighty-five per cent of international VET students choose a private provider, but those private providers will simply lose their domestic base under this new policy regime.

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (14:53): Mr President, I ask a further supplementary question. Will the minister advise the Senate that the government is doing to call the South Australian Premier and minister to account on this issue?

Senator BIRMINGHAM (South Australia—Assistant Minister for Education and Training) (14:53): As I told the Senate yesterday, there is a chorus of criticism in relation to this new policy. The South Australian Council of Social Services Executive Director Ross Womersley has said that cutting back on training places would hurt the disadvantaged and lead to skills shortages when the NDIS comes into effect. The Master Builders Association have highlighted that the new policy could lead to construction skills shortages and higher costs for home buyers. The reality is that there is wide range of criticism from the social services sector through to the business community, who all recognise that this will have detrimental impacts on training, on skills and on employment in South Australia. I have met with all of those who are concerned, yet the South Australian training minister, Gail Gago, is hiding from her critics and is unwilling to meet with them. She should be willing to do what we have done—sit down and listen to their concerns, address this policy and answer the criticisms that are so real. (Time expired)

Cabinet

Senator McALLISTER (New South Wales) (14:54): My question is to the Minister representing the Prime Minister, Senator Brandis. I refer to ministers Bishop, Turnbull, Pyne, McFarlane and Cormann, who have ruled out leaking a cabinet discussion about proposed citizenship changes. Was the Attorney-General the source of the leak?
Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:55): Thank you, Senator McAllister. That is the first occasion that I have had the pleasure of answering a question from you. I have never been asked that question before, so this gives me the opportunity to place on the record the fact that it was not me.

Opposition senators interjecting—

The PRESIDENT: Order on my left. You have a colleague waiting to ask a question.

Senator McALLISTER (New South Wales) (14:55): Mr President, I ask a supplementary question. What inquiries has the Prime Minister or his department undertaken to determine the source of the cabinet leak, and when was the leak referred to the Australian Federal Police?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:56): The processes whereby the government deals with these matter are internal to it. The matter is being dealt with within the processes of the government.

Senator McALLISTER (New South Wales) (14:56): Mr President, I ask a further supplementary question. Who in the Prime Minister’s office provided details to the media about proposed changes to citizenship laws, before the cabinet meeting, both pre-empting the outcome of the meeting and disclosing a cabinet agenda item? When was this unauthorised disclosure referred to the Australian Federal Police?

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (14:57): I saw a press report, which I assume is the one to which you are referring. The premise of your question—that the source of that information came from the Prime Minister’s office—I am quite sure is wrong.

Education

Senator CANAVAN (Queensland) (14:57): My question is to the Minister for Veterans' Affairs, Senator Ronaldson, representing the Minister for Industry and Science. Will the minister update the Senate on how the government is ensuring our children are equipped with science, technology, engineering and maths—or stem skills—needed for the jobs of the future?

Senator RONALDSON (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (14:57): I thank Senator Canavan, and I thank Senator McAllister for that question earlier on, which got the response it deserved, which gave me the opportunity to get up and get this question answered.

As Senator Canavan well knows, children living in regional Australia do not have regular access to facilities like Sydney's Powerhouse or Canberra's Questacon that can instil and inspire a love of science, technology, engineering and maths. Last month, hundreds of children got to experience science in action when the Shell Questacon Science Circus went to regional New South Wales. Throughout the program's 30-year history, more than 2.2 million Australians have experienced the science circus, through school excursions or public exhibition. I am sure that Senator Canavan will be pleased to know the science circus includes slime, bubbles, fire, liquid nitrogen and beds of nails, to involve students in fun, accessible
demonstrations that show science is important and relevant to everyone's lives. With attractions like slime, bubbles, fire, liquid nitrogen and beds of nails, it might have been cheaper to give these kids observer status at the forthcoming national ALP conference.

One of the mothers, Sally White, said, 'I think that it is really important for the kids, especially to see the hands-on approach to learning about science. It could be something that stays with them when they continue to learn about science in the future.' Indeed, instilling a love of science at a young age ensures that we nurture our future entrepreneurs. (Time expired)

Senator CANAVAN (Queensland) (14:59): Mr President, I ask a supplementary question. Can the minister advise the Senate on how the industries across Australia are being supported by the government's National Measurement Institute?

Senator RONALDSON (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (15:00): I thank Senator Canavan again. I am very pleased to advise him and the Senate that Australia's health and energy sectors, along with other industries, will continue to benefit from the National Measurement Institute initiatives funded through this year's budget. Australia's peak measurement body is delivering biological, chemical, physical and legal measurements, and this expertise is available to businesses and organisations across Australia.

For industry, this helps them to improve the accuracy of the measurement of their goods and services, and helps with their participation in global markets. The institute's activities this year will support the government's commitment to putting science at the centre of industry by working with research institutes, hospitals and pathology labs to improve the comparability and accuracy of their diagnostic test results. NMI's molecular biologists will collaborate with Australian researchers to—

Senator Lines interjecting—

Senator RONALDSON: Honestly and truly!—evaluate a new approach to detecting—

Opposition senators interjecting—

Senator RONALDSON: Look, if you do not care about childhood leukaemia, just keep on talking. If you—(Time expired)

Senator CANAVAN (Queensland) (15:01): Mr President, I ask a further supplementary question. Will the minister also inform the Senate how the government is investing in science and making sure that science is an important cog in our industry policy?

Senator RONALDSON (Victoria—Minister for Veterans' Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Special Minister of State) (15:01): If Senator Canavan does not mind, I will finish the last part of that last answer. As I was saying, the NMI's molecular biologists will collaborate with Australian researchers to evaluate a new approach to detecting childhood leukaemia, potentially providing cheaper and faster diagnosis, which I would have thought would have been supported by everyone in this chamber. Clearly, from the attitude across the chamber, that is not so.

Now, our government is finalising its national science, technology, engineering and mathematics policy, the STEM policy. We have already launched our national science and research priorities and assessed associated challenges. The Minister for Industry and Science

Senator CANAVAN: The Minister for Industry and Science?

Senator RONALDSON: The Minister for Industry and Science.

Senator CANAVAN: The Minister for Industry and Science?

Senator RONALDSON: The Minister for Industry and Science.

Senator CANAVAN: The Minister for Industry and Science?

Senator RONALDSON: The Minister for Industry and Science.
is working with the Minister for Education and Training to implement a new approach to the funding of national research infrastructure. We are working very closely across industry and the science community to get the fundamentals right and develop a national science policy that will position Australia well into the future. We are spending $3.1 billion—

**(Time expired)**

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

**QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS**

**Answers to Questions**

**Senator SINGH** (Tasmania) (15:03): I move:

That the Senate take note of the answers given by the Attorney-General (Senator Brandis) to questions without notice asked by opposition senators today.

If there is one thing that both sides of this place should be able to agree on, it is Australians having a right to know how their government spends its money. That is why, today, we gave Senator Brandis the opportunity to in fact answer that question when we asked about the recent allegations in relation to cash incentives provided to people smugglers to return them to Indonesia. We did not get a straight answer—in fact any answer worth any merit—out of Senator Brandis. Instead, we got the usual mantra which the government is sticking to at the present time—as opposed to last week—of it being an operational matter.

This government, in doing this and hiding this from people, simply shows a lack of commitment to transparency and the rule of law. On the one hand, you have the Prime Minister saying one thing, with a discrepancy then with what the immigration and foreign ministers said last week. We know now that Minister Dutton and Minister Bishop are backtracking from the statement that a cash exchange did not happen. Today, Senator Brandis had a clear opportunity to make it clear to the Australian people where their taxpayer money has been spent.

The opposition will get to the bottom of this, if Senator Brandis refuses to do so, as our shadow immigration minister has written to the Auditor-General to investigate whether or not these payments did occur. In the meantime, our ongoing relationship with Indonesia is being jeopardised. We only have to see now the reports by the Indonesian Vice President, Jusuf Kalla, who said that the practice would be unethical and would make Australia a party to people smuggling. If the government has not provided payments to people smugglers to turn back boats to Indonesia, why won't it say that it has not? It will not say that. That can only lead to the summation that the likelihood is that it has. Not only would this be a state bribing but it could also turn out to be contributing to human trafficking as well. This is incredibly serious. It is so serious that Mr Kalla, the Vice President of Indonesia, has said so himself. He said clearly:

… a state bribing, that certainly doesn't fit with the correct ethics in state relations.

Senator Brandis, the Attorney-General of this country, today had ample opportunity to tell us that the government has not paid people smugglers. He is inviting us to think that this is exactly what has happened, in not answering the question and in trying to hide behind this mantra of operational matters. Operational matters for what purpose? There is no national security threat here in relation to raising operational matters. It is clearly a media strategy that
is being now used by this government as it goes into damage control. First, we had it going into damage control from leaks from cabinet in relation to citizenship—leaks that Senator Brandis has ruled out that he leaked, but we know that somebody did leak within the government's cabinet. All over the place, are they, on citizenship changes. We don't even know what is coming forth; we have not seen any legislation, in that regard. That is probably because there is so much division and leaking going on from the cabinet that they do not know which way to turn next.

On top of that, we have this issue of cash incentives to people smugglers, to return them to Indonesia, that the government will not rule out. Again, there is no transparency from this government. In doing so, the government is offering people smugglers a new business model. The government needs to be very careful here. We will get to the bottom of this. We have written to the Auditor-General's Department to ask them to investigate whether or not these payments did occur. This is serious for this country, serious for our relationship with Indonesia and serious if this government is really serious about trying to stop boats.

Senator IAN MACDONALD (Queensland) (15:08): Senator Singh's feigned concern about our relationship with Indonesia shows the rank hypocrisy of the Australian Labor Party. Those of us who were very close to the impacts of the ban on the live-cattle trade by the Labor government will understand how you can really destroy relationships with another government. The Indonesians relied upon that live-cattle trade for feeding many millions of its population but the Labor government—overnight—stopped the trade, without so much as a telephone call to the Indonesian government telling them they were going to do that.

Senator Singh raises other matters about our relationship with Indonesia. She might be able to tell me about the allegations of Edward Snowden, who suggested that the Australian government had been spying on Indonesian politicians and officials. That was not commented upon by the Australian government, as was appropriate. But if you look at the dates these allegations were made, they referred to the time of the Labor government. So if these allegations of Edward Snowden—and I would not give them much credibility—were true then they were implemented at the time of the Labor government.

Further, Senator Singh criticises Senator Brandis for not commenting on security matters. Senator Singh occasionally attends the Legal and Constitutional Affairs Legislation Committee, which I chair, when we inquire of the Customs and Border Protection people about these issues. She would well know that it has been an enviable rule that no comment is ever made on operational matters. That is a very sensible rule. The fact that I think it sensible does not give it a great deal of credence, perhaps, but I will read you this interview between a prominent politician and a journalist.

This prominent politician—by the name of Mr Bill Shorten—said this at a press conference early today, and I quote verbatim: 'If you're going to security matters about what happens elsewhere, you are all more experienced journalists here than I have ever served in this parliament. And you know that it does not matter what political party the politician is from. When it comes to security matters, we simply don't comment. Let me be really crystal clear.'

The journalist said: 'Given the circumstances, clearly you are aware that ASIS agents made payments to people smugglers during the Rudd-Gillard years in Indonesia, so why would you expect the government—.' Mr Shorten cut him off and said, 'I'm not saying that at all. I'm saying I won't comment on ASIS matters and again, Chris,' the journalist, 'you've been around
the block long enough to know that no serious leader of Australia would ever start commenting on security matters.

Senator Singh, criticise Senator Brandis all you like but, perhaps by implication, you are also criticising Mr Shorten. I know that is a popular pastime in the media and around this building. I know within the Labor caucus Mr Shorten is often subjected to very severe criticism from his own side. Perhaps Senator Singh is part of the faction that does not support Mr Bill Shorten. If she is that, she is being fairly open about her criticism of Mr Shorten by criticising Senator Brandis for exactly the same approach to security matters that Mr Shorten himself took and spoke about in a media conference earlier today.

Senator Singh, if you are going to criticise Senator Brandis, you are clearly—by extension—criticising your own leader. Mr Shorten, however, as with Senator Brandis, knows that under no circumstances should any Australian government official or minister comment on security matters. *(Time expired)*

**Senator GALLACHER** (South Australia) (15:13): I rise to take note of Senator Brandis's answer to Senator Conroy in respect to the well-traversed subject of the broken promise on submarines. I want to put this on the record very early in this contribution. Whether it is Japanese, German or French expertise that is selected by the Commonwealth, there is one fundamental strategic imperative that must accompany this decision: Australia must insist the successful company transfer its design, engineering and shipbuilding capacities in a way that is integral to the build through-life support program. Strategic, economic and defence considerations all dictate this requirement.

We have any number of experts in this field, whether they be former Defence experts, independent experts, head of the Commission of Audit experts or Hans Ohff, former CEO of ASC and fellow at the University of Adelaide and whom I have just quoted. They all say one fundamental thing. They say that our defence and economic imperatives align with a build in South Australia.

We have heard a couple of questions asked of Senator Birmingham over the last couple of days about the initiatives—very good initiatives—he is proposing for employment opportunities and training organisations. But the reality is that in South Australia you cannot walk to the local paper shop, you cannot visit the service station, you cannot walk to the shopping centre, you cannot visit your friend's house and you cannot go to a barbecue without being told: 'We must build the submarines here. What are you, as my federal MP or representative, doing about that?'

I can go on at length about what we are trying to do about it, but the other side are in a horrendous position. There is probably 80 or 90 per cent support in the electorate in the electorate in South Australia for a design-build-sustain of submarines in South Australia. It is so widely held and so deeply felt that it is impossible for those on the other side to move anywhere in South Australia without facing that question. They really do need to get onside and demand that the federal government does what the experts are saying it should do. If we have not got the design capability or the expertise for design—we have not got 300 designers on tap—then make them come to Australia, set up shop, do it efficiently and do it right here. It is a defence imperative, an economic imperative and, dare I say it, an electoral imperative for a lot of South Australian Liberal members of parliament.
We do know that the member for Hindmarsh is onside on this. He wants them built in South Australia because he cannot move anywhere in Hindmarsh without getting sandbagged on it. He has written to the Prime Minister. You only have to listen to the commentary in South Australia to know they are trying to find a safe state seat for him once he gets belted at the next federal election. We do know that the electorate of Boothby is very vulnerable to a campaign on this. If you look at the Xenophon vote, if you want to go down the political lane on this, it was exceptionally high in the seat of Boothby. It was really, really high. If Senator Xenophon stands a candidate there simply on the submarine issue in South Australia, and we have a credible campaign and candidate in South Australia, the seat of Boothby is in play—only 8,500 votes need to change.

My reading of it, when I walk around and visit workplaces and social gatherings in South Australia, is that I have not seen an issue like this before. With the demise of Holden, with the loss of all of those manufacturing jobs there, with the impending loss of the ASC and the future of that building and manufacturing sector, which is so critical to add-on small businesses—the drycleaner who gets a bit of work from someone who is going to and from the ASC, the takeaway shops, the service stations—and the building of new houses and all of those things that hang off well-paid good jobs in manufacturing, this is a really critical issue that needs to be decided earlier rather than later, and not be based on a prime ministerial whim for a deal with his friend the Japanese Prime Minister. We know what a great multiplier of jobs manufacturing is and this needs to be done as a sustainable defence of an economic imperative. They should build it in South Australia.

Senator BACK (Western Australia) (15:18): The Labor question time tactics committee is just a gift that keeps giving. And as I look at the three across the board here—Senator Wong asking a question of Senator Brandis to do with border protection, Senator McLucas coming up with housing affordability and then Senator Conroy with regard to submarines—I do not know where to start! I will start with the last; I will start with Senator Conroy, the shadow defence minister.

As Senator Brandis pointed out, during the time of the Labor government, despite the overwhelming voices of Senator Gallacher, Senator Wong and then Senator Don Farrell, he could not remember hearing any of those voices screaming out about the fact that not one single solitary submarine was being built. There was not even a plan for a submarine to be built, let alone a warship in South Australia or anywhere else. Where were their voices? They were not around. Do not come in here now with your crocodile tears!

Of course, Senator Conroy will always be known for the NBN, the 'no bloody net'—I mean the National Broadband Network. I recall when I first came into this place asking naive questions of Senator Conroy. This was to be the biggest ever infrastructure program. In my naivete, I asked, 'Where was the business plan? Senator Conroy said: 'Business plan? We don't need a business plan.' I said, 'What about a cost-benefit analysis?' He said, 'We don't need a cost-benefit analysis.' I asked, 'Will you be doing a risk analysis?' The answer was no.

But what is the coalition government doing about the submarine project? It is participating in a competitive evaluation process so that we can get the best of the best. And have Western Australians got an interest in this? You bet we have. Where are the submarines based? At Garden Island. And where does most of their maintenance take place? Ten kilometres to the east, at Henderson. We have a very keen interest in it. But let you be assured, Senator
Gallacher, and let you go back, through you, Mr Deputy President, to all of your colleagues in South Australia and say, ‘At long last the submarine project is in the hands of a competent, confident, mature government—unlike that of Labor over the last six years.’

Let me go to border protection, as asked about by Senator Wong. Why do they keep giving us these gifts? Senator Brandis, you must yourself be absolutely astounded when we know that Labor, when it came into government, had a circumstance in which there were no illegal immigrants coming into this country; we had solved the problem. I remember the then Leader of the Government in the Senate, Senator Chris Evans, saying there would not be a need even for the Christmas Island detention centre because Labor had solved the problem. And what happened? As Senator Cash told us, this has cost some $12 billion. As Senator Brandis told us, there have been some 50,000 illegal entrants and 1,200-plus people who have drowned at sea—they are the ones we know about; one every second day. And we speak about the people smugglers. I note, from my own experience while undertaking business on the Indian subcontinent, there were not just people smugglers in Indonesia; they were in Sri Lanka, they were in Bangladesh, they were in Iraq and they were in Afghanistan. And those people smugglers, they creamed it. And here we have Senator Wong now coming in here pretending umbrage about the actions being taken by the coalition government.

As Senator Brandis and Senator Cash told us in this place, we have closed up their evil, rotten trade and we will keep it closed unless, or until, Labor come back into government. I call on Mr Shorten and Ms Plibersek to stand up here and say you will not remake the mistake you made at the end of the Howard years when you turned back a policy that worked, when you created, again, a whole industry for people smugglers.

As Senator Macdonald said, if you want to pretend outrage about what the Indonesian government might be saying, then simply remind them of what happened in June 2011 when the supply of beef protein to 69 million low-SES Indonesians was cut down overnight without the government even having the courtesy to explain to the Indonesians why they did that. And then we had Labor saying, ‘Oh, the ban was only on for five weeks.’ The ban on live exports was not only on for five weeks. It was the coalition that pressured them into putting that back.

What a shame that I do not have the time to comment on the so-called affordable housing outrage of Senator McLucas. (Time expired)

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (15:23): It is always fun to speak after Senator Back. I have worked with Senator Back on a number of committees and he can be quite calm and relaxed, but he gets into his seat in this chamber—

Senator Conroy: He gets into a lather.

Senator BILYK: You are absolutely right, Senator Conroy: he gets himself into a huge lather. He obviously thinks that yelling makes him more convincing. I do not know whether the Western Australian senators on that side all go to the same school of theatrics, but they do all seem to be quite loud and they do all seem to think that yelling makes them more believable.

To get back to the point, I am very pleased to take note of answers given by the embattled Senator Brandis. Serious allegations have been made about the actions of agencies under the control of this government. Minister Brandis has failed to substantially answer any of those questions put to him today. The Australian people deserve to know the answers to these
serious questions, because these issues are too serious for Minister Brandis, Prime Minister Abbott, Minister Dutton or Minister Bishop to try to sweep under the carpet. It seems to me that not only could Senator Brandis not give any clear indication today of the answer, but it is pretty typical of the way he mismanages his portfolios on almost a daily basis.

He has failed to successfully prosecute any policies since he became a minister and now we see that information regarding the operation of agencies under his control is being leaked to the media. The government is falling apart at the seams. Ms Bishop, just a few days ago, denied that Australia was paying people smugglers. It was not then an on-water matter or an operational matter. She did not say it was an on-water matter. She did not say, 'We don't comment on matters of security.' She outright denied it. Now Minister Bishop, Minister Dutton and Prime Minister Abbott will not deny it at all, and today neither would Senator Brandis. If in over a week nobody on that side can actually deny that people smugglers have been paid one would have to go to the conclusion that it has happened—it would be confirming that it has happened. People have been offered every opportunity to quash the idea, but they have absolutely failed to do so. In fact, when the Prime Minister was asked he stated that by hook or by crook they would stop the boats from entering Australian waters. I am sorry to say it is more by crook.

I find it absolutely disgusting that they would stand on that side and constantly yell at us about immigration issues and asylum seeker issues, and then they would actively encourage more people smugglers by offering them money to take asylum seekers back. If that were to get into the media in Indonesia, which I am sure it has, I think it would be saying to people, 'Well, if you want to make a quick buck, get a few people on a leaky boat and the Australian government will pay you to take them back.' If that is not the case, and that has not happened, you have to wonder why on earth nobody on that side can say that that has not happened. Originally, Ms Bishop and Mr Dutton said it, but they obviously have been told to rein in their comments and not comment any more. It leaves us all wondering about exactly what is going on over on that side.

The Australian people have an absolute right to clear and direct answers. That is why we have referred this matter to the Auditor-General for investigation. It is perhaps the only way that we have to get to the heart of the matter, because, as I said today, any questions in this chamber with regard to the issue failed to get any clear answers whatsoever.

Today Senator Brandis just repeated the coalition's mantra that they will not comment on security and intelligence matters, but we have seen that somebody is commenting on those things. We have seen from the media article 'Aussie spies in boats payoff' that it is clear that someone is commenting on it. The government should not be leaking information from its own intelligence agencies for political gain. If it was not the government doing the leaking, then Minister Brandis in particular has an extremely serious problem with classified intelligence material being leaked. *(Time expired)*

Question agreed to.

**National Security**

**Senator WRIGHT** (South Australia) (15:28): I move:
That the Senate take note of the answer given by the Attorney-General (Senator Brandis) to a question without notice asked by Senator Wright today relating to proposed amendments to citizenship laws.

Yesterday was the 800th anniversary of the Magna Carta. I sat in the Great Hall along with many other distinguished guests and witnessed a ceremony that included great rhetoric from members of the current government about the symbolism of the Magna Carta and what an important principle it was for the rule of law. This week we also heard the Attorney-General celebrating the 800th anniversary of the Magna Carta and, in particular, praising it for limiting the arbitrary power of the Crown. So, my question to the Attorney-General today was a logical one when I asked him if it pained him to have to simultaneously promote these new citizenship laws, which will drastically increase the arbitrary powers of the executive—against the warnings and concerns of many, many people in the community, including many learned legal commentators, because they will allow the immigration minister to revoke an Australian's citizenship on the basis of mere suspicion and in the absence of any determination by a court—or is the Attorney-General, I asked, oblivious to his and the government's apparent staggering hypocrisy? On the one hand, they are extolling the virtues of this 800-year-old document; on the other hand they are pushing for unprecedented powers to be put in the hands of a minister: the power to strip away one of the most fundamental rights that we have in a democracy. In fact, it is the most fundamental right: that of being a citizen. Isn't it interesting that the Attorney-General's answer extolled the various virtues of the Magna Carta but, although I listened carefully, I did not hear him refer at all to the particular issue I addressed, which was the arbitrary power of the Crown?

Bret Walker SC has described the government's intention to put power to revoke citizenship solely in the hands of Minister Peter Dutton as 'constitutionally unthinkable' and a misreading of his advice. And he is not the only one who is presaging that, if there were to be a constitutional challenge to this legislation, it would fail; it would be against our fundamental governing document, our Constitution.

But is that going to stop the Prime Minister, Mr Abbott, from proceeding with this proposed legislation? No, no, no. He has been very clear that he will not be daunted by the likelihood that what he is proposing is constitutional, because, after all, we understand that it is a minister's job to be popular—a minister like the immigration minister, a minister in a government that is desperate to have more support in the polls, some of that done by dividing people and causing people fear and then pretending to fix that up to allay their concerns. That is exactly why, in a democracy, there are some things that should only ever be determined by a court—fundamental things like the right to citizenship—because, while it is a minister's job to be political, to be popular, it is a judge's job to be right. It is a judge's job to be right without fear or favour.

How can the Australian people continue to trust a government which continually and consistently works to bypass the courts—which is what we have been seeing in the swathe of legislation that has been coming through over the last months—especially when that bypassing of the courts will result in decisions like stripping people of their citizenship being put in the hands of someone with a track record like that of Minister Peter Dutton. The government's strategy to bypass the courts is extreme.
Like the other strategies that the government has been pursuing, strategies which have been described by the Prime Minister, very candidly, as things to be achieved 'by hook or by crook'—in other words, whatever it takes—this is a strategy that the government is increasingly, clearly, ready to pursue. It is clear that this government will do whatever is necessary to gain a political advantage. When it comes to stripping away fundamental rights and freedoms, the very fundamental rights and freedoms that are in the Magna Carta that we have been celebrating this week, it is chilling. It is not acceptable, and the government must abandon these proposed laws.

Question agreed to.

NOTICES

Presentation

Senator Rhiannon to move:

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

Senator McAllister to move:

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

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

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

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

Senators Carr and Lazarus to move:

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

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

(b) the social, economic and personal benefits of improving outcomes for students with disability at school and in further education and employment;

(c) the impact on policies and the education practice of individual education sectors as a result of the More Support for Students with Disabilities program, and the impact of the cessation of this program in 2014 on schools and students;

(d) the future impact on students with disability as a result of the Government’s decision to index funding for schools at the consumer price index after 2017;

(e) the progress of the implementation of the needs-based funding system as stated in the Australian Education Act;
(f) the progress of the Nationally Consistent Collection of Data on School Students with Disability and the findings, recommendations and outcomes from this process, and how this data will, or should, be used to develop a needs-based funding system for students with disability;

(g) how possible changes as a result of the Nationally Consistent Collection of Data on School Students with Disability will be informed by evidence-based best practice of inclusion of students with disability;

(h) what should be done to better support students with disability in our schools;

(i) the early education of children with disability; and

(j) any other related matters.

**Senator Lazarus** to move:

That there be laid on the table by the Minister representing the Minister for the Environment, no later than 3.30 pm on 24 June 2015, all documents relating to the issuing, from August 2013 to date, of exploration licences and special prospecting authorities in the 40 new marine reserves declared in 2012, including:

(a) how many were issued;

(b) to whom;

(c) in which marine reserves;

(d) for what purposes;

(e) for what duration; and

(f) the geographical parameters for each of the licences and authorities.

**Senator O'Sullivan** to move:

That the Senate welcomes:

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

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

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

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

**Senator Rhiannon** to move:

That the Senate—

(a) notes that:

(i) the median Sydney house price has increased from $73 000 in 1985 to over $914 000 in 2015,

(ii) the ratio of housing price to income in Sydney has increased from 3.4 to 11.4 over that same period,

(iii) currently 41 per cent of all housing finance is for the purposes of investment, compared to 16 per cent in 1992, and

(iv) a poll published in the week beginning 14 June 2015 found that 80 per cent of Sydneysiders said housing was not affordable, compared to a national average of 69 per cent; and
(b) calls on the Government to immediately review the existing beneficial tax arrangements for property investment with a view to improving housing affordability for first home buyers, and providing housing for those on social housing waiting lists and those experiencing homelessness.

**Senators Day, Leyonhjelm and Wang** to move:
That the Senate accepts the desirability and merit as a general budgetary principle of lowering taxes irrespective of whether the budget is or is not in surplus.

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

The influence of the Australian fossil fuel industry on the Federal Government, with particular reference to:
(a) the role and lobbying activities of the fossil fuel industry whether directly via peak industry bodies or via other lobby groups such as the Institute for Public Affairs, including but not limited to:
   (i) weakening or limiting environmental protections, including the proposed transfer of federal approval powers to the states and territories,
   (ii) opposing the mineral resources rent tax,
   (iii) opposing the carbon price, the Renewable Energy Target and other climate change mitigation policies,
   (iv) funding campaigns to promote the views of climate science deniers,
   (v) limiting tax reform,
   (vi) securing project approvals, and
   (vii) initiating parliamentary inquiries;
(b) government subsidies to the fossil fuel industry;
(c) political donations by the fossil fuel industry to political parties;
(d) foregone revenue from fossil fuel companies' tax deductible contributions to peak industry bodies and other lobby groups, whose purpose is advocacy;
(e) the revolving door between government and the fossil fuel industry in relation to public servants, political staff and politicians; and
(f) any related matters.

**Senators Siewert and Milne** to move:
That the Senate—
(a) expresses its deep gratitude for the great contribution to the protection of Australia's environment and the advancement of Aboriginal and Torres Strait Islander land rights made by the late Phillip Toyne; in particular his contribution to the establishment of Landcare, his enduring commitment to the Australian Conservation Foundation and the Australian Bush Heritage Foundation, as well as his contribution in helping convince the Hawke Government to hand back Uluru to its traditional owners; and
(b) conveys its sympathy and condolences to his wife Molly and sons Jamie, Atticus and Aaron.
COMMITTEES
Selection of Bills Committee
Report

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (15:34): I present the sixth report for 2015 of the Selection of Bills Committee and I seek leave to have the report incorporated in Hansard.

Leave granted.

The report read as follows—

SELECTION OF BILLS COMMITTEE
REPORT NO. 6 OF 2015

1. The committee met in private session on Monday, 15 June 2015 at 7.19 pm.

2. The committee resolved to recommend—that—

(a) the provisions of the National Health Amendment (Pharmaceutical Benefits) Bill 2015 be referred immediately to the Economics Legislation Committee for inquiry and report by 23 June 2015 (see appendix 1 for a statement of reasons for referral); and

(b) the provisions of the Water Amendment Bill 2015 be referred immediately to the Environment and Communications Legislation Committee for inquiry and report by 8 September 2015 (see appendix 2 for a statement of reasons for referral).

3. The committee resolved to recommend—that the following bills not be referred to committees:

- Airports Amendment Bill 2015
- Crimes Legislation Amendment (Penalty Unit) Bill 2015
- Customs Amendment (Australian Trusted Trader Programme) Bill 2015
- Export Charges (Imposition—General) Bill 2015
  - Export Charges (Imposition—Customs) Bill 2015
  - Export Charges (Imposition—Excise) Bill 2015
  - Export Charges (Collection) Bill 2015
- Excise Tariff Amendment (Ethanol and Biodiesel) Bill 2015
- Energy Grants and Other Legislation Amendment (Ethanol and Biodiesel) Bill 2015
- Private Health Insurance (National Joint Replacement Register Levy) Amendment Bill 2015
- Private Health Insurance (Prudential Supervision) Bill 2015
  - Private Health Insurance (Prudential Supervision) (Consequential Amendments and Transitional Provisions) Bill 2015
  - Private Health Insurance Supervisory Levy Imposition Bill 2015
- Private Health Insurance (Risk Equalisation Levy) Amendment Bill 2015
- Private Health Insurance (Collapsed Insurer Levy) Amendment Bill 2015
- Renewable Energy (Electricity) Amendment Bill 2015
- Social Services Legislation Amendment (Fair and Sustainable Pensions) Bill 2015
- Social Services Legislation Amendment (No. 2) Bill 2015
- Social Services Legislation Amendment (Youth Employment and Other Measures) Bill 2015
The committee recommends accordingly.

4. The committee considered the following bills but was unable to reach agreement:
   - Medical Research Future Fund Bill 2015
   - Medical Research Future Fund (Consequential Amendments) Bill 2015.

5. The committee deferred consideration of the following bills to its next meeting:
   - Australian Centre for Social Cohesion Bill 2015
   - Australian Small Business and Family Enterprise Ombudsman Bill 2015
   - Competition and Consumer Amendment (Australian Country of Origin Food Labelling) Bill 2015
   - Corporations Amendment (Publish What You Pay) Bill 2014
   - Imported Food Charges (Imposition—General) Bill 2015
   - Imported Food Charges (Imposition—Customs) Bill 2015
   - Imported Food Charges (Imposition—Excise) Bill 2015
   - Imported Food Charges (Collection) Bill 2015
   - Motor Vehicle Standards (Cheaper Transport) Bill 2014
   - Passports Legislation Amendment (Integrity) Bill 2015
   - Social Security and Other Legislation Amendment (Caring for Single Parents) Bill 2014.

(David Bushby)
Chair
16 June 2015

Appendix 1
SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee
Name of bill:
National Health Amendment (Pharmaceutical Benefits) Bill 2015

Reasons for referral/principal issues for consideration:
To allow stakeholders to respond to the proposed changes.

Possible submissions or evidence from:
Consumers Health Forum, Public Health Association of Australia, Generic Medicines Industry Association, Pharmacy Guild of Australia, Medicines Australia.
Committee to which bill is to be referred:
   Economics

Possible hearing date(s):
   19 June 2015

Possible reporting date:
   23 June 2015

(signed)
   Senator McEwen

Appendix 2
SELECTION OF BILLS COMMITTEE
Proposal to refer a bill to a committee

Name of bill:
   Water Amendment Bill 2015

Reasons for referral/principal issues for consideration:
   The bill imposes a limit of 1500 gigalitres for Commonwealth buybacks of water across the Murray-Darling Basin. This is despite water purchase from willing sellers widely recognised as the most cost effective means of water recovery for the environment.

   The Murray Darling Basin Plan mandates the recovery of 2750 GL of water for the environment by 2019. Water recovery to date is 1951 GL - about 70% of the required total.

   The government has expressed a preference for recovering the remaining water through infrastructure projects but has not clarified how this will occur. However it is recognised that buybacks of water are 2 to 7 times cheaper than 'other' forms of water recovery.

   The bill will significantly impact key stakeholders and have environmental impacts. An inquiry will allow these impacts to be brought to lights.

   Possible submissions or evidence from: Environment Victoria; Inland Rivers Network; Water Services Association of Australia; Aboriginal Land Council; WWF; Wentworth Group of Scientists; Wilderness Society; Queensland Conservation; UTS Institute for Sustainable Futures; CSU Institute for Land, Water & Society; eWater.

Committee to which bill is to be referred:
   Environment and Communications

Possible hearing date(s):
   September

Possible reporting date:
   September

(signed)
   Senator Rachel Siewert

Senator BUSHBY: I move:
   That the report be adopted.

Senator MOORE (Queensland) (15:34): I move:
   At the end of the motion, add, "but,
(a) in respect of the Medical Research Future Fund Bill 2015 and the Medical Research Future Fund (Consequential Amendments) Bill 2015 the provisions of the bill be referred immediately to the Finance and Public Administration Legislation Committee for inquiry and report by and 10 August 2015; and

(b) noting that the provisions of the Social Services Legislation Amendment (Fair and Sustainable Pensions) Bill 2015 are under inquiry by the Community Affairs Legislation Committee, that the committee report on the bill by 10 August 2015.

This amendment to the motion to adopt the report relates to extensions to reports on two bills. One is the Medical Research Future Fund Bill, and the cognate Medical Research Future fund (Consequential Amendments) Bill. We ask that it be referred to the Finance and Public and Administration Legislation Committee for inquiry and report by 10 August. We believe that this is an extraordinarily complex bill. It incorporates a large chunk of budget, it has been under discussion for some time and there are various views from research facilities around the place as to exactly how it is going to operate, so we think there is a requirement that such an important piece of legislation actually have the opportunity for a process of inquiry through the finance and public administration committee. We are not asking for a long extension, just until the first sitting when we return in the new financial year. But we think it is very important that, with such a bill, the views of people in the community, not just in the medical research community but in the wider community who have been hearing about this bill for a long time, be given consideration and the opportunity of a hearing.

The other bill is the Social Services Legislation Amendment (Fair and Sustainable Pensions) Bill. We are also asking that that be deferred for the same period of time, to 10 August. This is an interesting one because the initial bill that came to us, which was part of the budget cut-off in terms of issues in the budget that needed to be heard, included a number of elements. In this case, there were six particular elements in this one bill. It is not uncommon that we have a number of issues in one bill, but the particularly concerning bit for us is that the implementation dates of these elements vary immensely. Only one of the elements, which was in fact the energy supplement, needs urgent consideration, and we accept that. If you are wanting to move something quickly, the energy supplement has a commencement date of 20 June 2015, which is quite soon.

However, in this element of quite complex considerations—and, again, it is a significant budget measure out of this year's budget—two of the elements, the education supplement and the education entry payment, both of which were part of last year's budget and which we had discussions about, are not due for implementation until 1 January 2016. The capped deductible amount is in January 2016 as well. But the really large elements, and the core aspects of savings as put forward in these bills, relate to pensions outside Australia and the significant asset test changes that have been such a core element of the proposals put before this place by the government. Those elements of the bill are not due for implementation until 1 January 2017.

This is an important area of discussion. We know, as parliamentarians, that we have received a number of representations from people who are concerned about their futures—about their future earnings and the assets changes proposed in this budget. There has been no opportunity for scrutiny of this bill in the way it deserves through the Community Affairs Committee to this point. As we know, the numbers in the legislation committee process are held by the government. Originally there was an expectation that this bill, amongst three others, would be reported on by this week, with no opportunity for any scrutiny beyond
looking at the papers because we were in the middle of Senate estimates. There has already been a proposal, which I believe the Community Affairs Committee are looking at, for this bill to be looked at with a reporting date next week. While we say that that is an improvement on reporting this week, it is not sufficient. It is not sufficient for this Senate not to have the amount of scrutiny that these changes should receive. The impact on Australians, the impact on future pensions in this country and the impact on families is significant. There are a range of views and concerns. We say that it is not good enough to bring a package of proposals into this place and say that because one element has an urgent time frame it should be all wrapped up together in one parcel and heard and then be brought back to this place with too quick a turnaround.

We believe that these changes are significant enough—they certainly are complex enough, when you go through the data on the changes to the assets process and also look at the composite impact of the changes proposed in this bill—to require effective scrutiny by the Senate. We know that scrutiny will not always lead to agreement, but we do believe that the job of this place is to scrutinise legislation. Again, 10 August is not an outrageous ask and our amendment proposes that extension.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (15:40): I indicate in relation to part (a) of Senator Moore’s motion that the government would very much like to deal with the MRFF legislation so that it can take effect from 1 August. Delay in establishing the fund will slow the future earnings that will support additional investment in medical research.

In relation to part (b) of Senator Moore’s motion, it is important for the chamber to recognise that the practice under this government and the previous government has been that budget bills which are time critical are automatically referred to legislation committees with an early reporting date. It is something that occurred under the previous government and something that we supported, and it is something that has occurred under this government for the last two budgets. In relation to the Social Services Legislation Amendment (Fair and Sustainable Pensions) Bill, the chamber actually agreed that it would be reported on on Monday of this week but with the agreement and support of the government that reporting date was extended to Monday of next week. So the government has supported an extension of time already. If the opposition had a different view at the time the extension of the reporting date was agreed in this chamber, they should have given voice to and expressed that view. The chamber has already expressed its view and taken a decision on two occasions in relation to the reporting date of this inquiry into this legislation. I thought it was important that the chamber be apprised of those particular facts.

Senator MOORE (Queensland) (15:42): by leave—I have just been advised that we are seeking to amend our amendment so that the Medical Research Future Fund Bill also be referred to the Community Affairs Committee rather than the Finance and Public Administration Committee. I do apologise for that.

The PRESIDENT: Does anyone wish to speak to the amendment? Senator Siewert.

Senator SIEWERT (Western Australia—Australian Greens Whip) (15:43): They had me on this one, but I do not know now that it has been referred to the Community Affairs Committee. We are of a mind to support this amendment. These are important bills. While we may be more favourably disposed to some of the provisions of the social services legislation,
there are other provisions that we are not favourably disposed to. They could have some significant consequences, so we are of a mind to support these extensions.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (15:43): by leave—Given that they are two separate and distinct issues, I raise the question of whether they should be put separately to the chamber.

The PRESIDENT: It would be my intention to put parts (a) and (b) as separate motions, unless anyone strongly objects to that. The question is that part (a) of the amendment moved by Senator Moore to the Selection of Bills Committee report be agreed to.

Question agreed to.

The PRESIDENT: The question now is that part (b) on the amendment circulated by Senator Moore to Senator Bushby's motion be agreed to.

The Senate divided. [15:50]

(The President—Senator Parry)

Ayes ..................... 33
Noes ..................... 27
Majority ............... 6

AYES

Brown, CL
Cameron, DN
Di Natale, R
Gallagher, KR
Ketter, CR
Lazarus, GP
Lines, S
Marshall, GM
McEwen, A (teller)
Milne, C
Muir, R
Peris, N
Rice, J
Singh, LM
Urquhart, AE
Whish-Wilson, PS
Xenophon, N

NOES

Back, CJ
Brandis, GH
Canavan, M.J.
Colbeck, R
Fierravanti-Wells, C
Heffernan, W
Lindgren, JM
McGrath, J
Nash, F
Parry, S

Birmingham, SJ
Bushby, DC (teller)
Cash, MC
Day, R.J.
Fifield, MP
Johnston, D
Macdonald, ID
McKenzie, B
O'Sullivan, B
Payne, MA
Question agreed to.

The PRESIDENT (15:52): The question now is that the motion moved by Senator Bushby, as amended, be agreed to.

Question agreed to.

NOTICES
Postponement

The following items of business were postponed:

- Business of the Senate notice of motion No. 3 standing in the name of Senator Xenophon for today, proposing a reference to the Economics References Committee, postponed till 25 June 2015.
- General business notice of motion no. 726 standing in the name of the Leader of the Opposition in the Senate (Senator Wong) for today, relating to the Australian Charities and Not-for-profits Commission, postponed till 22 June 2015.

BUSINESS
Rearrangement

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (15:53): I move:

That consideration of the business before the Senate on Tuesday, 11 August 2015, be interrupted at approximately 5 pm, but not so as to interrupt a senator speaking, to enable Senator Lindgren to make her first speech without any question before the chair.

Question agreed to.

COMMITTEES
Foreign Affairs, Defence and Trade Joint Committee
Meeting

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (15:53): At the request of Senator Fawcett, I move:

That the Joint Standing Committee on Treaties be authorised to hold private meetings otherwise than in accordance with standing order 33(1), followed by public meetings, during the sittings of the Senate, as follows:
MOTIONS

Clean Energy

Senator WRIGHT (South Australia) (15:53): I, and also on behalf of Senator Xenophon, move:

That the Senate—

(a) commiserates with the 440 workers who will lose their jobs at the Leigh Creek coal mine and Port Augusta coal fired power stations, which are flagged for closure by 2018;
(b) recognises the outstanding leadership of the Repower Port Augusta Alliance and the Port Augusta City Council in working with the community to advocate for solar thermal to replace the outdated coal power stations;
(c) acknowledges solar thermal presents great employment opportunities, as well as economic, health and environmental benefits for the Port Augusta community; and
(d) calls on the Federal and South Australian governments to assist the Port Augusta community in transitioning to a clean energy future, providing jobs and security for the region.

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

The PRESIDENT: Leave is granted for one minute.

Senator DAY: Mr President, I genuinely commiserate with these 400-plus people who have lost their jobs in Port Augusta, Leigh Creek and the Mid North region of my home state of South Australia, but I do not accept for one second the Greens' false empathy and crocodile tears inherent in this motion. The closure of these baseload-energy-producing enterprises is not a consequence of Greens' energy policy—this was their objective. The Greens have made no secret at all of their determination to destroy the jobs and livelihoods of these energy workers. So, please, spare us the crocodile tears and stop destroying people's livelihoods.

Question agreed to.

COMMITTEES

Legal and Constitutional Affairs References Committee

Reference

Senator McEWEN (South Australia—Opposition Whip in the Senate) (15:56): At the request of Senator Collins, I move:

That the following matter be referred to the Legal and Constitutional Affairs References Committee for inquiry and report by 25 June 2015:
The handling of a letter sent by Mr Man Haron Monis to the Attorney-General dated 7 October 2014, and the evidence provided during the Budget estimates, including the subsequent correction of that evidence, with particular reference to:

(a) the details of the internal inquiry conducted by the Secretary of the Attorney-General's Department, Mr Chris Moraitis, following the discovery that incorrect evidence had been provided and any subsequent changes made to administrative practices between the department and the Attorney-General's office;

(b) the consideration given by the Joint Commonwealth and New South Wales review team to the correspondence sent by Mr Monis to various members of Parliament and other relevant documents and the basis for the assertion by Mr Thawley that the correspondence would make no difference to the findings of the review; and

(c) what, if any, changes were made to procedures for the handling of incoming correspondence to the Attorney-General's Department and the Attorney-General's Office following the raising of the national terrorism public alert level to 'High' on 12 September 2014.

Senator BRANDIS (Queensland—Deputy Leader of the Government in the Senate, Vice-President of the Executive Council, Minister for Arts and Attorney-General) (15:57): I seek leave to make a short statement.

The PRESIDENT: Leave is granted for one minute.

Senator BRANDIS: The government does not support this motion, because it is inappropriate for the Legal and Constitutional Affairs References Committee to inquire into a matter that has been before the Legal and Constitutional Affairs Legislation Committee's examination of estimates, where the legislation committee still, on a spillover day, has the capacity to inquire further and indeed has indicated that it intends to do so. Odgers' Australian Senate Practice states:

• references committees inquire into matters referred to them by the Senate, other than matters to be referred to legislation committees
• legislation committees inquire into bills, estimates, annual reports and performance of agencies

On that basis, this matter is currently and properly within the jurisdiction of the legislation committee. It should not therefore concurrently be before the references committee. That is at variance with Senate practice.

The motion also seeks a report within six days. Any referral to the references committee would be an unfortunate precedent and a waste of the time of Senate. (Time expired)

Senator Ian Macdonald: On a point of order: Senator Brandis has quoted you the Senate rules from Odgers', and with respect, Mr President, could I suggest that you rule the motion out of order, because it is contrary to the practices of the Senate. To repeat what Senator Brandis has said: it is properly before the legislation committee. It was discussed and, as chairman, I have since had a request from three members of that committee to have a spillover specially on this point, which the committee will deal with at its meeting tomorrow.

The PRESIDENT: Thank you, Senator Macdonald. You are now delving into debating the issue. I do accept that you have raised a point of order in relation to whether or not the Senate can properly deal with this motion. The Senate can. This is the forum, the body, that determines what goes before it and what decisions it makes. Yes, in the past there has been a delineation that has been observed in practice, but the Senate can make that decision, and it is the Senate that will make that decision. So there is no point of order.
Senator Ian Macdonald: Mr President, I have a further point of order. This is being raised for the first time and you say it is a matter for the Senate to debate and decide. If it is a formal motion, the Senate will not have the opportunity of debating and deciding. If the rules mean anything, we should either abide by the standing orders or get rid of them. Where it clearly says that this should not happen, it is up to you, with respect, Mr President, to rule it out of order and uphold the standing orders.

The President: Again on your point of order, Senator Macdonald, the standing orders are not being breached. The standing orders are being complied with. In relation to the Senate not having the opportunity to vote on the motion at the moment, that is correct. But any senator had the opportunity a moment ago to deny formality. This motion has been accepted as a formal motion. I did not hear any senator deny formality. If that had been the case, the motion could have been debated at a later juncture. In that case, I will now put the motion moved by Senator McEwen on behalf of Senator Collins.

The Senate divided. [16:05]

(The President—Senator Parry)

Ayes .................34
Noes .................24
Majority.............10

AYES

Bullock, J.W.  
Day, R.J.  
Gallacher, AM  
Hanson-Young, SC  
Lambie, J  
Leyonhjelm, DE  
Ludlam, S  
Madigan, JJ  
McEwen, A (teller)  
Milne, C  
Muir, R  
Peris, N  
Rice, J  
Singh, LM  
Urquhart, AE  
Waters, LJ  
Wright, PL

Dastyari, S  
Di Natale, R  
Gallagher, KR  
Ketter, CR  
Lazarus, GP  
Lines, S  
Ludwig, JW  
McAllister, J  
McLucas, J  
Moore, CM  
O’Neill, DM  
Rhiannon, L  
Siewert, R  
Sterle, G  
Wang, Z  
Whish-Wilson, PS  
Xenophon, N

NOES

Back, CJ  
Birmingham, SJ  
Canavan, M.J.  
Fierravanti-Wells, C  
Heffernan, W  
Lindgren, JM  
McGrath, J  
Nash, F  
Parry, S  
Ronaldson, M

Bernardi, C  
Bushby, DC (teller)  
Colbeck, R  
Fifield, MP  
Johnston, D  
Macdonald, ID  
McKenzie, B  
O’Sullivan, B  
Reynolds, L  
Ruston, A
Question agreed to.

Legal and Constitutional Affairs References Committee
Reference

Senator LUDLAM (Western Australia—Co-Deputy Leader of the Australian Greens) (16:07): I, and on behalf of Senator Collins, move:

That the following matters be referred to the Legal and Constitutional Affairs References Committee for inquiry and report by 15 September 2015:

(a) the impact of the 2014 and 2015 Commonwealth Budget decisions on the Arts; and
(b) the suitability and appropriateness of the establishment of a National Programme for Excellence in the Arts, to be administered by the Ministry for the Arts, with particular reference to:

(i) the effect on funding arrangements for:
   (A) small to medium arts organisations,
   (B) individual artists,
   (C) young and emerging artists,
   (D) the Australia Council,
   (E) private sector funding of the arts, and
   (F) state and territory programs of support to the arts,
(ii) protection of freedom of artistic expression and prevention of political influence,
(iii) access to a diversity of quality arts and cultural experiences,
(iv) the funding criteria and implementation processes to be applied to the program,
(v) implications of any duplication of administration and resourcing, and
(vi) any related matter.


The PRESIDENT: Leave is granted for one minute.

Senator FIFIELD: The government does not support this motion. As recently as three weeks ago senators had the opportunity to ask questions of the minister, relevant agencies and
officials regarding budget decisions on the arts. The minister, relevant agencies and officials answered all questions put to them about matters referred to in the senators' motion. Indeed, senators ultimately exhausted themselves of questions. The National Program for Excellence in the Arts is yet to be formally established, and it should be obvious how absurd it would be to establish a Senate inquiry into the conduct of a program which has not yet commenced.

Senator LUDLAM (Western Australia—Co-Deputy Leader of the Australian Greens) (16:08): I seek leave to also make a very brief statement.

The PRESIDENT: Leave is granted for one minute.

Senator LUDLAM: I acknowledge Senator Fifield is quite correct when he points out that an estimates committee examined these issues in some detail with Senator Brandis and two of the senior bureaucrats most relevant to this portfolio a couple of weeks ago in budget estimates. Guess who that leaves out? The entire arts community! They were not able to provide evidence on this extraordinary rip-off that Senator Brandis has perpetuated on arts funding. I, and Senator Collins on behalf of the Labor Party, would like to take more evidence than that provided by Senator Brandis. I look forward to the concurrence of the Senate in getting this inquiry afoot.

The PRESIDENT: The question is that business of the Senate notice of motion No. 4 be agreed to.

The Senate divided. [14:10]

(The President—Senator Parry)

Ayes ......................34
Noes ......................24
Majority..................10

AYES

Bullock, J.W.                    Dastyari, S
Day, R.J.                      Di Natale, R
Gallacher, AM                  Gallagher, KR
Hanson-Young, SC               Ketter, CR
Lambie, J                      Lazarus, GP
Leyonhjelm, DE                Lines, S
Ludlam, S                      Ludwig, JW
Madigan, JJ                    McAllister, J
McEwen, A (teller)             McLucas, J
Milne, C                       Moore, CM
Muir, R                       O'Neil, DM
Peris, N                      Rhiannon, L
Rice, J                        Siewert, R
Singh, LM                      Steele, G
Urquhart, AE                 Wang, Z
Waters, LJ                 Whish-Wilson, PS
Wright, PL                    Xenophon, N

NOES

Back, CJ                     Bernardi, C
Birmingham, SJ                Bushby, DC (teller)
Canavan, M.J.                Colbeck, R
Question agreed to.

**DOCUMENTS**

**Australian Customs Service**

**Order for the Production of Documents**

**Senator HANSON-YOUNG** (South Australia) (16:12): I seek leave to amend general business notice of motion No. 724 standing in my name relating to an order for the production of documents.

Leave granted.

**Senator HANSON-YOUNG**: I move:

That—

(a) there be laid on the table by the Assistant Minister for Immigration and Border Protection, by 3 pm on 17 June 2015, all documents containing information pertaining to:

(i) any money paid to anyone on board a vessel en route to Australia or New Zealand by any Customs, Immigration or other Commonwealth officer from September 2013 to date, and

(ii) the facilitation or authorisation of the payment of any money to anyone on board a vessel en route to Australia or New Zealand by any Customs, Immigration or other Commonwealth officer from September 2013 to date, and

in relation to any such payment, a document containing information pertaining to the details of the interception of the vessel, the amount of money paid, to whom and for what purpose; and

(b) there be laid on the table by the Assistant Minister for Immigration and Border Protection, by 3 pm on 17 June 2015, any documents produced by the Office of the Minister for Immigration and Border Protection, the Department of Immigration and Border Protection or the Australian Customs and Border Protection Service regarding:

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**CHAMBER**
(i) the interception of a vessel en route to Australia or New Zealand in May 2015,
(ii) any orders to turn back or take back that vessel, its passengers or crew,
(iii) any payments made to the vessel’s captain, crew or passengers, and
(iv) any payments made in relation to the passage of the vessel, its passengers or crew.

The PRESIDENT: The question is that general business notice of motion No. 724, as amended, be agreed to.

The Senate divided. [16:14]

(The President—Senator Parry)

Ayes ......................32
Noes ......................26
Majority.............6

AYES

Bullock, J.W.            Dastyari, S
Di Natale, R            Gallacher, AM
Gallagher, KR           Hanson-Young, SC
Ketter, CR              Lambie, J
Lazarus, GP             Lines, S
Ludlam, S              Ludwig, JW
Madigan, JJ            McAllister, J
McEwen, A (teller)      McLucas, J
Milne, C               Moore, CM
Muir, R                O’Neill, DM
Peris, N                Rhiannon, L
Rice, J               Siewert, R
Singh, LM              Sterle, G
Urquhart, AE           Wang, Z
Waters, LJ             Whish-Wilson, PS
Wright, PL             Xenophon, N

NOES

Back, CJ                Bernardi, C
Birmingham, SJ          Bushby, DC (teller)
Canavan, M.J.           Colbeck, R
Day, R.J.               Fierravanti-Wells, C
Fifield, MP             Heffernan, W
Johnston, D             Leyonhjelm, DE
Lindgren, JM           Macdonald, ID
McGrath, J              McKenzie, B
Nash, F                O’Sullivan, B
Parry, S                Reynolds, L
Ronaldson, M           Ruston, A
Ryan, SM                Seselja, Z
Simodinos, A

PAIRS

Bilyk, CL                Williams, JR
Brown, CL                Scullion, NG
Senators LUDLAM (Western Australia—Co-Deputy Leader of the Australian Greens) (16:16): I move:

That the Senate—

(a) notes that:

(i) the United States (US) Court of Appeals ruled in May 2015 that the bulk collection of telecommunications metadata by US Government agencies was unlawful, and

(ii) this case was filed following revelations by Mr Edward Snowden disclosing the scope of US Government surveillance programs; and

(b) recognises:

(i) the critical work that Mr Snowden has carried out in exposing unlawful surveillance programs in the US and its ‘Five Eyes’ allies, and

(ii) that Australians and the global community have legitimate and ongoing concerns about the erosion of privacy caused by the unchecked growth of government electronic surveillance programs.

The PRESIDENT: The question is that notice of motion No. 723 moved by Senator Ludlam be agreed to.

The Senate divided. [16:18]

(The President—Senator Parry)

Ayes ......................15
Noes ......................38
Majority ..................23

AYES
Di Natale, R
Lambie, J
Leyonhjelm, DE
Milne, C
Riordan, L
Siewert, R (teller)
Whish-Wilson, PS
Xenophon, N
Hanson-Young, SC
Lazarus, GP
Ludlam, S
Muir, R
Rice, J
Waters, LJ
Wright, PL

NOES
Back, CJ
Bernardi, C
Birmingham, SJ
Bullock, J.W.
Question negatived.

COMMITTEES

Environment and Communications Legislation Committee

Reference

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (16:21): I move:


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

The Senate divided. [16:22]

The President—Senator Parry

Ayes ......................14
Noes ......................40
Majority .................26

AYES

Di Natale, R
Lambie, J
Ludlam, S
Rhiannon, L
Siewert, R (teller)
Waters, LJ
Wright, PL

NOES

Back, CJ
Bernardi, C
Question negatived.

**MOTIONS**

**Country of Origin Labelling**

Senator O'**SULLIVAN** (Queensland—Nationals Whip in the Senate) (16:25): I, and also on behalf of Senators Canavan and Williams, move:

That the Senate—

(a) recognises and applauds the work of the Federal Government's community consultation process in delivering clear and practical country of origin labelling rules; and

(b) further recognises that Australian produce and food processing is of world class standard, and that these labelling rules are an important step in making it easier for consumers to identify locally grown and processed food.


The PRESIDENT: Leave is granted for one minute.

Senator CANAVAN: Australia's farmers and food manufacturers are under pressure. We all want to support our farmers and workers by buying local products, but our current country of origin labelling is too confusing. In fact, consumer advocacy group Choice found that 90 per cent of Australians are not clear on where their food comes from. We will remove the confusion by establishing clear labels for country of origin. I fully support the words I just read out. They are actually the words from the Australian Greens website. It is their policy. It is from their website. Later on in the website they go on to say that the National Party has said that it will champion clearer laws but has failed to act. We are acting. We have acted. I applaud the government for acting. I am not sure if the Greens already have voted with us on this, but I hope that they do, because normally the put partisan politics ahead of principles, but this time they have a chance to vote with their principles and not continue their unenviable record of only supporting the government two per cent of the time.
The PRESIDENT: The question is that the motion moved by Senator O'Sullivan be agreed to.

Question agreed to.

MATTERS OF PUBLIC IMPORTANCE
Housing Affordability

The PRESIDENT (16:27): I inform the Senate that at 8:30 am today, Senators Moore and Siewert each submitted a letter in accordance with standing order 75, proposing a matter of public importance, the question of which proposal would be submitted to the Senate was determined by lot. As a result, I inform the Senate that the following letter has been received from Senator Siewert:

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

"The crisis of housing affordability in Australia, and the unwillingness of the Abbott Government to consider Negative Gearing and Capital Gains Tax exemptions in its tax review."

Is the proposal supported?

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

The PRESIDENT: I understand that informal arrangements have been made to allocate specific times to each of the speakers in today's debate. With the concurrence of the Senate, I shall ask the Clerks to set the clock accordingly.

Senator LUDLAM (Western Australia—Co-Deputy Leader of the Australian Greens) (16:28): It is really timely that the Australian Senate should be debating housing affordability, because it is a debate that has been submerged—it has been somewhat subliminal. Major party political spokespeople—particularly the coalition—spend a lot of time talking about the cost of living and almost no time talking about the cost of housing.

A couple of weeks ago we introduced an initiative to phase out negative gearing. It would be grandfathered for those who already negatively gear their properties, but it would henceforth be unavailable. Over a period of 10 years or so negative gearing would effectively be wound back and taken out of our tax system. It is one of the largest tax expenditures on the books in Australia. Over a ten year period, if you get the impact of negative gearing having been almost completely unwound from the Australian tax system, the Parliamentary Budget Office estimated that it would be worth roughly $42 billion. To a government that has been cutting taxes and slashing revenue since it arrived, I would have thought that would be something that coalition MPs would be very keen—not necessarily to adopt, I understand that is not how politics works—to at least talk through the merits of it, to at least have the argument and to at least challenge it on the facts. We are seeing no such behaviour from the Australian government.

I want to acknowledge the Australian Labor Party. It was very difficult to get the Labor Party to move or even discuss this subject when they were in government, and that was not for lack of trying. However, I think that they can be commended at least for being willing to entertain the debate. Mr Bowen has been out canvassing a number of different options. We understand that there is a bunch of policy work and a discussion paper going on behind the
At least the Labor Party and some of the crossbenchers are willing to engage in the debate, and that is all that we are asking for.

Why on earth would you not include negative gearing and the way that capital gains are concessionally taxed in your tax review? It was meant to be open to all comers: 'Put everything on the table. Let us have a look at the entirety of the Australian tax system and see if we can have a more intelligent and mature debate than the one that ensued after the Henry tax review.' No such luck, because, while that invitation was made, since then the Treasurer and the Prime Minister have been busy ruling things out as too scary to even talk about, not even wanting to look at the evidence. The arguments that have been put forward serially by senior government spokespeople from the Prime Minister on down—Minister for Finance Cormann was at it again yesterday—are that, if you abolish negative gearing, you push up rents. He even sought to give us a condescending little lecture in the realities of market economics—how wonderful!—that if you abolish negative gearing you will push up rents by somehow restricting supply. Absolutely unbelievable!

If we could come out of this debate with anything at all, the one thing that I would implore is that we set this appalling unsubstantiated myth aside once and for all and just engage the debate on the facts. Instead, we have people as senior as the Treasurer and the Prime Minister just making unsubstantiated, unsupportable stuff up on the fly. Do not come in here and tell us that you have suddenly discovered the plight of renters. A third of the households in this country rent, about a third are owner occupiers and about a third are property investors. The table has been tilted by these extraordinary tax concessions that are paid out to property investors. The largest amount of those benefits accrue to those with the most wealth. Wealth inequality in this country is staggering, and it is growing, and this is one of the key levers. It has been deployed invisibly and subliminally. When we talk about winding it back, removing it or at least opening up a conversation about levelling the playing field, we are told, 'No, let the market sort it out,' when the market is subject to this gargantuan distortion.

A cabinet submission on negative gearing from the coalition in 1987 belied this complete untruth—this myth—that negative gearing keeps rents low. It has manifestly failed to keep rents low, and it has failed as a supply initiative. It has failed on the two criteria on which you would concessionally grant these massive expenditures to property investors. It has failed, and it is time that we dealt with it. ABC Fact Check, this April, comprehensively and quite forensically demolished the arguments that rents would be pushed up if negative gearing went. Successive reports by the Grattan Institute, by ACOSS and recently by the Australia Institute—as well as a MacroBusiness article yesterday—quite elegantly demolished this notion. Negative gearing does nothing to boost housing supply, because 95 per cent of it is going into existing established properties. It has failed as a supply initiative. If investors sold their properties in revolt, guess who they would be selling those properties to? Renters. That frees up one rental dwelling, and the net balance is zero. It will not have an impact on forcing rents up; if anything, it would be precisely the opposite.

The time period of 1985 to 1987 is wheeled out as, 'The last time they tried to lift negative gearing, the earth almost spiralled into the sun.' The rental data and the facts from that period, 1985 to 1987, totally demolish that myth. Rents were going up in Sydney and Perth because rental vacancies were less than 1½ per cent. They stayed flat or declined in Canberra, Melbourne, Brisbane and Adelaide. The myth that negative gearing pushed rents up is a lie.
All I ask senators in this debate—if you could maybe talk to your spokespeople about the talking point that they get across—is just not to put fabrications in there. At least can we have this debate on the merits? Abolishing negative gearing will not push rents up. It will level the playing field in favour of first home buyers and renters. Ultimately, that helps the people hardest hit by the housing affordability crisis in Australia, and that means homeless people.

Skyrocketing and unaffordable rents push people into homelessness, and homelessness can kill you. It kills people not just in cities that get below freezing in winter but right across this country. Homelessness can be terminal for people suffering from a myriad of other life difficulties. Homelessness can kill, and it is time that we dealt with it. Senator Waters put it in very stark terms in an article that she put up on *Daily Life* only a couple of days ago, reminding us that domestic violence is the biggest cause of homelessness in Australia. Domestic violence is the No. 1 cause—that is, women, sometimes with their kids, fleeing violent and unsafe households and finding themselves with nowhere to go.

With this initiative, $3 billion would be put back into consolidated revenue in the first three years—not even in the entire 10 year period. That is $3 billion over the forward estimates that we propose to plough into homelessness. By 2020, with the money that we have estimated, you could basically house every rough sleeper in the country—at least 7½ thousand people—at the same time as cutting 7,000 families from the social housing waiting list. People in acute emergency circumstances can be told that they will be on that emergency waiting list for more than a year. This plan is the kind of supply-side initiative that we need—not this failed injection of cash to property investors, but an actual investment into new supply.

I desperately hope that we will not hear that we are against supply, and that all we need is more supply and more land release. This situation is extremely complex but at least get the elephant in the room out in the open. The recent Senate inquiry into domestic violence showed that housing unaffordability is causing bottlenecks in domestic violence refuges across Australia. Senator Waters writes:

> Women are being turned away because there’s no affordable, safe, long-term housing for those already living at refuges to move on to.

Effectively, what we confirmed in the budget estimates hearing before last is that 438 women a day are being turned away. They are coming to shelters and to crisis accommodation and being told that there is nowhere for them to go.

That is what housing-affordability crisis means. It is not in the real-estate pages, how much capital accumulation is, in investment properties, and how great it is that Tony Abbott’s Sydney property has appreciated in value. Good on him. But homelessness kills people and it is time that we uninked these extraordinary tax expenditures and levelled the playing field for first-home buyers and for the homeless in this country.

**Senator CANAVAN** (Queensland) (16:37): Do you ever get the feeling around this place that it does not matter what question is before this chamber or what issue we are discussing, the answer that comes back from the Greens, every time, is ‘More taxes; higher taxes’? That is their answer to pretty much every problem facing the globe today. It does not matter whether it is climate change, royalties in the mining sector or housing affordability, their policy is: more taxes.
Most people expect that the Greens will support higher taxes, bigger government and more control. That is their right, and that is fine. What people do not always expect is that the Labor Party will share their views on this. On this issue, the Labor Party is joining with the Greens to try to hike up taxes on housing in this country, particularly taxes on those who invest in housing. There are around 1.3 million people in Australia who use some form of negative gearing for housing, and all of those people will face a tax increase if a Labor-Greens government gets back in, in the next term. There is no doubt that whatever the Greens say now will become Labor policy later. If the Labor Party were to get back into government they would need the Greens’ preferences and they would have to do their bidding. The Greens want to put up taxes on housing. This removal of negative gearing is a tax increase, plain and simple. It is something that should be opposed by anybody who wants to see more investment in housing. You do not encourage more investment in an asset by taxing it more. If you tax it more you will get less investment in that particular part of our economy, and that will make our affordability issues even starker and worse.

A little earlier, Senator Ludlam said that we are going to grandfather it. You cannot grandfather this stuff, because it is capital markets and an asset price. When you are pricing assets you look at what the returns will be over time, not just today—certainly not in the past, because that is not matter—and you look at what the returns will be in the future. That is how you determine an asset price.

The price you pay for a house or shares or any assets will be what you expect the income to be for those assets over time. Under the Greens and the Labor Party, potentially, if you buy a housing asset you will receive lower returns, because you will not have access to the same taxation treatment that other assets do. That will mean—surprise, surprise—the price you receive for that asset will be lower. For those 1.3 million Australians who have invested in housing under existing tax laws, who have taken risks under the current treatment that has been around for decades, they face that negative impact, thanks to the uncertainty that has been created by the Labor and Greens parties. That is not a solution to encourage more investment in housing. If you create uncertainty about the returns that might flow to investment in housing, we will not get more housing.

If we want to bring housing prices down and be serious about trying to help Australians afford their own homes, we need more supplies of land and more supplies of housing. We could do one other thing—there are two blades to the scissors, as always. One blade is supply and the other blade is demand. We could try to hurt demand. We could try to reduce demand for housing. But the only way we could do that, to have a serious impact on housing, would be to have some kind of economic slowdown or—God forbid—a recession. I certainly do not want to see that happen in this country.

While ever we have strong economic or even moderate economic growth in Australia, there will always be slightly increasing demand for housing and that will have a slight upward pressure on housing. May that continue, because I want to see an Australia that has a strong economy. The Labor Party seems to want lower house prices, at the moment, and lower house prices are a recipe for a weaker economy.

We can try to moderate the house-price growth by moderately increasing supply for housing. Here in this chamber and at the federal level of government, we do not control the release of land for housing. It is a state government issue. State governments have, at times,
been slow to develop land, particularly at the fringes of cities and in urban consolidation. But it is not our area of expertise and we should try to 'stick to our knitting' in Australian government. We always seem to have this preference to stick our fingers into other people's problems. We have enough problems to deal with here, in the federal parliament, without trying to solve the problems of state parliaments.

The former Rudd Labor government tried to do this. They tried to set up a Major Cities Unit. The tried to put through a COAG housing-supply reform. The tried to establish a National Rental Affordability Scheme. All of those proposals came to nought. Indeed, the National Rental Affordability Scheme was massively scammed and had to be shut down.

Senator McLucas: That is not true, and you know it!

Senator CANAVAN: I did not believe that the intent of this program was to find housing for overseas university students, but that is what it ended up funding. We should not try to trespass into those areas of the state-government responsibility. When we do, that is when mistakes happen—like what happened with the National Rental Affordability Scheme. The Greens made some grand claims that negative gearing has somehow caused this inflation in house prices over the last decade and, more recently, the surges in Sydney and Melbourne.

Senator Ludlam: It is capital gains tax!

Senator CANAVAN: Senator Ludlam was very keen to look at the data about rents in the late 1980s in Sydney and compare it to other cities, but he does not want to look at the data of house prices over a longer period, because negative gearing has been around for decades. It is something we have had in our tax system for decades and we have only seen rapidly-increasing house prices in Australia for the last 10 or 15 years. So how can negative gearing be responsible for the increase in house prices when we have not changed anything about negative gearing in the last 10 or 15 years?

Senator Ludlam: It is since capital gains tax exemptions were introduced!

Senator CANAVAN: I will take that interjection from Senator Ludlam. One thing he never mentions is that when the capital gains tax changed in 1999—I believe it was with the support of the Labor Party—it was a change from a real base for capital gains taxation to a nominal base for capital gains taxation. So before 1999, you could remove the effect of inflation from your capital gains tax calculations; after 1999, it was based on whatever the capital price increase was with inflation.

It is actually not clear that that change, certainly not in theory, is a change that supports investment in housing. It depends on the rate of inflation relative to the rate of real house price growth. In fact, over time those two things tend to be about 2½ per cent each, of about five per cent growth in housing over time, and it actually is neutral whether you have a nominal basis for capital gains tax or a real basis for capital gains tax. No other country in the world taxes capital gains on a nominal basis at the full rate of income tax for those reasons.

Finally, one thing that goes unremarked in this place is something that I want to raise from this corner of the chamber—that is, if we are serious about looking for lower housing prices and more housing affordability, the one area we should be looking at is outside the city limits because there is an abundant supply of affordable housing and affordable land in our regional and remote areas. Indeed, house prices in regional Queensland, where I am from, tend to be about half what they are in our major cities—or even less than half if you are just looking at
Sydney. What we can do in this chamber—we cannot release land, but we can create policies that drive growth and opportunities and jobs in those regional areas to attract people to those areas. We cannot force people, and I do not want to force people, to move to Townsville or Cairns or Mackay—although the standard of living in those places is much better than in Sydney, in my humble view—but we can encourage them by creating the jobs and the opportunities that will encourage them to move. That will do two things: it will reduce the demand for housing in our major cities and help relieve the price pressure there, and it will support construction and growth and development in our regional areas. This will improve housing affordability across the board. That is why one of the best solutions to our housing affordability problems is regional development. I believe that the Abbott-Truss government will soon release its Northern Australia white paper, which will try to supercharge development in those areas that I know are dear to Senator McLucas as well—like Cairns, Townsville, Mackay and Rockhampton—and that is one solution to our housing affordability issues.

Senator McLucas (Queensland) (16:47): I am very pleased to join this discussion about affordable housing in this chamber. Labor know that people are facing significant problems around affordable housing in Australia, particularly in the Sydney market, as we have seen particularly over the last two weekends, as well as in other hotspots around the country, including parts of Melbourne.

The contrast between the Labor approach to dealing with affordable housing and the approach of the current government is so different. Labor know that we need to work with the community and we need to work with the housing sector—from the development sector through to the representative organisations that speak on behalf of people with housing needs—to be able to resolve affordable housing questions into the future and that is why I asked those questions at question time today of the Acting Leader of the Government in the Senate. I was somewhat surprised at his response. I think we actually touched a nerve of the Acting Leader of the Government in the Senate with those questions today.

It is true that in a recent Senate inquiry John Fraser, Secretary of the Treasury, answered questions that were asked of him about the Sydney housing market by saying that Sydney is 'unequivocally', to use his word, in a housing bubble. He said:

When you look at the housing price bubble evidence, it's unequivocally the case in Sydney. Unequivocally.

Frankly— he went on to say— whatever the data says, just casual observation can tell you it's the case.

Glenn Stevens, the head of the Reserve Bank agrees with the Treasury secretary. He said:

I am very concerned about Sydney, I think some of what's happening is crazy—

these are the words of the Reserve Bank chair; these are not the words of some idle bystander—

but we've got a national focus to manage as well - that just increases the complexity.

Contrast that with the words of the Treasurer. The Treasurer, when asked about the problems with housing affordability in his home town, where he has a house, where he lives, said:
Look, if housing were unaffordable in Sydney, no one would be buying it. People are purchasing housing in Sydney, it’s expensive. As a multiple of average weekly earnings it is expensive, it’s an expensive city to live in …

Talk about stating the obvious! But what are you going to do about it, Treasurer? What are you going to do about the fact that the number of young families forming in Sydney is reducing. The age at which young families are forming in Sydney is getting older. People in Sydney in particular, but also in Melbourne and other parts of the country—for example—are having difficulty entering the housing market. And as the Acting Leader of the Government in the Senate said in question time today, it is the biggest investment that anyone ever makes. For most families that is the case, but if you cannot get in, then how do you get in on that investment in the future?

Mr Hockey then went on to say, with incredible perspicacity:

The starting point for a first home buyer is to get a good job that pays good money. If you’ve got a good job and it pays good money and you have security in relation to that job, then you can go to the bank and you can borrow money and that’s readily affordable.

How offensive is that—that the job you have got, because it does not pay enough money, means you are not trying hard enough. Just go and get a better one, get one that gives you more money. This man is so out of touch with the reality of life for young families trying to get into home ownership in Sydney; he is so patronising to say that.

Labor is different. Labor knows we have to do something about housing affordability. That is why Bill Shorten has asked Chris Bowen, as our shadow Treasurer, and me, as the shadow minister for housing, to undertake a consultation so that we can have a conversation about where the answers might lie. That sits on top of the work that I, and others on the crossbench, asked the Senate Economics Committee to inquire into. This report is a good contribution to the conversation we need to have about tackling housing affordability. But let me make it absolutely clear: Labor has not come to a view around negative gearing or capital gains tax at this time. We are prepared to have a conversation. We are not going to shy away or hide behind any sort of countenancing of negative gearing by, frankly, telling untruths.

What the leader said today in this chamber was factually incorrect. ABC Fact Check will tell you that—I am sorry, but I will believe ABC Fact Check over any answer given to a question I ask in this chamber at any time. We know that first home buyers now make up around 14 per cent of all home purchases, which is well down on the historical average of 20 per cent. The median value of a Sydney property is now nearly 10 times median income in that city. By this measure, that makes Sydney the third most expensive city in the world to live in. Melbourne is not far behind, ranked sixth most expensive in the world with the median value of a property costing nearly nine times the median income in that city. So our leader has asked Chris Bowen and me to start a conversation. We had a round table earlier this year. We put out a discussion paper and we have had quite a number of considered responses to that discussion paper. Labor’s next steps are to work together and work across a number of portfolios to develop our policy that will take us to the next election. The contrast could not be more stark: head in the sand, do not have the expertise, and do not want to talk about housing. Compare this to a party that is prepared to get in and do the job.

Senator WHISH-WILSON (Tasmania) (16:54): Good on the Labor Party for at least wanting to have a national debate on this. I respect the fact that they have not ruled out policy
options on negative gearing or on capital gains tax concessions. They at least want to consider them and they at least want to have a full debate on this issue. It is disappointing that while we go through this white paper process the government is already ruling out significant areas of tax reform that we know we need to have a close look at. I was the one who actually asked Treasury Secretary John Fraser the question that has now led to the infamous comment on a bubble in the Sydney house market. I was dismayed to watch up-close the Treasurer of our country show how out of touch he is with the Australian people with his 'let them eat cake' moment: get a good job.

He wants to see housing prices go up. That is fine if you own a house, especially if you own an investment property. But as we have pointed out countless times, there is a housing affordability crisis in this nation. A lot of young people and low-income people cannot afford to buy property, especially in places like Sydney and Melbourne. Unlike what Senator Canavan said, this is not about increasing taxes. It is about reviewing incentives in place—pervasive incentives, potentially—that lead to undesirable outcomes. We are talking about removing a concession on capital gains in a very sensible way by using grandfathering so that no-one who currently negatively gears a house will lose out. We are talking about a policy that over time will make housing more affordable in this country.

Who could not want that? I will tell you who does not want that: the Liberal Party and the National Party do not want that. Let me tell you why. The benefits of 60 per cent of all negative gearing go to the top 10 per cent of income earners in this country. Guess where most of those people live? They live in safe Liberal electorates. These are their bread and butter voters and they do not want to take on this issue.

Meanwhile, around the country, we have a housing affordability crisis. We have a price bubble in real estate that all the experts in this country and all our key bureaucrats have pointed out is unsustainable. It is not just first-time home owners—those who have taken advantage of low interest rates and bought a property—who are going to lose out if that bubble bursts. It is also investors in these properties, including middle-income and high-income investors.

We need to have a serious debate in this place. That is why we were elected to parliament. We were elected to parliament to have open and frank debate—fearless debate—about something as important as tax reform in this country. I am proud to say that my party, the Greens, have lead on this issue and we, along with the Labor Party, look forward going to the next election with strong policies. (Time expired)

Senator SINODINOS (New South Wales) (16:57): In answer to Senator Whish-Wilson, we should have a debate and we are having a debate—not just today, as there is an ongoing debate. There will be a debate through the rest of this year, and there will be a debate in the context of the tax white paper and in various other contexts. I will come to some of those in a minute.

The fact that the market is strong does not in itself mean that we have a generalised crisis in the housing sector. A lot of speakers are focusing on the situation in particular segments of housing demand, and I will come back to that, because at the moment we are having very high rates of clearance, which shows that demand across the board is quite high. It is not just restricted to Sydney or Melbourne, but I concede that there have been particular price pressures in Sydney and Melbourne, particularly in Sydney. I will come back to that. But
housing construction, housing supply, is starting to respond. It was up 4.7 per cent in the March quarter of this year, the highest since 2009. So demand is up, but supply is up.

I want to go to some of the issues that perhaps are constraining supply, and to make the general point that this discussion needs to be a comprehensive one on all the factors that potentially impact on the affordability of housing. I also want to make the point that this debate is too narrow if it focuses on a subset of particular taxes.

There is no doubt that there has been a big contribution to demand in the housing market in recent times by investors taking advantage of low interest rates. That is what lower interest rates do: they tend to stoke demand for loans, and there is no doubt that investors have been in the market in a big way. How are the official family, if you like, including the Reserve Bank and others, addressing this? The Prudential Regulatory Authority, which has the main responsibility in this sector, has actually provided guidance to the banks on restraining the growth in lending to investors. That is important. It is not saying the banks should constrain lending to first home owners; it is saying they should constrain the growth in lending to investors, holding over the banks the prospects of them having to raise or hold additional capital against loans to investors for that part of the market. Now, that is important because it frees up the monetary policy of the Reserve Bank to focus on economic growth across the country. The whole point is to use the prudential regulator to focus, in this case, on investor demand and free up monetary policy so that we can focus on the overall level of demand and growth in the economy.

Foreign investment policy is also being enforced so that overseas investors are targeting new housing. We are getting rid of the situation where it was possible for people to buy existing housing and bid up the cost of that housing. There is a wall of capital coming towards Australia from overseas. Through better administration and foreign investment policy, we are seeking to encourage that wall of capital into new residential construction as well as commercial real estate.

But let us keep it in perspective. Low interest rates mean that repayments for many people are below pre-GFC levels. The change is that the amount of debt people have taken on has gone up. There is no doubt that that is an issue, and the Reserve Bank is keeping an eye on that. But that is focusing on the demand side—and I will come to tax a bit later on.

The point is that we are now acknowledging the role of supply constraints in housing, particularly in markets like Sydney and Melbourne. The latest minutes of the Reserve Bank of Australia—and Senator McLucas was talking before about the role of the Reserve Bank—explicitly focus on this:

Noting that housing price growth in other cities—
that is, other than Sydney or Melbourne—
and regional areas had declined over recent months, members discussed the strength and composition of underlying supply and demand conditions in different parts of the housing market. They also observed that there was a relatively low stock of dwellings for sale in Sydney and Melbourne and that dwellings took only a short time to sell.

So, we have a supply issue that we have to continue to address.

What is the government doing about that? At the recent meeting of state and federal treasurers, the federal Treasurer instigated a COAG or Council of Australian Governments
review of supply issues, to be led by Tim Pallas, the Victorian state Treasurer—because many of these issues are local and state government issues. They go to restraints on land and planning controls, zone regulations and the like. We need to be more flexible in that regard. There was a report done for the Menzies Research Centre about a decade ago, when Malcolm Turnbull was the chairman of the centre, by Christopher Joye, who now writes for The Australian Financial Review. That report isolated the relative reduction in the supply of land relative to demand over the last three decades as being an important factor in raising the price of housing in major markets, particularly in markets like Sydney.

Today's editorial in The Fin Review, which I do not often quote in this place, made the point that there are also structural issues at play. It says:

… in the 2000s, the resources boom crowded out housing and infrastructure investment. Now a big wave of apartment, road and rail development is trying to catch up, often in the face of anti-development activism.

All of us on each side have our prejudices, we have our ideologies and we have our views. In coming to this debate, we have to ask ourselves: are we doing things, particularly in the inner city, that constrain our capacity to augment the housing supply? What is happening is that many people do not want to live on the ever-increasing fringe of large metropolitan cities; they want more affordable housing closer to the city. This is an issue for subgroups in the economy with particular roles, like essential services workers and others, who are never going to be investment bankers, so they are never going to be able to afford to live in Mosman and other areas like that in my home town of Sydney—not unless there is that capacity to target more affordable housing. It is not necessarily a case of more subsidies for housing per se. It is also a case of accepting some of the restraints on development, in a balanced way. We have to have regard to the environment and think about conservation goals, but we have to have the capacity to do that in a balanced way, particularly in these inner city areas. That is going to be very important, going forward.

My other concern about the narrowness of this matter of public importance today is that it focuses on a couple of taxes and, without really canvassing the pros and cons of removing those taxes, says that they must go because we predict there may be a particular effect on the housing market. But this is quite complex. In the case of negative gearing, there is quite a debate that goes on about the impact of removing negative gearing in the 1980s. There are a number of views that can be tested on all of that, and there are contrary views. The Greens and others, in the context of the tax white paper and other processes that are afoot at the moment, do have the opportunity to canvass those and demonstrate their propositions in more detail, and they should do that, because this needs to be backed up by the facts, not by an assertion that ‘because I don't like a particular tax or because I think it goes to particular individuals, that tax should just go’.

In the case of capital gains tax, we also have to be careful at a time when people, including Labor, are promoting the concept of greater entrepreneurship and more innovation, and focusing on start-ups. Capital gains tax issues are important in that context as well. It is not just a matter of looking at a tax narrowly, in the context of one particular market. We need a comprehensive approach to tax reform. We cannot do tax reform on the basis of looking at just one or two taxes, because balanced tax reform involves looking at direct and indirect taxes, what we do about income tax, what we do about taxes on capital, what we do about
taxes on land—and taxes on land is one of the taxes left out of this MPI, something that has been recognised in the past as another potential revenue raiser.

What do we do about stamp duty? It is a major factor. How do you pay for things if you remove stamp duty? These are the issues. It is not just a matter of saying that certain concessions have to be removed and it is all very fine. What do we do about the balance, as I said before, between direct taxation and indirect taxation? My plea is to look at these issues in the context of more comprehensive tax reform and to isolate issues around affordability, particularly for certain social groups, like issues of social housing, and put them in the context of how we also marshal more private capital to provide social housing, as the Baird government in Sydney is seeking to do through opening up more land for housing, both private and social.

Senator O'NEILL (New South Wales) (17:07): For all the tonal modulation of Senator Sinodinos's comments, and the eminent reasonableness of those who might be listening to the words and glossing over them, the reality is that this is a government that simply does not acknowledge that affordable housing has become a myth in our capital cities. The reality is that, if you speak to any young person, the top of their list of worries is how they will ever afford their own home. They are the others, as I think Senator Sinodinos called them—the ones who cannot live in Mosman. That makes pretty well most of us the others.

This community knows that housing affordability is nearing a crisis level. The Labor Party knows that housing affordability is certainly in the crisis zone. It is only Labor, if you look at our history, that has attended to the reality of housing as a need for this community. It seems that it is only the coalition that just do not get it. The Treasurer made that very clear just last week with his ignorant and out-of-touch statement. For someone no less than the Treasurer of this nation to suggest that owning a home in Sydney is as simple as 'getting a good job that pays good money' shows how remarkably removed the Liberal-National government of this country are from the community.

This is from the man who said that poor people do not drive cars. Now he thinks they do not own homes. This is from the man who sat in Parliament House smoking a cigar on the day he was about to slash $80 billion from health and education budgets. This is from the man who is trying to increase university fees to add a further $100,000 debt to the burden of our young people before they even begin to think about entering the market for a house. An extra $100,000 might not seem like a big expense for the Treasurer—the cigar-smoking Treasurer of this nation—but it will certainly hit our young people hard. Will they attend university and try to get a good job to earn good money, as he directs, but end up with a $100,000 debt at the end? Or will they avoid uni and avoid the debt but still not be able to get job to earn enough money to buy a house? That is the catch-22 that the member for North Sydney, the Treasurer of this nation, is putting young Australians in. It is a terrible bind.

Sydney's median house price could crash through $1 million before the end of this year. It is a crisis. That amount of money is out of reach of the vast majority of Australians. It is an astronomical amount for the nation's teachers, nurses, police officers, truck drivers and ordinary working people with ordinary good, decent jobs making their contribution to this nation. Thirty years ago the median house price in Sydney was $88,000. We see now a 1,036 per cent increase in that median price over 30 years. Wages, by comparison, have increased
by 215 per cent in the same period. There are really very few jobs that are good enough, to
use the Treasurer's terrible language, to make up that sort of shortfall.

While the Liberal Party's response to the housing crisis is to tell people to get better jobs,
Labor is putting housing affordability front and centre. We believe that housing is vitally
important in social terms. It provides shelter, security, connection and a source of pride to
every Australian. We all deserve to have a place we can call home. While in economic terms
construction and housing finance are important indicators of Australia's economic
performance, for some Australians housing affordability is about trying to meet rental
payments on a place in the city. For others, it might be about being able to purchase a home in
an area that allows them to be close to family and friends. For many people who have moved
to the Central Coast, it means looking further than Sydney and making decisions to move
away from family and networks of support to the north, where the prices have not reached
such huge levels yet. Commuting to a job in the city is, sadly, a reality for too many of our
population up there. Lack of housing affordability has the potential to exacerbate inequality
between those who already own homes and those who cannot even get into the market. This
leaves first home buyers in the unenviable situation of renting from those already established
in the market and never being able to break in themselves.

Labor is proud of our record in government when it comes to housing policy. Labor is the
only party that has a consistent record of pursuing innovative and effective policy that has
improved housing affordability for Australians. Labor created the very post of minister for
housing after John Howard cut back the affordable housing stock by more than 24,000
premises in his time in government. There is a difference. We are committed to improving
housing affordability and we have created opportunities. Given the opportunity to come to
government, these guys have cut and cut. Under Labor, we introduced the Social Housing
Initiative, which provided funding of $5.6 billion over three years for the construction of new
social housing; the A Place to Call Home initiative, which provided $150 million to make 600
homes and units across Australia available for families and individuals who are homeless; the
National Affordable Housing Agreement, which provided $6.2 billion in housing assistance;
$400 million under the National Partnership Agreement on Social Housing over two financial
years for capital investment in social housing and homelessness; the National Partnership
Agreement on Remote Indigenous Housing, with an investment of $5.5 billion over 10 years;
and a more than doubling of the $557 million of funding committed under the Howard
government in relation to the memorandum of understanding on Indigenous housing.

What record does this government have to stand on? Already, in just 18 months, the
National Housing Supply Council and the National Rental Affordability Scheme have been
abolished. In addition, the First Home Saver Accounts scheme, set up under the Rudd
government, providing assistance for saving, is about to be abolished—hardly actions that
show any sympathy or understanding for young Australians struggling to purchase a home.
They have constant thought bubbles and make disparaging comments that are an insult to the
intelligence of young people who just want to get out there and create a home for themselves
and their families. Joe Hockey says to use super to buy a home, and tells people to get a better
job—that is what this government does. It is thought bubbles, it is platitudes, it is gentle
conversation—all the while ripping away the vital investment that is part of building genuine
affordable housing for Australians.
Senator DAY (South Australia) (17:14): This motion correctly describes the housing affordability problem in Australia as a crisis. It does not, however, correctly diagnose the cause of the crisis. For more than 100 years the average Australian family was able to buy its first home on one wage. The median house price was around three times the median income, allowing young home buyers easy entry into the housing market. The median house prices now in real terms—that is, relative to income—are more than nine times what it was for 100 years between 1900 and 2000. That equates to approximately $600,000 more spent on mortgage payments than would have been the case had house prices remained at three times the median income. That is $600,000 lost to the economy in consumption and spending on other things.

The economic consequences of this change have been devastating. The capital structure of our economy has been distorted to the tune of hundreds of billions of dollars and, for those on middle and low incomes, the prospect of ever becoming homeowners has now all but vanished. The real culprit for the slump in business conditions over the past years has been the massive redirection of capital into high mortgages. The distortion in the housing market, this misallocation of resources resulting from the supply-demand imbalance is enormous by any measure and affects every other area of the economy. A terrible policy mistake has been made and it needs to be corrected.

Let’s be clear here as well: the problem is not the affordability of constructing a home. The previous speaker, Senator O’Neill, should make a note of this fact. The cost of building a home has been approximately the same for decades due to efficiencies gained over the years. The cost of building a house has not even risen with indexation. In fact, I have said in my home state of South Australia as we lose the automotive manufacturing, why can’t we build cars as cost-effectively as we build houses?

The affordability problem is with the land on which the house is built. Land prices have gone through the roof. The Demographia international housing affordability survey, which ranks 378 cities worldwide, list all Australian cities as seriously unaffordable. So the Greens are right: this is a crisis. The solution, though, is not to target the demand drivers of housing like capital gains tax discounts, negative gearing, low interest rates, first home buyer grants or immigration.

Take negative gearing for a moment. The Housing Industry Association said last September, with the backing of research by Independent Economics, that restricting access to negative gearing would reduce housing investment, erode affordability and put upward pressure on rents.

As anyone with even the basic understanding of how markets work would know, increases in demand do not cause prices to rise. What causes prices to rise is lack of supply. Let me give a good example: when demand for technology like flat-screen televisions and mobile phones increased markedly a few years ago, prices did not rise; they fell. Why? Because supply increased. That is how markets work. The majority of the Senate acknowledged this wisdom and reality in supporting my motion on 13 May this year—co-sponsored by no less than five other senators—confirming that the lack of supply—the restriction of available land for housing—was the problem.

I was elected to this place on the platform, 'Every family, a job and a house'. I have built the odd house or two in my time. The Australian Dream remains, to this day, to have a big
house on as big as a block as possible. Those who live in tiny housing only do so because they have no other choice. In my home state, the South Australian government wants to lock those young people out of affordable housing by legislating an urban growth boundary, virtually legislating urban densification.

This urban densification has been advanced on the back of a number of arguments: that it is good for the environment, that it stems the loss of agricultural land, that it encourages people onto public transport, that it saves water, that it leads to a reduction in motor vehicle use and that it saves on infrastructure. None of these claims are true. Whatever you want to call it—urban densification, urban consolidation, urban infill—it has been a disaster wherever it has been tried.

The answer to solve the housing affordability crisis is to increase supply of housing.

Senator CAMERON (New South Wales) (17:20): I am pleased to be able to make a contribution to this debate. I think it is a good thing that the Greens have raised this issue, as the Labor Party has been over a period of time now consulting with state governments, the building industry, economists and welfare groups to try to develop a more sophisticated response to this issue than we have seen from the coalition in government.

There are a number of barbecue stoppers around the place—the unfair budget, the broken promises, the government incompetence—but housing affordability is the guaranteed barbecue stopper in the Sydney region, where I live. For Treasurer Hockey to say what you have to do is get a good job that pays good money, I think, really simplifies and misunderstands the problems that we have with housing in Sydney. The argument that the Treasurer made that if housing were unaffordable in Sydney, then no-one would be buying again demonstrates a lack of understanding of the issues that we face in Sydney. This ranks with the Treasurer's analysis that poor people do not drive cars. It is completely out of touch with the issues we face.

I keep my eye on what is happening in Sydney because people keep coming to me and saying, 'Look, it's almost impossible for a first homebuyer to get into the market in Sydney.' One person told me recently about a tarted-up, refurbished fibro, three-bedroom house, ex-Housing Commission, just outside Parramatta in Sydney that went for $960,000 at auction. I think there is a madness at play in Sydney. Who would have thought that an ex-Housing Commission house, a fibro house, tarted up, many kilometres from the CBD, outside Parramatta, would cost nearly a million dollars. That is what is happening in the Sydney market at the moment.

This is a complex issue, and Senator Sinodinos has raised a number of the issues: low-interest rates, for example. Negative gearing is an issue and to have people in this place to dismiss it does not do any good for the debate. Capital-gains tax exemptions are an issue; housing supply is an issue; land supply; the planning systems; infrastructure; employment; and international capital flooding into Sydney—these are some of the issues that we face. Senator Sinodinos has made a thoughtful contribution, much more so than Senator Canavan's contribution, because Senator Sinodinos does raise some of the issues, but I disagree with Senator Sinodinos that the Prudential Regulation Authority can fix this problem. That is rubbish; it is not going to happen. Having the Reserve Bank monitoring interest rates will not solve the problem either. What has been argued by Senator Sinodinos is that there has to be a
comprehensive and balanced tax reform agenda, but the government is not going to have a comprehensive tax reform agenda in place, and so that is not the solution either.

I disagree with the position that Senator Sinodinos adopts when he talks about Sydney's fringe. I have always lived on the so-called fringe of Sydney, because it is all that I have been able to afford. As a blue-collar worker and as a union official with my wages tied to the blue-collar workers that I represented, I could never afford to be in the Inner City or the Inner West; I was always in the Western Suburbs of Sydney. That fringe needs a number of things. It needs more employment, where we can build the jobs; it needs more employment, where the people live; it needs more public transport. These are all the issues that we need to deal with. To simply do what the government has done in cutting homeless services, getting rid of the National Rental Affordability Scheme, getting rid of housing help for seniors, getting rid of the first homeowners savings accounts, getting rid of the Prime Minister's Council on Homelessness—these are all negatives. We actually do need a position that is much more sophisticated than Senator Canavan's argument that, on the one hand, we cannot have big government and we must have small taxes and then, on the other hand, that we must supercharge development in the Northern Territory to fix our housing problem. How dumb, how dopey is that? I always thought there was a problem with having an economist as a member of the National Party. It just shows that you can be an economist as long as you are a bad one in the National Party. This is a real problem and there is no simple fix. (Time expired)

Senator XENOPHON (South Australia) (17:26): In the two minutes I have available, I want to raise some issues. This is a barbecue stopper, as Senator Cameron has pointed out, and this is an issue that affects all of us. We are concerned about our children being able to afford a home; we are concerned about people who have had a divorce or have had other change in their life circumstances and who cannot afford to get back into the housing market. It is now less affordable to get into a home. If you look at demographic surveys over a number of decades, we now know that it is something like six, seven or more times average weekly earnings to get an average home, and in Sydney it is much more. A number of years ago, a generation ago, it was about three times average weekly earnings—much more affordable.

These are big issues and they need bipartisan support; they need all parties to work together. It is not just about the quarter-acre block, which is important; but some people do want to have inner-city living. Other issues that are fundamentally important include planning controls and urban design. We face a real issue in this country in having a generation of Australians who cannot afford to get into the housing market unless they are fortunate enough to have their parents support them. That is not a just outcome or a fair outcome. There is a whole range of issues that need to be dealt with. We do need to look at stamp duty; we do need to look at negative gearing but in a considered way. There should be some real scope for negative gearing to be altered so that there is a greater emphasis on affordable new rental accommodation—so that you still drive the housing market, because the housing industry is a key driver of jobs in this country. The housing industry needs to take up jobs growth as a result of the collapse of the mining boom and the collapse of manufacturing in this country. Above all, Australians need to have good, reliable jobs in order to afford a house in the first place. I can tell you, Mr Acting Deputy President, in South Australia and Victoria with the looming collapse in manufacturing jobs, that is a real problem that we must also address.
DOCUMENTS

Consideration

The documents tabled today were called on but no motion was moved.

PETITIONS

Child Abuse

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (17:32): by leave—
I present to the Senate a non-conforming petition, with 550 signatures, on child abuse.

Asylum Seekers

Senator HANSON-YOUNG (South Australia) (17:32): by leave—I present to the Senate
a petition, signed by more than 65,000 people, Australian citizens, calling for the Manus
Island and Nauru detention centres to be closed immediately. The petition shows that the
conditions inside the Manus Island and Nauru detention centres are cruel, unsanitary and
unacceptable. The safety and wellbeing of people inside the facilities cannot be guaranteed
and the facilities have been shown time and time again to not meet both international
standards and the standards set by the government themselves. The petitioners ask that the
Senate abide by Australia's international, legal and humanitarian obligations, put an end to
this shameful policy and close the Manus Island and Nauru detention centres now.

We know that the rights of children in particular inside the Nauru facility are under threat
on a daily basis. We know that conditions inside the Nauru detention centre are horrific. More
and more allegations of abuse, assault and terrible conditions continue to leak out of that
centre—

The ACTING DEPUTY PRESIDENT (Senator Sterle): Senator Hanson-Young, I am
sorry to interrupt, but you were not granted leave to make a statement.

Senator HANSON-YOUNG: I am happy to leave it there. The petition has 65,000
signatures from Australians wanting these detention centres, these camps of cruelty, to be
closed.

COMMITTEES

Rural and Regional Affairs and Transport Legislation Committee

Report

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (17:34): On behalf
of the Deputy Chair of the Senate Rural and Regional Affairs and Transport Legislation
Committee, I present a dissenting report to the report of the Senate Rural and Regional Affairs
and Transport Legislation Committee on the Criminal Code Amendment (Animal Protection)
Bill 2015.

Ordered that the report be printed.

Australian Commission for Law Enforcement Integrity Committee

Report

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (17:34): As Deputy
Chair of the Parliamentary Joint Committee on the Australian Commission for Law
Enforcement Integrity, I present the committee's report, *Examination of the annual report of the Integrity Commissioner 2013-14*, together with the Hansard record of proceedings.

Ordered that the report be printed.

**Senator BILYK**: I move:

That the Senate take note of the report.

As the Deputy Chair of the Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity, I am pleased to table the report of the committee's inquiry into the annual report of the Integrity Commissioner. The Australian Commission for Law Enforcement Integrity, ACLEI, is responsible for preventing, detecting and investigating serious and systemic corruption issues in Australia's law enforcement agencies.

ACLEI is required, pursuant to the Law Enforcement Integrity Commissioner Act, to provide an annual report to the parliament detailing its activities and investigations. The annual report notes in detail the expanded jurisdiction of ACLEI. While ACLEI's original jurisdiction included the Australian Crime Commission, the Australian Customs and Border Protection Service and the Australian Federal Police, it has been expanded to include the Australian Transaction Reports and Analysis Centre, also known as Austrac, CrimTrac and biosecurity staff within the Department of Agriculture.

While the committee is concurrently inquiring into ACLEI's expanded jurisdiction, the annual report helpfully notes the challenges the expanded jurisdiction poses to ACLEI. The annual report notes the upcoming merger of the Department of Immigration and Border Protection with the Australian Customs and Border Protection Service into the Australian Border Force. That will be a high priority for ACLEI in coming years. The annual report discusses the usefulness for ACLEI of a Sydney based task force and notes that it is pleased to date with its results. The committee will continue to monitor ACLEI's work and expanded jurisdiction with close interest.

The committee notes that ACLEI's budget in 2013-14 was increased from $6 million to $7.6 million and that it had an operating surplus of $0.8 million due to ongoing difficulties in filling temporary vacancies. The annual report also detailed some of ACLEI's effective operations, including Operation Heritage-Marca.

The committee notes comments raised by the former acting Integrity Commissioner, Mr Robert Cornell, relating to the significant leadership changes across both ACLEI and the majority of its partner agencies. The committee agrees with the assessment of ACLEI officers that corruption-enabled border crime remains a significant law enforcement integrity issue. It was with this fact in mind that the committee composed the terms of reference for its new inquiry into the integrity of Australia's border arrangements.

The committee also notes that, while ACLEI has largely met its KPIs in 2013-14, there has been some seepage in its performance on some measures. The committee notes the expanded jurisdiction and lack of suitable staff prevented ACLEI from meeting its KPI that relates to assessing notifications and referrals. We also note that there are a large number of unresolved internal partner agency investigations from 2013-14 and 2012-13 and will seek a clearer explanation of the internal investigations completed and underway and the reasons for significant delays. Similarly, the committee will seek an explanation for ACLEI as to the number of ongoing corruption issues carried over from the previous financial year.
Finally, the committee congratulates the Integrity Commissioner and ACLEI officers for the quality and readability of the 2013-14 annual report and for their cooperation and engagement during the inquiry. The committee also thanks Mr Cornell for his work as acting Integrity Commissioner and congratulates Mr Michael Griffin on his appointment as Integrity Commissioner.

Question agreed to.

Intelligence and Security Committee

Report

Senator O’SULLIVAN (Queensland—Nationals Whip in the Senate) (17:39): On behalf of the Chair of Parliamentary Joint Committee on Intelligence and Security, I present the committee's reports, Review of the re-listing of Ansar al-Islam, Islamic Movement of Uzbekistan, Lashkar-e Jhangvi and Jaish-e-Mohammad and Review of the declaration of Mosul district, Ninewa province, Iraq. I move:

That the Senate take note of the reports.

I seek leave to incorporate the tabling statement in Hansard.

Leave granted.

The statement read as follows—

Mr President, I am pleased to present the Committee's report on its review of the declaration of the Mosul district for the purposes of section 119.2 of the Criminal Code.

Section 119.2 of the Criminal Code makes it an offence to enter, or remain in, an area of a foreign country declared by the Foreign Minister.

The Committee is able to review all declarations made under the provisions within the 15 sitting day disallowance period, and this report contains the Committee's findings with respect to the declaration of the Mosul district of northern Iraq.

This is the second time that an area has been declared for these purposes following the declaration of al-Raqqa province in Syria in December last year. Like al-Raqqa, the Mosul district has been declared due to the hostilities of Da'esh in the area.

The Committee supports the declaration and considers it to be well within the scope of what the declared area offence was intended to target.

ASIO's 'statement of reasons' for the declaration provides examples of where Da'esh has committed actions in Mosul that meet the threshold of 'engaging in hostilities' against all of the criteria listed in the Criminal Code.

Among others, atrocities committed by Da'esh in Mosul have included:

• the execution of 13 teenage boys for watching a sports match,
• the mass execution of around 600 mainly Shia inmates at a prison,
• the torture and execution of a women's rights activist, and
• the destruction of many historical and religious sites.

Da'esh has a 'significant and enduring presence' in the Mosul area, which is the 'main base' of its operations in Iraq. Mosul is also a central location for foreign extremists engaging in the conflict in Iraq.

The Committee will continue to monitor the effect of declarations on the actions of individuals over time, including the impact of any prosecutions that take place as a result of the declarations.
The Committee also supports initiatives to counter the propaganda being used by Da'esh to draw young Australians into the conflicts in Iraq and Syria, and considers that sustained effort will be needed by both governments and communities to ensure the facts of the situation in those countries are made known to the persons who are most vulnerable.

Turning to the second report, I am pleased to present the Committee's review of the re-listing of Ansar al-Islam, the Islamic Movement of Uzbekistan, Lashkar-e Jhangvi and Jaish-e-Mohammad as terrorist organisations under section 102.1 of the Criminal Code.

Originally listed in 2003, this is the fifth re-listing of each of these groups. In each case the Committee has supported their ongoing proscription as terrorist organisations.

Ansar al-Islam, the Islamic Movement of Uzbekistan and Lashkar-e Jhangvi have all been involved in recent terrorist acts. This includes two of the ten worst terrorist attacks globally in 2013, on the basis of number of casualties, conducted by Lashkar-e Jhangvi. More than 180 people were killed and around 400 injured in these two attacks.

In the two years between July 2012 and August 2014, Ansar al-Islam claimed responsibility for 53 attacks, including a joint attack with Da'esh in Rabia in December 2013. IMU militants have fought alongside the Taliban, al-Qaeda, and Tehrik-e-Taliban Pakistan in Afghanistan and Pakistan. It is also reported that IMU pledged allegiance to Da'esh in September 2014.

Mr President, the Committee noted that the re-listing of Jaish-eMohammad is the first to be made under the Criminal Code solely on the basis of 'advocating the doing of a terrorist act'. While Jaish-eMohammad has not been associated with an attack for over five years, the Committee accepted evidence of its ongoing advocacy of terrorist acts through the group's leader, Maulana Masood Azhar.

The Committee also noted recent media reports in India, warning of a possible impending attack by the group.

On this basis, the Committee recommends that the regulations for the re-listing of Ansar al-Islam, Islamic Movement of Uzbekistan, Lashkar-e Jhangvi and Jaish-e-Mohammad as terrorist organisations not be disallowed.

Mr President, I commend the reports to the Senate.

Senator O’SULLIVAN: I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Public Accounts and Audit Committee

Report


Ordered that the report be printed.

Senator SMITH: I move:

That the Senate take note of the report.

This report details the findings of the committee's examination of the second Defence Materiel Organisation Major Projects Report reviewed by the Joint Committee of Public Accounts and Audit in the 44th Parliament and the seventh to be reviewed by the JCPAA overall. This year's report covers 30 projects with a combined approved budget of $59.4 billion.
The DMO MPR constitutes the Australian National Audit Office's review and analysis of the progress of selected major Defence acquisition projects managed by DMO, and aims to consider cost, schedule, and capability performance and to function as a longitudinal analysis of procurement projects over time.

The Joint Committee of Public Accounts and Audit assesses the overall content, accessibility and transparency of the information provided in the MPR, and also reviews and endorses the guidelines that constitute the MPR.

The committee is committed to ensuring the information presented in the Major Projects Report helps to maximise transparency and accountability in the Defence acquisition process for major projects that have been managed by DMO and will continue to be managed by the Department of Defence in the future.

Specific areas of focus in the committee's review of this year's report include some specific projects listed in the 'Projects of Concern' as well as broader issues regarding governance and business processes.

Defence major projects are inherently complex and meeting cost, schedule and capability targets must be considered in this context, particularly for developmental projects.

DMO has summarised the range of issues affecting the completion of major projects. These include:

- managing induced schedule delays as a result of budgetary constraints;
- employing and maintaining an appropriately skilled workforce where the skills required are in high demand by other industries;
- acquiring new equipment presenting multiple integration challenges;
- contractor overestimation of the technical maturity of proposed equipment solutions;
- contractor underestimation of the level of effort and complexity required to deliver new equipment;
- unavailability of in-service equipment (due to operational requirements) limiting the ability of projects to install, and test new or upgraded equipment in accordance with the original planned project schedule;
- complying with increasingly demanding certification and regulatory requirements; and
- ensuring access to intellectual property to enable continued further enhancement and improvement of systems.

The committee acknowledges these various challenges.

DMO has played a strong and positive role in the development of the MPR since its inception in the mid-to-late 2000s. With DMO's abolition and the Department of Defence reabsorbing the DMO's functions, the committee expects the department to continue working on the MPR with the same intensity shown by DMO over the past eight years.

The committee, in conjunction with Defence and the Australian National Audit Office, is now focussed on establishing a mechanism through which sustainment reporting can be better scrutinised. Sustainment expenditure is currently at approximately $5 billion per annum and predicted to increase significantly over time. The committee considers sustainment expenditure to be an area requiring further parliamentary scrutiny on the adequacy and performance of Defence involving billions of dollars in the future.
Objections in the past by DMO and Defence to providing further information on sustainment have centred on security issues—that is, that more detailed reporting of sustainment in the public arena would compromise national security. The committee is in complete agreement with Defence about the need to protect classified information.

Having had a series of options presented to the committee by the Australian National Audit Office, initial discussions with Defence have already occurred and, at this stage, it appears likely that sustainment reporting will be developed through an evolutionary process until both the committee and Defence are comfortable with a final structure, not unlike the development of the MPR itself.

The committee, along with the Australian National Audit Office, DMO and the Department of Defence, have worked diligently and constructively over the past eight years to progress the MPR to where it is today. The reforms to the department are designed to bolster efficiency, and they should not result in a diminution in the intensity with which Defence approaches its work. The committee looks forward to working with the new reformed Department of Defence to produce the same high-quality MPR in the future so as to ensure that the improvement gains made in terms of project acquisition management over the past eight years are maintained. This also applies to the new sustainment reporting that the committee, the Australian National Audit Office and Defence are now embarking upon.

On behalf of the committee, I would like to express my appreciation for the work done by the DMO and the Australian National Audit Office in producing the Major Projects Report this year.

I commend the report to the Senate.

Question agreed to.

Public Accounts and Audit Committee

Senator SMITH (Western Australia) (17:44): by leave—I wish to make a statement on the appointment of the Auditor-General of the Australian National Audit Office. The Joint Committee of Public Accounts and Audit has the responsibility under the Public Accounts and Audit Committee Act 1951 to approve or reject a proposed recommendation for appointment to the office of Auditor-General. The committee is also required to report its decision to parliament.

This is a significant statutory duty of the Joint Committee of Public Accounts and Audit. As an independent officer of the parliament, the Auditor-General is responsible for ensuring accountability and transparency in the delivery of government programs and services. It is therefore appropriate that my committee has the power to scrutinise a nomination to this important position.

Accordingly, I am pleased to take this opportunity to advise the Senate that on 14 May 2015 the Joint Committee of Public Accounts and Audit unanimously approved the appointment of Mr Grant Hehir as the new Auditor-General. The Auditor-General is appointed by the Governor-General, under the Auditor-General Act 1997, for a term of 10 years. Mr Hehir is due to commence office on 11 June 2015.

Mr Hehir is currently the New South Wales Auditor-General and has held a range of positions in state and Commonwealth public sectors. He was Secretary of the Victorian Department of Treasury and Finance for seven years and held senior positions in the
Commonwealth Department of Finance and the Treasury. Mr Hehir is a Fellow of CPA Australia and a Fellow of the Institute of Public Administration Australia.

The committee also takes this opportunity to acknowledge the significant achievements of Mr Ian McPhee AO, PSM, who has served as Auditor-General for the past 10 years. On behalf of the committee, I thank Mr McPhee for his dedicated commitment to improving public sector accountability, promoting better practice public administration and assisting the parliament in holding executive government to account and informing the wider Australian community of the state of public administration.

The committee wishes Mr Hehir well in his new role and looks forward to building on the already strong working relationship between the Joint Committee of Public Accounts and Audit and the Australian National Audit Office, under Mr Hehir's leadership as Australia's new Auditor-General.

**Law Enforcement Committee**

**Report**

_Senator SINGH_ (Tasmania) (17:47): On behalf of the Parliamentary Joint Committee on Law Enforcement, I present a report of the committee entitled *Examination of the Australian Crime Commission annual report 2013-14*, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

_Senator SINGH_: I move:

That the Senate take note of the report.

I would like to highlight that the Joint Committee on Law Enforcement has revised its methods by which it completes its review of the Australian Crime Commission's annual report and this includes a greater focus on whether agencies have met their KPIs. I understand in its annual report the ACC includes information about its ongoing task force work, which is of continuing interest to the committee. I particularly want to highlight the ACC's report the *Australian methamphetamine market—the national picture*, which I think falls outside of this annual report but presumably will be in this year's annual report, is starting a national conversation on the prevalence and impact of ice on our Australian communities. It is quite a detailed report going into the link between methylamphetamine and violence. The same report states that over the last five years there has been significant growth in the detection, importation, manufacture and supply of methylamphetamine and also finds that the purity of ice has increased, making its use ever more dangerous and that users have an increased risk of psychosis and mental illness.

It was this report, which was a snapshot of the current Australian picture in relation to methylamphetamine, which led the Joint Committee on Law Enforcement to decide to commence an inquiry into ice and that is currently happening. We have been asking for submissions and we will commence a public hearing process in July, but surprisingly it was after the committee had made its decision to launch into this inquiry and after the ACC's report into the methamphetamine market was launched that the government decided to start a National Ice Taskforce. All credit to the government for doing that. Of course we supported the government's approach to that because it puts more of a spotlight on the very critical issue of ice in our community. I understand the task force already has visited Darwin, Newcastle,
Mount Gambier, Hobart and Mildura and that it has an interim report due in September. All of that is well and good. Obviously our committee will be doing detailed inquiry work as well and it really was borne out of a lot of the work that the ACC did first and foremost in its national picture report. The issue I have is, if the government is really serious about the National Ice Taskforce, I am very concerned about how it has recently slashed funding for drug and alcohol services. Some $500 million has been ripped from the flexible health fund. I understand quite a proportion of that goes specifically into drug and alcohol services. In the short time that this committee has been asking for submissions the responses I have received have been about the fact there currently are not enough drug rehabilitation services for victims of crystal methylamphetamine, of ice. I find it very short-sighted. If the government is seriously concerned about ice addiction it would continue to fund the organisations on the front line which are assisting those with substance misuse problems.

So the task force is doing its job; it still has a long way to go; I understand it has other places it will visit; but, as I said, I just do not know how serious this government is about resolving this problem and responding to some of the issues that the ACC has clearly raised in its report. Our committee will, of course, be putting forward serious recommendations to the government by the conclusion of our public hearing process. I am looking forward, as I know the other committee members are, to that public hearing process. I think there is not one state or territory in Australia with families in it who do not know someone who has been touched by this insidious substance, which is really causing havoc in our communities—as it is in other parts of the world, with the international trends that the ACC talked about.

I table the annual report. I look forward to next year's annual report including more detail about the Australian methylamphetamine market—the national picture report, which the ACC launched in early April. I still look forward to the government's National Ice Taskforce and to what comes out of it—I know that it is very well resourced. I urge the government to put funding back into drug and alcohol services right now to show that it is committed to and serious about reducing the impact of ice on our communities. To do that, of course we need the law enforcement side, but we also need the rehabilitation and treatment side. That is where, currently, this government is failing badly. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

COMMITTEES

Report

Senator O'SULLIVAN (Queensland—Nationals Whip in the Senate) (17:54): Pursuant to order and at the request of the chairs of the respective committees, I present reports on legislation as listed at item 18 on today's order of business, together with the Hansard records of proceedings and documents presented to the committees.

Ordered that the reports be printed.

Public Works Committee

Report

Senator SMITH (Western Australia) (17:55): On behalf of the Parliamentary Standing Committee on Public Works, I present report No. 4 of 2015, Referrals made December 2014 and March 2015. I move:
That the Senate take note of the report.

On behalf of the Parliamentary Standing Committee on Public Works, I present the committee's fourth report of 2015, addressing referrals made in December 2014 and March 2015. Report 4 of 2015 considers three referrals received by the committee: one from the Department of Finance in December 2014 and one each from the Department of Defence and the Department of Foreign Affairs and Trade in March 2015.

In the first referral, Finance sought approval from the committee to remediate sections of the Cox Peninsula in the Northern Territory. Commonwealth use of this land for maritime, communications and Defence purposes has resulted in extensive contamination at ground level and below. Without substantial remediation, there is risk that in-ground contamination will impact local bore water. This would present a potential health risk to site users and the local community. Finance advised the committee that the preferred method of remediation was to secure contaminated material in a sealed 'containment cell' and recycle non-contaminated material where suitable. The estimated cost for the work is $31.8 million, over four years.

The Cox Peninsula is subject to an Indigenous land claim by the Kenbi Aboriginal people. The claim was lodged in March 1979. In late 2000, the Aboriginal Land Commissioner recommended that a substantial area of the land claimed be granted as Aboriginal land. In January 2009, the Australian government undertook to settle the claim. The committee visited the Cox Peninsula and saw the need for remediation firsthand. The committee also held hearings in Darwin on the same day. Finance advised the committee that the greater part of the land will be transferred to the traditional owners on settlement of the claim. A small portion of the site will not be transferred until the remediation is complete. At the public hearing, the committee heard that Indigenous groups are keen to access employment and training opportunities associated with the remediation. The committee encourages Finance to make a range of positions available to local Indigenous residents where possible.

While the committee is satisfied that the project has merit in terms of need, scope and cost and recommends that the project proceed, it has asked Finance to report on progress annually. In addition, the committee seeks information on Indigenous employment levels and on any issues raised by the community in relation to the project.

The second referral concerns the construction of a multi-user barge ramp facility at East Arm in Darwin. The proposed facility is a collaboration between Defence and the Land Development Corporation in the Northern Territory, with an estimated cost of $18 million. The cost to Defence is $16.1 million, excluding GST. The barge ramp facility will provide Defence watercraft capability to load and unload helicopter docks, amphibious craft and explosive ordnance in Darwin, irrespective of tidal conditions. The works will also allow Defence to provide humanitarian assistance, disaster relief and civil evacuation duties in the region.

The committee received a briefing from Defence and conducted a site inspection. This was followed by public and in camera hearings. Defence advised the committee that the new barge ramp facility will be managed by the Land Development Corporation through a deed of licence. The deed of licence will be valid for a period of 20 years, with the option of two five-year extensions. Defence will have access to the barge ramp facility for 60 days per calendar year, which Defence has advised is sufficient to meet its needs. For the remaining days, the
facility will be leased to commercial users. Revenue will fund ongoing maintenance. Defence
will be granted first opportunity to take up any unused commercial days over and above the
60 days, at no extra cost.

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

The final referral concerns reconfiguring and refurbishing residential accommodation
and staff amenities at the Australian Embassy in Kabul, Afghanistan. In February 2015, the
committee received two medium works notifications for the embassy site in Kabul. The
committee agreed to examine them as one project and sought referral of the project through a
motion of the House. The project relates to five leased residential housing lots constructed in
the 1960s and 1970s. The Department of Foreign Affairs and Trade advised the committee
that the buildings are in need of extensive repair and refurbishment. There is also a need for
increased security features.

The committee received a briefing and conducted hearings in Canberra. The committee
was told that the works will consolidate the current property footprint in a way that
substantially improves security and safety. This is especially pertinent, given embassy staff in
Kabul are working in a high-risk environment. Drawing on their own experience in delivering
overseas projects and similar works undertaken for the British and Canadian embassies in
Kabul, the Department of Foreign Affairs and Trade is confident that the tender process will
achieve value for money. The department also identified a number of ways that consolidation
will result in cost savings, with fewer movements between locations and reduced maintenance
cost. The estimated cost of the project is $23.25 million. The committee is satisfied that this
project also has merit in terms of need, scope and cost and recommends that the project
proceed. In concluding, I commend the report to the Senate.

Question agreed to.

Government Response to Report

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and
Assistant Minister for Social Services) (18:00): I present two government responses to
committee reports as listed on today’s Order of Business. In accordance with the usual
practice, I seek leave to incorporate the documents in Hansard.

Leave granted.

The documents read as follows—

Australian Government response to the Joint Standing Committee on Foreign Affairs, Defence
and Trade

Defence Sub-Committee inquiry report

Review of the Defence Annual Report 2012-13

June 2015

Recommendation 1

Asset management and capital investment program

The Committee recommends that the Department of Defence review contract templates and
procurement processes to ensure that, to the extent possible, payments flow to small and medium sized
enterprises subcontracted by primes in a timely manner.
Government response

Agree

The Suite of Defence Construction Contracts contain provisions that require any payments made by the Commonwealth in respect of construction work, to be made in accordance with the relevant building and construction industry security of payment legislation in the state, or territory, where the construction work is being delivered.

The legislation requires that payments to construction contractors are made within specified timeframes (10 business days in all states and territories except Queensland, where five business days is specified). As a condition precedent to payment, a construction contractor must provide a statutory declaration (or any other such documentary evidence) that confirms that all workers and sub-contractors employed by the contractor (in connection with the contractor's activities) have, at the date of the payment claim, been paid all monies due and payable to them in respect of their employment.

The Governments in New South Wales and Western Australia are conducting pilot studies into the use of dedicated project bank accounts for construction projects as a measure to improve flow of payments to both workers and sub-contractors. Defence will monitor the outcomes of the pilot studies and, if effective, may consider using this process to ensure payment is made to sub-contractors.

Defence established 10 base services contracts in 2014, collectively worth about $10 billion over a 10 year period. The contracts are with industry specialists in the services they provide to Defence. These contracts are in transition to replace the comprehensive maintenance services and base services contracts referred to in paragraph 2.46 of the report, where it was noted that Defence had advised that it was not aware of any outstanding payments to sub-contractors under these contracts.

In the newly established base services contracts, Defence has included clauses that cover requirements in relation to security of payment and gain share. The clauses define a sub-contractor as a person engaged by the contractor, its sub-contractor or any other person to carry out work which forms part of the services.

The security of payment provisions address obligations to promote the flow of payments to sub-contractors relating to the carrying out of work, and supply of related goods and services.

Defence will continue to work with relevant stakeholders to review templates and processes to ensure that business is conducted in a compliant, ethical, efficient and effective manner.

Recommendation 2

Asset management and capital investment program

The Committee recommends that Government review the process by which Defence properties are placed on the Commonwealth Heritage List and ensure that, where properties are listed, they are suitably funded either by a specific appropriation or through a public private partnership.

Government response

2 (a) Disagree

The Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act) sets out the process for establishing the Commonwealth Heritage List. The Environment Minister has responsibility for the list, and deciding whether nominated places should be listed or not, following advice from the Australian Heritage Council.

Defence has in excess of 130 places on the list. Following heritage amendments to the EPBC Act in 2004, which established the list, the majority of these places were transferred from the former Register of the National Estate that was established by the Australian Heritage Commission Act 1975.

The Department of the Environment is responsible for administering the EPBC Act on behalf of the Environment Minister. The EPBC Act was independently reviewed in 2008 by Dr Allan Hawke. The
EPBC Review recommendations report was released in 2009, with a subsequent government response in 2011.

The Commonwealth Heritage List (CHL) provisions of the EPBC Act were included in the review, with no proposed changes to the listing process that would affect the way that Defence properties are placed on the list. The Department of the Environment has advised that it is not planning to conduct a review of this process.

Defence works closely with the Department of the Environment in managing CHL nominations related to its estate.

2 (b) Disagree

The Defence estate is managed and maintained to meet current and future Defence capability and Government priorities. The day-to-day maintenance of the Defence estate is funded from the Estate Maintenance Program. This includes costs associated with the maintenance and management of heritage buildings across the Defence estate.

The Government does not agree to partitioning part of the existing Defence estate maintenance budget allocation to specifically manage heritage values. Defence's current practice for funding maintenance works ensures that key factors, including heritage value, work health and safety risks and contribution to capability, are considered when allocating funds. This process ensures that the budget is allocated on a risk-based method, with funding going to the highest priority works to support Defence capability and manage Defence's highest heritage values.

The Government considers the management of heritage values on the Defence estate does not meet the principles of a private financing arrangement. Delivery through a public private partnership would not present a viable option for the private sector as opportunities to apply whole-of-life innovation and efficiencies (for example, in the design and construction phase) are limited. As such, no further consideration has been undertaken in relation to potential financing through a public private partnership.

Recommendation 3

Navy combat capability

The Committee recommends that the Department of Defence consider utilising independent subject matter experts in a system of Gate reviews, starting with project conception in the Capability Development Group and continuing through life of type, as part of the seaworthiness system.

Government response

Agree in principle

The Defence seaworthiness system has facilitated significant improvements to the seaworthiness of Naval capability, with initial effort focused on the in-service phase of the capability lifecycle. The focus of the Defence seaworthiness system is being expanded to include the earlier phases of the capability lifecycle to provide a risk-based, whole-of-life, assurance program. These assurance activities will be aligned to existing capability development milestones with the desired outcome being to provide the capability managers (Chief of Navy and Chief of Army) with justified confidence in the seaworthiness of maritime capabilities.

The Government agrees that higher risk activities and considerations may usefully engage independent subject matter experts in a system of Gate reviews to individual risks and issues. However, the utilisation of subject matter experts as part of the seaworthiness system for lower risk activities can be managed effectively, without the time and resource implications of independent review.

While the seaworthiness system allows for tailoring the level of controls and assurance based on risk to any particular project, the derivation of capability needs flows from direct consideration of Government policy/direction, strategy and strategic risk—a process that precedes project conception.
Recommendation 4
Navy combat capability
The Committee recommends that the Department of Defence provide the Committee with a specific update on the implementation of each Coles review recommendations prior to the tabling of the Department's next annual report.

Government response
Agree
The Government will provide the Committee with an unclassified update on the implementation of the Coles review recommendations.

Recommendation 5
Defence Materiel Organisation and Capability Development Group
The Committee recommends that the Department of Defence increase the use of private sector expertise, particularly in the areas of test and evaluation, risk management, review and business case development, in order to enhance the capability development process and new capability proposals.

Government response
Agree
Capability Development Group's industry partnership with Nova was replaced by a new commercial support arrangement with multiple private sector suppliers in November 2013. The new arrangement serves to expedite and streamline the Group's access to industry expertise, capability and capacity, in support of key capability development activities. Throughout 2014, the Group has increased its use of private sector expertise to progress Defence Capability Plan projects, particularly in the areas of project definition and development, project scheduling, test and evaluation and risk management. Further, the Group is investigating the feasibility of securing increased specialist commercial support in the areas of systems engineering and cost estimation.

Recommendation 6
Defence Materiel Organisation and Capability Development Group
The Committee recommends that the Vice Chief of the Defence Force own a process that harnesses and coordinates the oversight and review functions currently exercised by the Capability Development Group, the Defence Materiel Organisation and the Services in order to integrate a whole of life approach to capability assurance.

Government response
Agree in principle
The Government agrees with the intent of the recommendation. The First Principles Review was released on 1 April 2015. The report has made 21 recommendations that involve establishing a single end-to-end capability development function within the Department to maximise the efficient, effective and professional delivery of military capability. Twenty of these recommendations have been agreed by Government and will be implemented in the next two years.

The emphasis of the recommendations is to create a more integrated and holistic process with greater and more transparent alignment to future and joint force requirements, supported by an integrated capability delivery function and subject to stronger direction setting and contestability.

Recommendation 7
Defence Materiel Organisation and Capability Development Group
The Committee recommends that the Department of Defence continue to build on the capabilities and processes that have been developed within the SEA 1000 industry Integrated Project Team (IPT) and
ensure that the views of the IPT are transparently communicated to the National Security Committee of Cabinet as part of procurement decisions.

**Government response**

**Agree in principle**

The Government acknowledges the work being undertaken by the Integrated Project Team is a critical component to the development of Australia's submarine capabilities as they have, and will continue to provide, in-house specialist technical and engineering advice to the Government via the appropriate mechanism.

**Recommendation 8**

**Other issues**

The Committee recommends that Defence Annual Reports include appropriately detailed information on the direction and development of the Department's cyber security capabilities.

**Government response**

**Agree in principle**

Detailed information about the direction and development of the Department's cyber security capabilities would give potential adversaries information that would actually enable them to effect successful compromises of the Department. The Government agrees with the intent of the recommendation and will, in the unclassified Defence Annual Report, ensure Defence report high-level detail of what is planned at an unclassified level.

The Defence Information and Communication Technology (ICT) environment is larger and more complex than other departments—in fact it is one of the largest ICT environments in the country, supporting a wide range of specialist military, general administrative and management functions. Defence is currently embarked on a wide-ranging ICT infrastructure transformation program that is making substantial improvements to technologies, sustainability, security and currency of the Defence ICT environment.

Defence takes the protection of information, capabilities and cyber security obligations very seriously. Defence has dedicated teams of highly specialised, well trained operators who monitor Defence's cyber environment, conduct vulnerability scanning and assessments, and provide advice and assistance to capability delivery areas to ensure that security is an essential element of everything Defence does. Defence is ensuring that attention is directed to areas of highest need to ensure the protection of its ICT environments.

Defence has also centralised its ICT security elements within one area, the Defence ICT Security Branch, enabling increased governance of cyber security measures and providing Defence, and Government, decision makers with a coordinated capability to understand risks and prioritise actions accordingly.

Defence ICT Security Branch continues to work closely with other areas of Defence and government such as the Australian Signal's Directorate and the Australian Cyber Security Centre, and is focused on building deeper and more strategic relationships with Defence Industry, in order to deliver greater national security outcomes within a framework of more timely and commercially viable engagement.
Australian Government response to the Foreign Affairs, Defence and Trade References Committee report:
Processes to support victims of abuse in Defence
May 2015

Recommendation 1
The committee recommends that the Australian Government extend the activities of the Defence Abuse Response Taskforce to support victims of abuse in Defence, including allowing new complainants to make claims up to 30 June 2015.

Government Response
Disagree.
As announced in December 2014, the Taskforce will continue its work until 30 June 2015, however, it is not the Government's intention to open the Taskforce up to new complainants. It remains the Government's view that allegations of abuse by Defence personnel after 11 April 2011 can be adequately dealt with through existing means such as the ADF Investigative Service, Sexual Misconduct Prevention and Response Office and the Values Behaviours and Resolutions Branch, as well as health professionals, chaplains, legal officers and/or Psychologists. In addition to this, independent avenues exist through which complainants can make allegations of abuse by Defence personnel.
Defence will continue to support the Taskforce in achieving its outcomes and fund its activities until its work is concluded.

Recommendation 2
The committee recommends that the Sexual Misconduct Prevention and Response Office (SeMPRO) develop resources to clearly advise persons considering contacting SeMPRO regarding options for the collection of forensic evidence and support options for former members of Defence.

Government Response
Noted.
SeMPRO's policy is to discuss options for the collection of forensic evidence with clients only where the collection of that evidence is possible (i.e. the disclosure is made within the 72 hour window required for primary forensic collections). SeMPRO will facilitate support for clients who have agreed to a medical check.
SeMPRO accepts contact from both current and former members of the ADF. The SeMPRO website has been redesigned and includes clear advice that former ADF members can contact SeMPRO, as well as the fact that, in some instances, forensic evidence can be collected. SeMPRO's webpage can be found at www.defence.gov.au/sempro.

Recommendation 3
The committee recommends that the Australian Government provide additional resources to SeMPRO to facilitate further outreach activities and personal support to victims of sexual assault in Defence.

Government Response
Noted.
SeMPRO is one of a range of responses to managing sexual misconduct in Defence. Defence strives to achieve a holistic approach to delivering support in response to sexual misconduct, which may include health professionals, the ADF Investigative Service, chaplains, legal officers or Psychologists, as well as SeMPRO support staff.
SeMPRO was established in July 2013 and resourced at that time to support its identified Initial Operating Capability. These levels may or may not remain appropriate for SeMPRO's ongoing
activities, and this will need to be considered with reference to the uptake of SeMPRO's services to date and its planned future activities.

**Recommendation 4**

The committee recommends that following the next interim report of the Taskforce, the Minister for Defence table a formal substantive response to the systemic issues identified in the DLA Piper Review.

**Government Response**

Noted.

The establishment of the Taskforce was the formal Government response to the DLA Piper review. The Taskforce's terms of reference include a requirement to assess the findings of the DLA Piper review and the material gathered by that review, and any additional material available to the Taskforce concerning complaints of sexual and other forms of abuse by Defence personnel alleged to have occurred prior to 11 April 2011.

The Taskforce's *Report on abuse in Defence* was tabled in Parliament on 26 November 2014. This report deals with the Taskforce's conclusions in relation to the systemic issues identified in the DLA Piper review.

The Government is currently considering the findings and conclusions of this report and notes that these findings are relevant to informing Defence's cultural change program, *Pathway to Change*, which is now in its third year.

**Recommendation 5**

The committee recommends the Australian Government introduce amending legislation to remove the three year minimum service requirement for eligibility for Non-Liability Health Care (NLHC) and to make NLHC available to any person who has had completed any service.

**Government Response**

Noted.

An expansion of eligibility for NLHC along these lines would enable a greater number of victims of abuse to access treatment for specific mental health conditions. This proposal will need to be considered in the context of the Government's broader budget priorities.

**Recommendation 6**

The committee recommends that the Minister for Veterans' Affairs direct the Department of Veterans' Affairs (DVA) to commence consultation with veterans' representative organisations and to report back on:

- the legal and practical barriers there are to victims of abuse in the ADF succeeding in establishing the facts necessary to access entitlements to DVA benefits;
- what Defence and DVA could do and what resources they will require to gather and share information which could assist such individuals to establish those facts to the satisfaction of DVA and tribunal decision-makers;
- what can be done in liaison with veterans' groups, other Australian Government agencies and community groups, and what resources will be required to reach out to individuals affected by abuse who may be eligible for DVA benefits—including individuals who have previously applied and been rejected.

**Government Response**

Noted.

The Government currently engages with a number of veterans' representative groups and ex-service organisations on a range of issues affecting the veteran community. The Government is committed to
ongoing consultation with veterans’ representative groups and to reviewing its consultative mechanisms
and will consider options to broaden engagement in order to better support abuse victims.
The findings of the consultation will be reported back to the Minister for Veterans’ Affairs.

Recommendation 7
The committee recommends the Department of Veterans’ Affairs examine options to provide financial
assistance to support a national, sustainable community-based approach to assisting veterans who have
suffered abuse.

Government Response
Noted.
The Government agrees to examine options to provide financial assistance to support a national,
sustainable community-based approach to assisting veterans who have suffered abuse. This proposal
will need to be considered in the context of the Government’s broader budget priorities.

Recommendation 8
The committee recommends that the Taskforce and the Australian Government assess the
appropriateness of a range of responses to abuse in Defence, in addition to determining whether a Royal
Commission should be established. The welfare of victims of abuse in Defence should be the primary
consideration in any decision made.

Government Response
Noted.
Defence has a range of resources to support victims of abuse. In particular, Defence is working closely
with the Taskforce to conduct Restorative Engagement conferences and learn from the experiences of
these conferences to incorporate the lessons learnt into alternative dispute resolution measures within
Defence.

Recommendation 9
The committee recommends that no further parts of Volume 2 of the DLA Piper report should be
released in summary or redacted form.

Government Response
Agreed.

Other matters—dissenting reports and additional comments
Dissenting report of Senator Jacqui Lambie, Palmer United Party

Recommendation
A. I recommend the Government immediately call a Royal Commission into the ADF and the sexual
and physical abuse suffered by their staffs by other employees of the ADF since 1970. The Commission
should be given wide ranging terms of reference which would give it sufficient powers to take and
collect evidence from the ADF, the Department of Veteran Affairs, the State and Federal Police
Services and any other relevant source in relation to the cases of sexual and physical abuses and
tortures, as well as ADF management’s response to those events.
B. I recommend that the Royal Commission should be given wide terms of reference which would enable it to gather and take evidence from any relevant source necessary, including the ADF to establish
what the overall management response was, and has been by management of the ADF to this problem
(which has been well known to them by at least the 1970’s).
C. I recommend that the Royal Commission should be given wide terms of reference which would enable it to gather and take evidence from any relevant source necessary to identify the personal and
public costs suffered by ADF staff who were victims of sexual and physical abuses in the ADF and the
true number of ADF staff members who have suicided as a result this abuse. The ramifications of the effects on the community and individuals of this would be learning for other agencies in the future. Learning designed to proactively encourage that these terrible chain of events is never allowed to again prosper as it has in the ADF for so long.

D. I recommend the Royal Commission which is established be headed by an appropriately qualified judicial officer who has no direct or indirect connect, past or present, with the ADF. This will provide confidence to the public and the men and woman of the ADF in its true and perceived independence.

E. I recommend that the Royal Commission be given powers to prosecute people it finds has, or may have (to the relevant criminal standard of proof) committed offence/s; or alternatively

F. Immediately refer the matter to the relevant State or Federal police for prosecution, any person it finds during its investigation and hearing of this matter, is responsible for commission of any State or Federal criminal offences.

Government Response

Noted.

The Government notes Senator Lambie's dissenting report and that the recommendations contained within the report are premised on the establishment of a separate Royal Commission into matters of abuse within Defence.

The Government notes that the Taskforce's Report on abuse in Defence was tabled in Parliament on 26 November 2014. This report deals with the Taskforce's conclusions in relation to a general Royal Commission and notes that the Taskforce does not make a final recommendation.

The Government has issued revised Terms of Reference to the Taskforce which require it to make a recommendation in relation to this matter by 30 June 2015.

Additional comments by Senator Xenophon

The Government notes Senator Xenophon's additional comments.

Recommendation

The Minister of Defence should direct Defence to report to the committee on what specific decisions have been made by the ADF and the Government about each of the 35 systemic issues identified in the DLA Piper Review report within 30 days of tabling of this report.

Government Response

Disagree.

The Government notes that the Taskforce's Report on abuse in Defence was tabled in Parliament on 26 November 2014. This report deals with the Taskforce's conclusions in relation to the systemic issues identified in the DLA Piper review.

The Government is currently considering the findings and conclusions of this report and notes that these findings are relevant to informing Defence's cultural change program, Pathway to Change, which is now in its third year.

Recommendation

That there be a Royal Commission to inquire into:

- the adequacy of Defence and Government responses to abuse in the ADF;
- the adequacy of Defence and Government responses to support all victims of abuse in the ADF—not just those who have come into the Taskforce's processes;
- what can be done to improve rates of reporting of abuse in the ADF;
- what can be done to improve confidence of ADF personnel in ADF processes for responding to allegations of abuse; and
whether there are still perpetrators of abuse in the ADF and if so what to do about that.

**Government response**

**Noted.**

The Government notes that the Taskforce's *Report on abuse in Defence* was tabled in Parliament on 26 November 2014. This report deals with the Taskforce's conclusions in relation to a general Royal Commission and notes that the Taskforce does not make a final recommendation.

The Government has issued revised Terms of Reference to the Taskforce which require it to make a recommendation in relation to this matter by 30 June 2015.

**Consideration**

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

Rural and Regional Affairs and Transport References Committee—Grain export networks, including the on- and off-farm storage, transport, handling and export of Australian grain—Report. Motion to take note of report moved by Senator Smith. Debate adjourned till the next day of sitting, Senator Smith in continuation.

Orders of the day nos 1, 2 and 4 to 8 relating to committee reports and government responses were called on but no motion was moved.

**BILLS**

**Labor 2013-14 Budget Savings (Measures No. 1) Bill 2014**

**First Reading**

Bill received from the House of Representatives.

**Senator FIFIELD** (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (18:02): I move:

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

Question agreed to.

Bill read a first time.

**Second Reading**

**Senator FIFIELD** (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (18:03): I move:

That this bill be now read a second time.

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

Leave granted.

*The speech read as follows—*

The Labor 2013-14 Budget Savings (Measures No. 1) Bill 2014 repeals the second round of carbon tax-related personal income tax cuts that are due to start on 1 July 2015.

This measure has been introduced to the Parliament twice under the Clean Energy (Income Tax Rates and Other Amendments) Bill 2013 as part of the package of carbon tax repeal bills.

The Senate has now twice voted down this budget repair measure put forward by the former Government.

In its final budget handed down on 14 May 2013, the former Government deferred a second round of personal income tax cuts, resulting in a $1.5 billion saving over the then forward estimates.
But the former government never followed through by unwinding legislation they put through the Parliament that implemented the personal income tax cuts which are due to take effect from 1 July 2015.

The 1 July 2015 round of personal income tax cuts were originally introduced to provide additional assistance to households following an expected increase in the carbon price from a fixed price of $25.40 in this financial year to a floating price of $29 next financial year.

In their final Budget, the former Government revised their carbon price estimates for the next financial year, and this had fallen to around $12—less than half of what was originally expected.

Subsequently they announced that they would defer the second round of personal income tax cuts due to take effect from 1 July 2015, banking $1.5 billion to the Budget bottom line over the then forward estimates period to 30 June 2017.

The former Government did not reverse their decision to defer the second round of personal income tax cuts in the 2013 Economic Statement or in their document outlining their costings for the 2013 Federal Election.

This is important because since coming to Opposition, they have now twice voted against legislation which implements their own Budget repair measure, without outlining an alternative plan to pay for the measure they are now choosing to keep.

The cost to the Budget for the second round of personal income tax cuts is now worth $2.2 billion over the current forward estimates period to 30 June 2018.

The Government inherited an unsustainable budget position from the previous Government.

The deficits inherited from the former Government that were outlined in the 2013-14 MYEFO for the four years to 30 June 2017, totalled $123 billion.

Government debt, if left unchecked and allowed to continue on the inherited trajectories of Government deficits and excessive spending would have been $667 billion at the end of the medium term.

Without action, the Budget outlook is deficits and rising debt for at least another 10 years. The budget would never get to surplus and the debt would never start to be repaid.

There is a strong economic and moral imperative to change course and put the budget back onto a secure and sustainable footing.

But do not just accept the word of this Government that it is important to repair the Budget, and to get to a point where the Government is living within its means.

The former Treasurer and Deputy Prime Minister, the Member for Lilley, in his Budget Speech in 2011 said that:

'. meandering back to surplus—would compound the pressures in our economy and push up the cost of living for pensioners and working people.'

In adoorstop interview on 8 May 2012, the Member for Lilley also said that:

'Importantly by coming back to surplus we give the Reserve Bank maximum flexibility to cut interest rates, should they decide to do so independently of the Government. Coming back to surplus is about making sure we help those people sitting around the kitchen table when they're figuring out how they will make ends meet'

Whilst we all now know that the former Government never delivered on their promise of a surplus last financial year, they did once believe in the principle of returning the Budget to surplus.

Recent comments from a wide range of economic officials and independent third parties support the Government's strategy to return the Budget to a sustainable footing, and to reduce our nation's debt burden.
Governor Glenn Stevens of the Reserve Bank of Australia, in a recent speech, warned of the importance of bringing the Budget back to surplus, where he said:

‘... the fact that the real issues with public finances are medium-term ones is not a reason to put off taking decisions to address them. On the contrary, as experience in so many other countries demonstrates, by the time these sorts of problems have gone from being out on the horizon to on our doorstep, they have usually become a lot more difficult to tackle. Early, measured actions that have effects that build up over time are a much better approach than the much tougher response that might be required if decisions delayed’.1

Secretary to the Treasury Dr Martin Parkinson is also on the record calling for action on the Budget, he recently commented that:

‘It’s quite another thing to exhort to vague notions of fairness to oppose any form of reform. If you do that, if you use such an argument to defend what is an unsustainable status quo, what you are doing is consigning Australia to a deteriorating future’.2

The Parliamentary Budget Officer, Mr Phil Bowen is also on the record stating:

‘It is time to start coming out [of debt and deficit], otherwise the longer you leave it the more exposed you become and the harder it is to wind it back...Sure we’re currently at a very low level relative to the rest of the developed world, but frankly we don’t want to find ourselves where the rest of the world is...You’ve got to have a buffer. One of the reasons we came through the global financial crisis so well was because we started with assets....If the rate of the increase [in debt], if allowed to go unchecked, would mean that net debt would increase quite rapidly to the point where that fiscal buffer … would not be available’.3

Secretary General, Angel Gurria, Organisation for Economic Cooperation and Development had the following comment on the Government’s Budget strategy:

‘We have seen with very great interest, and I think really with great expectations, that they are dealing very directly and decisively with the budget deficit’.4

This Government is committed to living within its means. It is not sustainable for a Government to continue to borrow money to pay for consumption today, at the expense of generations of taxpayers into the future.

Our first Budget outlined a path to return the Budget to a more sustainable footing.

Because of this plan, in our first four years to 2017-18, deficits are now estimated to total $60 billion.

Our policies aim to reduce debt by almost $300 billion over the next decade.

This improvement is built off a significant reduction in payments growth.

At the 2013 Mid-Year Economic and Fiscal Outlook, average real growth in payments over the four years to 30 June 2017 was 2.6 per cent. The average over the four years to 30 June 2018 is now 0.8 per cent.

The Government will redirect spending to measures that will boost productivity and workforce participation, to build a stronger economy.

This includes the Infrastructure Growth Package—the Asset Recycling Initiative and other new investments in infrastructure—to which have committed nearly $11.6 billion in our first Budget. It includes building a new Medical Research Future Fund within the next six years. This will be the largest of its kind in the world.

We are also eliminating waste and targeting government assistance to those who need it most.

This accords with our plan to reduce the Government’s share of the economy over time, which in turn will free up resources for private investment.
It will see payments as a percentage of GDP fall over time. And it will allow us to start to pay down public debt.

We want to reduce the amount Australian taxpayers spend on interest repayments. Our country's Gross interest bill this year is currently $14.7 billion, and this will rise to nearly $18 billion by 2018.

We want to ensure that more of their tax dollar is spent on the delivery of front line services.

The benefit of making these decisions now is that, in the years ahead, we will be able to afford a sustainable quality of life.

Every generation before us has helped to build the quality of life that we enjoy, and we can do no less for future generations.

Budget repair is about government living within its means and ensuring the sustainability of government services.

This Government believes the best way to immediately assist individuals is to repeal the carbon tax.

Without a carbon tax, average retail electricity prices should be around nine per cent lower, and average retail gas prices around seven per cent lower.

The government understands households will continue to face cost-of-living pressures.

That is why we will keep the current personal income tax thresholds and the fortnightly pension and benefit increases, while still repealing the carbon tax.

This Bill delivers on a budget repair measure put forward by the former Government in their final Budget.

This Bill amends the Clean Energy (Income Tax Rates Amendments) Act 2011 to repeal the personal income tax cuts that were legislated to commence on 1 July 2015.

It also amends the Clean Energy (Tax Laws Amendments) Act 2011 to repeal associated amendments to the low-income tax offset that were also legislated to commence on 1 July 2015.

After the repeal of these amendments the tax-free threshold will remain at $18,200.

The second personal marginal tax rate will remain at 32.5 per cent and the maximum value of the low-income tax offset will remain at $445.

Full details of the Bill are contained in the explanatory memorandum.

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1 Glenn Stevens, Governor, RBA, Speech to The Econometric Society Australasian Meeting and the Australian Conference of Economists, Hobart, 3 July 2014.

2 Secretary Martin Parkinson, Quoted in: Parkinson takes veiled swipe at Labor over Budget attacks, James Massola et al, 30 June 2014.

3 Phil Bowen, Parliamentary Budget Officer, in The Australian Financial Review, 26 May 2014.

4 ABC News, OECD boss praises Australian budget for gradual return to surplus, 10 June 2014.

Debate adjourned.
CRIMES LEGISLATION AMENDMENT (PENALTY UNIT) BILL 2015

The Crimes Legislation Amendment (Penalty Unit) Bill 2015 will ensure that the penalties imposed under Commonwealth legislation remain effective deterrents of crime to make our communities safer.

Penalty units are used to set the maximum fines which can be imposed for Commonwealth criminal offences, as well as those in Territory ordinances. Commonwealth penalties are generally expressed in terms of penalty units rather than specific values to allow penalties across the statute book to be easily updated.

The bill will increase the amount of the Commonwealth penalty unit from $170 to $180, and will provide a mechanism for the amount to be indexed every three years according to the Consumer Price Index (CPI). These measures will apply to all offences across the Commonwealth statute book.

Maintaining the value of the penalty unit over time is necessary to ensure that financial penalties for Commonwealth offences keep pace with inflation and continue to remain an effective deterrent to unlawful behaviour.

This bill gives effect to a measure in the 2015-16 Budget. The increase in the penalty unit amount will take effect from 31 July 2015. The first indexation of the amount based on inflation will occur on 1 July 2018, and then again every three years following that.

The increase to the penalty unit amount will strengthen financial penalties for all Commonwealth offences, including those related to white-collar crime and serious and organised crime.
Strong financial penalties are important for deterring unlawful behaviour and making Australia a hostile environment for serious organised crime.

This Government places a high priority on tackling crime and keeping our community safe.

The Crimes Legislation Amendment (Penalty Unit) Bill 2015 will further our efforts to do this, by ensuring that our financial penalties remain an effective deterrent to criminal behaviour.

PRIVATE HEALTH INSURANCE (NATIONAL JOINT REPLACEMENT REGISTER LEVY) AMENDMENT BILL 2015

The Private Health Insurance (National Joint Replacement Register Levy) Amendment Bill implements the Government's Budget measure to amend the cost recovery arrangements for the National Joint Replacement Registry (the NJRR) to a utilisation based calculation.

The Commonwealth has funded the NJRR since its initial development in 1998. The NJRR collects demographic data related to joint replacement surgery in Australia and monitors the performance of all joint replacement prostheses used in Australia by collecting information on all joint replacement surgeries, including revisions, complications and other outcomes from device use. This results in improved quality of care for patients receiving joint replacement surgery.

In fact, thanks to the NJRR, Australia was the first country in the world to recognise, and subsequently take regulatory action to remove, ASR Hip replacements from the market. This happened eight or nine months before anywhere else in the world. Members of the House may remember that the ASR Hip had extremely poor outcomes. As a result of this early evidence, fewer Australians were implanted with this dire device.

Since 2009 the NJRR has been funded on a cost recovery basis by a levy payable by manufacturers and distributors of those joint replacement prostheses listed in the Private Health Insurance (Prostheses) Rules. This ensures ongoing funding for the registry.

Under current arrangements, joint replacement prostheses manufacturers and distributors currently contribute to the cost recovered funding on a proportional basis. This is based on the number of different prostheses models they have available for sale compared with the total number of models available on the market. This methodology does not take into account utilisation or the revenue derived by a manufacturer or distributor from the sale of prostheses.

For example, under the current cost recovery arrangements, a joint replacement prosthesis that is included in the Prostheses Rules, but has never been provided to a patient and never reported to the Joint Replacement Register will attract the same amount of levy as a prosthesis that generates a much higher volume of work because the prostheses is frequently provided to patients and reported to the register.

Over time, consultations with industry have indicated a strong preference for changes to the cost recovery arrangements of the National Joint Replacement Registry, to determine individual companies' contributions using a utilisation based calculation. This bill allows for the implementation of that change.

Under the changes proposed in this bill, the NJRR levy will now be collected by taking into account the number of times a joint replacement prosthesis is recorded on the NJRR in a particular period.

Importantly, the current rules set a maximum levy of $5,000 for sponsorship of any one joint replacement prosthesis in any one financial year. The amendments made by this bill will similarly restrict the maximum amount of levy that a sponsor may pay for any individual joint replacement prosthesis to $5,000.

These changes will mean that over 85 per cent of companies will now be paying smaller individual contributions, and will result in a more equitable distribution of the cost recovery across the industry.
The number of joint replacement surgeries taking place in Australia is increasing every year, and these changes to the cost recovery arrangements will ensure that this important resource will continue to be available in the future.

SOCIAL SERVICES LEGISLATION AMENDMENT (NO. 2) BILL 2015

This bill will introduce three measures in the Social Services portfolio.

Firstly, the bill will amend the social security law to streamline the current income management programme under a two-year continuation.

Income management and the BasicsCard will continue for two additional years to maintain support for existing income management participants. The streamlining amendments made by this bill will enable more effective operation of the income management programme.

In particular, the bill provides for the abolition of certain incentive payments relating to income management, amends the operation of the vulnerable measure of income management, and makes minor streamlining amendments to remove ambiguities and improve the programme’s effectiveness.

The bill also makes amendments to reflect two measures relating to aged care, which were included in the 2014-15 Mid-Year Economic and Fiscal Outlook announcement.

From 1 July 2015, the bill will cease payment of residential care subsidy to residential aged care providers for holding a place for up to seven days before a care recipient enters care. This will ensure the subsidy is appropriately targeted to people actually receiving care.

Currently, this subsidy is paid to providers at a reduced rate of 30 per cent of the full residential care subsidy that will be payable once the care recipient enters care.

When the subsidy is ceased under this measure, the provider will not be able to recoup any lost residential care subsidy from the care recipient. However, the provider will still be able to charge the care recipient the standard resident contribution for the pre-entry period.

Lastly, the bill will reflect the Government's decision to abolish the Aged Care Planning Advisory Committees as part of the Smaller Government initiative.

The Smaller Government reforms are reducing the size and complexity of government. They are eliminating duplication and waste, streamlining services and reducing the cost of government administration.

The Aged Care Planning Advisory Committees' role was to provide advice in relation to the distribution of aged care places. However, the last of these committees expired in September 2014. These amendments repeal the now-redundant relevant provisions in the Aged Care Act 1997.

SUPERANNUATION GUARANTEE (ADMINISTRATION) AMENDMENT BILL 2015

Today I introduce a bill to amend the Superannuation Guarantee Administration Act 1992 to simplify when a standard choice form—which allows an employee to nominate their chosen superannuation fund—has to be offered by an employer to an employee.

The Government's commitment to cut $1 billion a year in red and green tape will result in more efficient government and more productive businesses. To date this commitment has seen us remove $2.45b. But our conviction is to go further and tackle overreaching excessive and unnecessary compliance burdens. This bill is part of a package of measures that will further contribute to exceeding progress by reducing the superannuation compliance costs for employers.

These changes play an important role in further delivering on this conviction of reducing red tape, particularly for small businesses.
Small businesses play an important role in the economy. Around 97 per cent of businesses are small businesses (as of 30 June 2014—ABS). However, as they are small, often these businesses lack economies of scale. While a big business may have overall higher compliance costs, we need to remember that small businesses have fewer staff than big businesses and often have less expertise dealing with complex regulation.

For example, a big business may have a number of expert staff performing specialised functions, whereas small business owners may be responsible for not only the core business but all the general administrative tasks that go along with running a business, such as managing the accounts, the payroll and superannuation. These tasks are important but the time a small business has to spend managing these tasks can take a small business away from the key task of running their business and become a barrier to employing more staff.

Reducing red tape and making life easier for these businesses to comply with the superannuation guarantee regime is a vital step in encouraging these businesses to grow.

Businesses that do not meet their superannuation guarantee obligations risk harsh penalties so it is important that we make it as easy as possible for all employers to pay their workers' superannuation on time.

In January 2014, we made a public commitment to the Australian people that the Government would make life easier for small business by reducing their superannuation compliance burden.

Part of this commitment was to move the government operated small business superannuation clearing house to the Australian Taxation Office.

The clearing house is a free online service that helps small businesses meet their superannuation guarantee obligations by allowing employers to pay superannuation contributions in one transaction to a single location to reduce red tape and compliance costs.

By moving the clearing house to the ATO we ensured this free service is within the agency that knows who is eligible for this free service. This means the ATO can help increase awareness of the benefits of the service to eligible businesses, this will in turn increase the take up rate of the clearing house.

We have already seen an increase in the number of small businesses registered to use the service since we moved it into the ATO. Between 1 April 2014 and 30 April 2015, around an additional 42,500 employers registered with the superannuation clearing house service. This brings the total number of employers registered to use the service to over 100,000 (as at 30 April 2015).

By increasing the use of the superannuation clearing house, we are also helping small businesses comply with SuperStream. Under the new SuperStream arrangements all superannuation contributions from employers must be made electronically from 1 July 2016. Businesses who are registered with the superannuation clearing house will automatically meet their SuperStream obligations.

In January 2014, we also made a commitment to consult extensively on the drivers of superannuation compliance costs and develop options to reduce this burden on small businesses.

To help us meet this commitment, in 2014, the Treasury undertook two rounds of public consultation. This consultation explored these compliance costs and canvassed options to reduce the regulatory compliance burden. The changes in this bill were developed during this consultation process.

One of the changes this bill brings about is that employers will no longer have to provide a standard choice form to temporary residents. A standard choice form allows employees to nominate their superannuation fund. Generally employers have to give this form to employees within 28 days of the employee starting their job.
I would like to emphasise that the Government is not taking away the right of a temporary resident to choose a superannuation fund. What we are doing is simplifying the paperwork requirements for businesses that employ temporary residents such as those on a working holiday visa.

Under these changes, employers will no longer have to supply a standard choice form to temporary resident employees. It also means time poor small businesses will no longer have to spend time explaining how to complete the form.

This change will also make it easier for employers to pay their workers' superannuation on time.

As I have already mentioned, temporary residents will still be able to choose their superannuation fund if they wish to do so.

This change may be especially beneficial in industries that are reliant on large numbers of working holidaymakers to meet peak workloads, such as in the hospitality and agricultural sector.

The majority of businesses in these sectors are small businesses. Around 92 per cent of businesses in hospitality and 99 per cent of businesses in agriculture are small businesses (as of 30 June 2014 — ABS).

This means that although these changes will benefit all businesses, they will be of particular benefit to the many small businesses in those sectors that often employ people on working holiday visas for short term and intermittent work.

By removing these requirements employers will no longer risk incurring a choice shortfall penalty if they do not supply a standard choice form to temporary residents.

To make this change streamlined across all visa classes, we have also included New Zealand residents in the definition of a temporary resident even though these workers can generally stay indefinitely in Australia as Australia has a special relationship with New Zealand. We made the decision to include New Zealand residents in the measure as exempting New Zealand residents would have added complexity for time poor small businesses. By including New Zealand residents in this measure, employers won't have to keep track of whether or not an employee is from New Zealand when relying on this exemption to provide a standard choice form.

This bill also introduces a second change to the superannuation choice regime. Currently, when a superannuation fund merges with another superannuation fund, there is an obligation on employers to reoffer a standard choice form to employees.

This obligation is an unreasonable burden on employers. It is also an obligation that many employers may not be aware of. Currently, employers may incur the choice shortfall penalty if they don't comply with this requirement. This bill removes this requirement on employers.

An employee whose superannuation fund has merged with another fund will continue to be notified of their new fund – this is a requirement under the Corporations law.

We are not limiting an employee's right to choose their fund. An employee's whose fund has merged with another fund will still be able to choose a different superannuation fund and rollover their money if they are dissatisfied with this new fund.

This bill balances the need to protect choice for employees while at the same time reducing red tape and making the superannuation guarantee regime easier to comply with.

Both of these changes to the superannuation guarantee regime will commence from 1 July 2015.

As I have mentioned before, this bill reduces the compliance costs of businesses, especially small businesses. These changes will result in around $45 million in annual compliance costs savings for business, which will help meet the Government's target to reduce red and green tape by $1 billion annually. These changes also complement other measures the Government is implementing to reduce the compliance costs for small business.
The Government will expand the eligibility of the government’s superannuation clearing house service. From 1 July 2015, small businesses with a turnover under the small business entity threshold, which is currently $2 million, or that has less than 20 employees will be able to use this free online service to pay their workers’ superannuation. Currently only businesses with fewer than 20 employees can use the service.

This change means around an additional 27,500 small businesses will be able to access the clearing house from 1 July 2015. Expanding the clearing house also means businesses that exceed the current employee threshold by hiring temporary or casual staff to cover peak work periods, such as seasonal work, will still be able to access this service if their turnover is under $2 million.

Simplifying when a standard choice form has to be provided by an employer and expanding the clearing house is the first part of a package of reforms that the Government has announced to reduce superannuation red tape. The second phase of the reforms will be changes to reduce the harshness and simplify the superannuation guarantee charge. The changes to the superannuation guarantee charge will commence from 1 July 2106.

The full details of the amendments are contained in the explanatory memorandum.

Debate adjourned.

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

**National Health Amendment (Pharmaceutical Benefits) Bill 2015**

**First Reading**

Bill received from the House of Representatives.

**Senator FIFIELD** (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (18:05): I move:

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

Question agreed to.

Bill read a first time.

**Second Reading**

**Senator FIFIELD** (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (18:06): I move:

That this bill be now read a second time.

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

Leave granted.

*The speech read as follows—*

**NATIONAL HEALTH AMENDMENT (PHARMACEUTICAL BENEFITS) BILL 2015**

The National Health Amendment (Pharmaceutical Benefits) Bill 2015 will amend the National Health Act 1953 to implement measures in the PBS Access and Sustainability Package.

The bill contains changes to medicines supply and services designed to deliver a more sustainable Pharmaceutical Benefits Scheme (PBS), cheaper medicines for consumers, better value for money for Australian taxpayers, and continued and improved access to innovative medicines. It also includes measures from the successful negotiation of the Sixth Community Pharmacy Agreement (6CPA)—the new five-year agreement with the Pharmacy Guild of Australia, as well as the Strategic Agreement reached with the Generic Medicines Industry of Australia.

*Cooperation and consultation*
This package is the result of extensive consultation and negotiation across the whole PBS supply chain. The Government has worked constructively over the past four months with the Pharmacy Guild of Australia, the Generic Medicines Industry Association, the Consumers Health Forum of Australia, Medicines Australia and other key stakeholders to develop a strongly supported package of measures that will ensure ongoing access to innovative medicines through a sustainable PBS. Not all stakeholders agree with all components of the package. However, all components have a solid body of support from across the stakeholder groups recognising that everyone must contribute in order to share the benefits.

For the first time, the negotiations regarding access to, and sustainability of, the PBS were not confined to the Pharmacy Guild of Australia and Medicines Australia. Instead, there was cross-sector consultation with over 20 stakeholder groups. Inputs and ideas were canvassed from all sectors, about all sectors. Meetings ranged from a roundtable, to group discussions, to one-on-one meetings. Ideas canvassed in these meetings have resulted in a broad package of over twenty measures which will achieve net savings of $3.7 billion over five years.

**Key components of the package**

The key components of the Access and Sustainability package will modify the operation of the PBS to reduce costs for innovative and generic medicines via new PBS pricing policies; increase pharmacy competition by allowing pharmacies to discount the co-payment for subsidised medicines; create capacity to list new medicines by removing certain over-the-counter medicines from the PBS; change the structure of pharmacy remuneration to remove the link to PBS prices; and provide for pharmacy to expand its role in the community.

Together, the measures provide a fair and balanced approach, where all participants in the PBS contribute to the required savings, risks are managed, efficiencies are gained, and access to medicines and pharmacy services for consumers is improved. The changes will allow the PBS to respond to the increasing demand for very expensive medicines and allow pharmacy to continue to evolve.

**Savings—Pricing policy changes**

**F1 medicines—one-off 5% reduction**

The majority of savings achieved by the measures will come from PBS pricing changes. The changes affect single-brand innovator medicines in the F1 formulary and multiple-brand medicines in the F2 formulary.

For medicines on F1, there will be a one-off statutory price reduction of five per cent on 1 April 2016 for all medicines which have been PBS-listed for at least five years. A similar one-off five per cent reduction will apply every April from 2017 to 2020 for other medicines when they reach their five year anniversary on the PBS.

This is the first time the Government has proposed statutory price reductions for F1 medicines. However, this is the fastest growing part of the PBS by price for individual medicines and by cost to the PBS. Every new drug is an additional investment by Government in companies in the innovative medicines sector, and contributes directly to that sector’s growth.

Every four months, Government invests new money in this sector by actioning the recommendations of the Pharmaceutical Benefits Advisory Committee (PBAC). In May 2015, this Government announced that $1.3 billion of new high cost listings had been approved to fund high cost cancer treatments and medicines for the treatment of blindness associated with diabetes. The positive outcomes from the March 2015 PBAC meeting mean the Department of Health is currently negotiating another $2.5 billion of listing recommendations from that meeting.

This is a significant and continual pipeline of reinvestment and revenue for the innovator sector. It is reasonable that after a period of time, a small percentage is recouped to help support further new listings. Delaying the reduction until five years after PBS listing recognises that manufacturers need time to recoup the investment in developing and bringing new medicines to market.
Price disclosure—remove originator

Price disclosure is important to the PBS as it allows market forces to play a part in the PBS, in a way that would not otherwise occur for subsidised prices. It makes medicines cheaper not only for Government, but also for consumers.

Price disclosure will be accelerated for medicines that have been listed on the F2 formulary for three years or more. This will be achieved through the removal of the originator brand as part of the calculation of the weighted average disclosed price. Calculations will then be based on sales data for generic medicines only.

Removing the originator from the price disclosure calculation will result in increased price reductions for Government and consumers because the weighted average prices will be lower. This is because originators tend to maintain higher prices than other brands, and therefore draw the weighted average up.

The first price reduction day under this policy will be 1 October 2016.

It takes time for generic brands to acquire market share. In Australia generic medicines tend to achieve 50 per cent market penetration by year three. To ensure free market competition principles have a chance to be established and multiple supply sources secured in the Australian generics market, all brands of a drug will be retained in price disclosure calculations in the early years of brand competition. This is why the originator will be removed from the calculation after three years. With less than 50 per cent of F2 medicines undertaking discounting after three years due to market dynamics reaching a floor price, this measure will only affect those medicines that are still engaged in significant market competition. In this way, medicines not undertaking significant discounting are still protected by the existing safeguards in the system.

My Department will consult with pharmaceutical companies regarding implementation well in advance to ensure they understand the effect of the new calculation method for their brands.

Price disclosure—protection for low volume medicines

The bill will also provide a mechanism to protect low volume, high need medicines, when there is little room for price reductions. This will reduce the risk of essential medicines becoming unviable and being withdrawn from the Australian market.

Price disclosure—flow on reductions to drugs in F2 combination items

For combination medicines on the F2 formulary, flow on pricing rules will be changed to enable price disclosure reductions to be proportionately flowed on from single molecule medicines to combination items.

At present, there is a loop hole in the price disclosure framework. It has allowed some companies to avoid flow-on price reductions of component medicines by listing a second brand of their own combination drug. Under the current policy, combination items in F2 have price adjustments only if there is a price disclosure reduction due to direct competition between brands of that item. It has resulted in an inconsistency between the pricing of component medicines and the combination item, providing companies with a revenue windfall at the expense of Government. This practice has already cost the Government, that is, taxpayers, some $250 million.

This change will address the anomaly by ensuring appropriate price reductions are applied to combination items on the PBS and ensure that the PBS pays the right amount for the same drug treatment.

Sixth Community Pharmacy Agreement (6CPA)

For the pharmacy sector, the 6CPA provides revised remuneration arrangements that will enable pharmacy to innovate and transition from a focus on medicines supply to medicines management and pharmacy services.
The terms of the agreement increase the transparency and accountability of community pharmacy remuneration and remove linkages to drug prices; introduce mechanisms to ensure that expanded health services are cost effective and clinically appropriate; and provide for a review of pharmacy remuneration and regulation arrangements.

Extension of expiry for pharmacy location rules

The current Fifth Community Pharmacy Agreement expires on 30 June 2015, as does the legislation which underpins the use of pharmacy location rules. Amendments in the bill will enable location rules, and for the Australian Community Pharmacy Authority which administers them, to continue until 30 June 2020.

Pharmacy location rules

Pharmacy location rules have been in place since 1990. Their purpose is to ensure a suitable geographic spread of pharmacies approved to supply PBS medicines, including in rural and remote regions of Australia.

There has always been considerable interest in the regulation of community pharmacy. There has also been frequent criticism of the existence of pharmacy location rules. Most recently the National Commission of Audit, the Competition Policy Review by Professor Ian Harper, and the Productivity Commission’s Research Paper on Efficiency in Health, have all suggested that the location rules affect competition and that they should be revised or removed.

The Australian National Audit Office’s review of the administration and negotiation of the 5CPA also questioned whether the Government receives value for money for expenditure on remuneration for community pharmacy.

Review of pharmacy remuneration and location rules

Because the details of the pharmacy location rules are determined separately, the effect of extending the expiry is that current arrangements can continue without interruption past the end of June.

Pharmacy location rules have been reviewed in the past and have been updated several times as a result. Whether they should remain in their current form, or be updated for the future, will be considered as part of the independent review of pharmacy location rules and remuneration.

This comprehensive and publicly accountable review will be conducted over the next 18 months and its findings published within two years of the 6CPA commencing. It will cover pharmacy remuneration, pharmacy location rules and wholesaler arrangements. The review will allow the Government to be better informed about components of PBS supply chain and to ensure distribution and supply of medicines is cost effective, and regulations are appropriate to their purpose.

Sixth Community Pharmacy Agreement—investment and changes

Through a robust negotiation process the Government and the Guild have come to an agreement on a package of additional funding and structural reforms that will benefit the sector and most importantly consumers, and in the long term will demonstrate value for money for taxpayer dollars.

The 6CPA is a strong package which will deliver up to $18.9 billion to community pharmacy and wholesalers over the next five years. This is an increase of over $3 billion on the 5CPA. And this does not include an estimated $4.8 billion in under co-payment scripts that provide additional revenue to community pharmacy. In total, the potential revenue for this sector from the PBS is $23.7 billion over the next five years.

This investment will be vital to manage changes that may arise from the review of pharmacy remuneration and to transition to new models for dispensing medicines and pharmacy services.

Increasing pharmacy competition by allowing discounting of co-payments
This bill will also allow pharmacies to discount the patient co-payment for PBS medicines by up to one dollar per prescription. This discount is not mandated. Pharmacies can choose whether to offer a reduction and they can also decide the level of the discount, up to the one dollar maximum.

This will be the first time that PBS legislation will allow pharmacists to offer reduced PBS patient co-payments. The change will increase competition between pharmacies and benefit patients by reducing out of pocket costs at the point of sale.

At present there is inequity in the system. General patients (that is non concessional patients), already access over 70 million scripts per year for less than the patient co-payment amount of $37.70 and those prices are discounted by pharmacists based on market competition. The final price paid by the general patient can be counted towards their safety net.

But concessional patients cannot benefit from these practices as all PBS prescriptions are priced above the concessional co-payment amount of $6.10 because we, the Government, pay pharmacy a dispensing fee of $6.76 plus mark ups. To offer a concessional patient a medicine such as amoxycillin at the discounted price of $5.90 that could be offered to a general patient, the payment would not count towards their safety net. Alternatively, they must pay the higher price of the concessional co-payment ($6.10) in order to register the payment towards their safety net. This is not a fair outcome.

Consumers, particularly concessional patients, will benefit from paying less for their medicines under this measure. More affordable medicines is an important outcome for patients. It is important to remember that more than 80 per cent of concessional patients do not reach the safety net threshold so they will benefit from cheaper medicines under this measure.

The average concession card holder uses 17 scripts per year. They could save $17 per year, while average concessional patients over 65, could save $43. High medicine users will still have the full protection of their safety net, but could benefit from reduced monthly costs for their medicines in the lead-up to reaching the safety net and thereafter receiving their medicines free of charge.

Extending safety net early supply rule

In conjunction with the changes for patient co-payments, the safety net early supply provisions will be amended to include a wider range of medicines and a wider range of resupply intervals. This will allow the use of a medicine, the listed quantity and the resupply interval for a medicine to be better aligned.

Safety net early supply arrangements have been in place since 2006, when the current policy, known as the Safety Net 20 day rule, was introduced. Under the policy, the financial incentive for patients to obtain excess supplies of PBS medicines in advance of treatment need is removed. If a repeat dispensing of a prescription is obtained earlier than the specified resupply date, the person’s usual co-payment applies—not the reduced safety net amount—and the payment does not count towards the safety net threshold.

These rules currently apply to certain medicines used for chronic conditions and for which the resupply interval is 20 days. The changes in the bill will enable early supply rules to apply to PBS medicines as recommended by the PBAC and for any resupply interval appropriate for that medicine.

Early supply rule medicines and implementation

The change to the early supply rules are being made on the basis of recommendations from the PBAC. The Committee has recommended additional medicines it considers suitable for inclusion under early supply rules. It has also advised on medicines it considers are not suitable for inclusion under the extended rule. These include treatments for cancer, palliative care items, and medicines with high dosage variability.

Existing arrangements that allow pharmacists to dispense an early repeat supply with the usual PBS subsidy but with no safety net benefits will continue.
This measure was strongly supported in the stakeholder consultations as experience with the measure for over eight years shows that it is a good quality use of medicine measure, and has not disadvantaged patients. Early supply rules promote responsible use of PBS entitlements, discourage waste, and reduce the quantity of unused medicines in the community.

Removing over-the-counter medicines from the PBS

While it is not part of this bill, this is an important opportunity to mention another measure which will be implemented as part of the PBS Access and Sustainability Package. It is the removal of low-cost over-the-counter medicines from the PBS.

Over-the-counter items are a class of medicines that can be sold directly to a consumer without a prescription from a healthcare professional. Some relieve aches, pains, and itches. Others treat conditions such as athlete's foot.

The majority of subsidised medicines dispensed on the PBS are prescription only medicines. However, around 20 million prescriptions, about 10 per cent of the total, are for over-the-counter medicines.

Most of the PBS prescriptions for these items are dispensed for concessional patients who have reached the safety net threshold. While they are free of charge to the patient, the effect for the PBS is very different.

In 2013–14, there were 6.7 million prescriptions for paracetamol supplied at cost to Government of $73 million; 1.1 million prescriptions for aspirin at a cost of $4 million; and for antacids 219,000 prescriptions for $2.6 million.

The savings on subsidising paracetamol alone would fund the potentially lifesaving drug ipilimumab (ipi-lim-MOO-mab) for late stage melanoma.

In recommending these changes the PBAC was also clear in recommending those over the counter medicines that should remain listed on the PBS. These include medicines listed for use by Aboriginal and Torres Strait Islander people and palliative care listings.

It is no longer possible, and it is not in the interests of patients or tax payers, to continue to subsidise relatively low cost, non-essential items that are available directly from pharmacies.

Remove over-the-counter medicines from the PBS—implementation—risks support

There have been claims that this change will increase the risk of adverse drug events and that it will compromise consumer safety because patient demand and PBS prescribing might shift to other more expensive prescription products.

Prescribers are highly aware of those risks and are also aware of their professional responsibility and need for clinical judgment to manage the risks.

The Department will be monitoring usage patterns of prescription therapies to assess whether there are signs of transfer prescribing or inappropriate use.

PBAC changes

This Government came to office promising to respect the independence of the PBAC and to improve listing times on the PBS. We have demonstrated that commitment by actioning all PBAC recommendations and improving the monthly listings from eight per month under Labor to 30 per month since October 2013.

As part of continuing initiatives to improve the operation of the Pharmaceutical Benefits Advisory Committee, a number of changes are proposed to build capacity for the Committee and streamline processes for listing drugs on the PBS.

PBAC membership changes
The first step to streamlining the process and improve the listing timeframes for medicines on the PBS is to increase the number of PBAC members.

Over recent years, there has been a marked increase in the number and complexity of submissions made to the PBAC. Five years ago, the average number of major submissions considered at each meeting was 19. The average number of major submissions today is more than 30. The agenda for the March 2015 meeting included the largest number of submissions ever with 40 major submissions and 21 minor submissions.

Over the last year, the PBAC has considered an average of nearly $4 billion worth of submissions at each meeting. The estimated cost of new listings from the November 2014 and March 2015 meetings alone is more than $4 billion over five years.

Submissions for new medicines are involving increasingly complex new technologies, biological products, drug-test combinations, and very high treatment costs. Assessing the comparative cost effectiveness of these therapies requires detailed consideration by Committee members skilled in assessing matters relating to health economics, epidemiology, therapeutic options and patient outcomes.

In spite of this dramatic increase in workload and complexity, there has been no increase in the size of the PBAC since 2006. It has been operating with a chairperson and 17 members since that time.

To respond to this, amendments in the bill will increase the number of members by three to a total of 21, and establish a new position of deputy chairperson.

The amendments also provide for industry to be one of the professional groups from which members can be nominated. They also provide for engagement with a broader range of consumer groups through expanding the range of nominating bodies and facilitate the option of a second consumer position on the PBAC.

Changes to Regulations

For some measures, amendments to regulations and legislative instruments will be required. Consultation with interested stakeholders will be conducted regarding those changes. This will ensure companies, health providers and consumers have an opportunity to provide comments regarding implementation and understand how changes affect their businesses, their prescribing practices, and their access to medicines.

Summary

The Government has worked constructively with pharmacy, the pharmaceutical industry, and medical and consumer groups, to develop a strongly supported package of measures.

The package contains savings contributions from all sectors of the pharmaceutical supply chain, with benefits to consumers through cheaper medicines, enhanced pharmacy services, and funding for access to innovative medicines.

The changes in this bill are sensible and necessary. The savings contributed from price reduction for medicines on F1 formulary are reasonable and the policy is not something we should step away from. All new listings represent new funding, which is a direct reinvestment in the innovator medicines sector.

The changes to price disclosure for originator brands on F2 acknowledge that Australians should be benefiting further from the competition that occurs at the generic end of the market.

Together these will create capacity for the listing of new, expensive medicines which would otherwise be unaffordable for most people. For example medicines such as trametinib (tru-MET-in-ib) for the treatment of BRAF-positive metastatic melanoma, costing $437 million over four years.

The revised PBAC membership structure will provide more flexibility for handling a complex workload and help to streamline consideration of applications for PBS listings.

Closing and acknowledgements
Many people have worked hard to put these measures together and many more contributed their experience and ideas.

I would like to thank all stakeholders who have worked with the Government in recent months to develop the proposals and costings.

This is a balanced package of measures which, taken overall, provide fair outcomes for pharmacy, the medicines industry and consumers. It is also a reasonable deal for the Australian community who, as tax-payers, are the real funders of the PBS.

The DEPUTY PRESIDENT: In accordance with standing order 115(3), further consideration of this bill is now adjourned until 23 June 2015.

Private Health Insurance (Prudential Supervision) Bill 2015
Private Health Insurance (Prudential Supervision) (Consequential Amendments and Transitional Provisions) Bill 2015
Private Health Insurance Supervisory Levy Imposition Bill 2015
Private Health Insurance (Risk Equalisation Levy) Amendment Bill 2015
Private Health Insurance (Collapsed Insurer Levy) Amendment Bill 2015

First Reading

Bills received from the House of Representatives.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (18:06): I move:

That these bills may proceed without formalities, may be taken together and be now read a first time.

Question agreed to.

Bills read a first time.

Second Reading

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (18:06): I move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

PRIVATE HEALTH INSURANCE (PRUDENTIAL SUPERVISION) BILL 2015

Today I introduce a package of Bills to transfer the prudential regulation functions of the Private Health Insurance Administration Council (which I'll refer to as the Council) to the Australian Prudential Regulation Authority (which I will from here on refer to as APRA) from 1 July 2015. The legislation will also abolish the Council effective from 1 July 2015.

With this package of Bills, the Government is continuing to deliver on its commitment to a smaller, more rational, Government. This will, over time, result in lower costs for industry, while ensuring that Australia's private health insurance industry remains stable and well regulated.

These Bills are also designed to stop unnecessary duplication. Where previously one regulator was responsible for the prudential supervision of general and life insurers while another was responsible for the prudential supervision of health insurers, APRA will now supervise all three industries. APRA is
also responsible for regulating the superannuation industry (except self-managed superannuation funds) and the banking sector.

The Government has taken opportunities to harmonise, where possible, with APRA’s existing legislative framework, and to eliminate unnecessary duplication within the private health insurance regulatory framework. This is consistent with the Government’s deregulation agenda.

The Council is the prudential regulator of the private health insurance industry in Australia, and is currently responsible for monitoring the prudential performance of registered private health insurers. This role includes the registration and prudential supervision of private health insurers; developing solvency, capital adequacy and other prudential standards for the industry; publishing circulars, statistics and reports on insurer activities and performance; and administering the Risk Equalisation Trust Fund. From 1 July 2015 these functions will be undertaken by APRA.

The decision to abolish the Council and move its functions to APRA was announced in the 2014-15 Budget as part of the Government’s Smaller Government Reform Agenda.

This package of measures aims to streamline government bodies and reduce duplication of Government agencies. As a result, a number of statutory bodies are being abolished and rationalised where activities are no longer needed or can be managed within existing departmental resources. The abolition and merger of statutory bodies, including the Council, is expected to improve coordination and accountability and reduce the costs associated with separate governance arrangements on industry.

It is important to note that this package of Bills will not fundamentally change the regulatory requirements currently faced by the private health insurance industry. The approach outlined in the legislation is intended to minimise the disruption to industry and the risks to sound supervision. APRA will continue to provide the private health insurance industry with the prudential supervision services that were provided by the Council.

At the same time, the transfer of the Council’s prudential supervision functions to APRA is expected to deliver economies of scale, resulting in savings for the private health insurance industry over time.

The valuable knowledge held by Council staff regarding the supervision of the private health insurance industry will also be retained, with nearly 80 per cent of the Council’s staff being expected to transfer to APRA from 1 July 2015.

Under these new arrangements, the Minister for Health will continue to have overall policy responsibility for provisions relating to private health insurance policy that will remain in the Private Health Insurance Act.

This includes the establishment and administration of the premiums reduction scheme (the Private Health Insurance Rebate), lifetime health cover and the rules for complying health insurance products (including the community rating principle). Enforcement provisions required to support these obligations will also be retained in the Private Health Insurance Act.

The Private Health Insurance (Prudential Supervision) Bill 2015 will give effect to the transfer of the Council’s prudential supervisory functions to APRA.

The Bill replicates elements of the regime currently set out in the Private Health Insurance Act, with some modifications to harmonise certain provisions with other legislation administered by APRA, to reduce duplication and to update investigation powers to bring them into line with the Regulatory Powers (Standard Provisions) Act 2014.

Part of this streamlining process involves replacing the existing capital adequacy, solvency and prudential standards making powers in the Private Health Insurance Act with a single consolidated standards making power to be exercised by APRA.
Bringing these three standard-making powers into one will harmonise the legislation with APRA’s existing prudential standard-making powers in relation to authorised deposit-taking institutions (such as banks), life insurers, general insurers and superannuation trustees.

APRA also intends to re-make all prudential standards in substantively the same form as they are now following Royal Assent. This will provide certainty to industry during transition.

Further, APRA has provided an assurance that there will be no substantive changes to any existing regulatory obligations for the private health insurance industry as a whole before 1 July 2016.

To address concerns raised by the private health insurance industry, strict liability offences have been removed, the severity of penalties for offences have been reduced overall and have been made more consistent throughout this Bill.

The Bill will also transfer responsibility for a number of rules that the Minister for Health and the Council currently handle, including a range of other procedural matters under the Private Health Insurance Act, to APRA. These rules will be re-made in substantively the same form to ensure that the obligations of private health insurers will remain unchanged.

The Minister for Health will retain responsibility under the Private Health Insurance Act for a number of rules, including the policy rules relating to the risk equalisation fund.

The Bill also contains a number of minor and technical amendments to the current regulatory regime in order to ensure a smooth transition to APRA.

As stated before, this package of legislation ensures that the Government is continuing to deliver on its commitment to a smaller, more rational, Government. It will enable APRA to supervise the private health insurance industry and will, over time, result in lower costs for the industry, while ensuring that Australia’s private health insurance industry remains stable and well regulated.

The full details of this Bill are contained in the Explanatory Memorandum.

PRIVATE HEALTH INSURANCE (PRUDENTIAL SUPERVISION) (CONSEQUENTIAL AMENDMENTS AND TRANSITIONAL PROVISIONS) BILL 2015

The second Bill in this package of legislation is the Private Health Insurance (Prudential Supervision) (Consequential Amendments and Transitional Provisions) Bill 2015. This Bill makes consequential amendments to relevant legislation, including the repeal of the provisions relating to the formation of the Council in the Private Health Insurance Act 2007. The Bill also contains transitional provisions to ensure the smooth transfer of functions from the Council to APRA by 1 July 2015.

The Bill will establish Special Accounts to administer two of the levies that will now be collected by APRA, the Collapsed Insurer Levy - should there be a requirement for it to be levied - and the Risk Equalisation Levy. The Risk Equalisation Levy Special Account replaces the Private Health Insurance Risk Equalisation Trust Fund previously administered by the Council.

While the Health Minister will retain overall policy responsibility for the Risk Equalisation Trust Fund Special Account, APRA will maintain a similar role administering the Risk Equalisation Special Account as the Council had administrating the Risk Equalisation Trust Fund.

The Bill makes a number of consequential amendments to relevant legislation, both in my portfolio and others, to facilitate the transfer of functions to APRA. These include amendments to:

- the Australian Prudential Regulation Authority Act 1998, to provide for matters relating to secrecy of information concerning private health insurers, and to provide for the administration of industry levies;
- the Financial Institutions Supervisory Levies Collection Act 1998, to cater for the collection of the private health insurance supervisory levy and the collection of collapsed insurance levy; and
• the Financial Sector (Collection of Data) Act 2001, to facilitate the collection of data relating to private health insurers by APRA. This amendment will ensure that APRA can continue the current collection of industry data and the subsequent production of reports. This includes enabling APRA to re-make the existing reporting obligations of private health insurers as a series of reporting standards, that replicate the standards currently set by the Council. The current reporting obligations and methods of reporting for private health insurers will remain unchanged.

Minor amendments will also be made to the Income Tax Assessment Act 1997, the Life Insurance Act 1995 and the Medibank Private Sale Act 2006 to update or replace references to the new Prudential Supervision Act, and to the Ombudsman Act 1976 to enable the sharing of information with APRA.

A number of transitional provisions have been provided in the Bill relating to the repeal of provisions establishing the Council and the transfer of functions of the Council to APRA.

Such provisions are needed to ensure that actions undertaken or deemed to be undertaken under the old regime immediately before the transition time are taken to be undertaken under equivalent provisions in the Prudential Supervision Act. Examples include: continuing the registration of private health insurers; continuing to progress applications for registration that have not been finalised by 30 June, and continuing the restructure of health benefits funds should the approval already be in place.

Finally, there are machinery provisions for the transfer of the Council staff, assets, liabilities and records to APRA.

The full details of amendments made by this Bill are contained in the Explanatory Memorandum.

PRIVATE HEALTH INSURANCE SUPERVISORY LEVY IMPOSITION BILL 2015

The Private Health Insurance Supervisory Levy Imposition Bill 2015 is one three Bills in this package which provide for the continued imposition of levies upon the private health insurance industry.

The Private Health Insurance Supervisory Levy Imposition Bill 2015 replaces the Private Health Insurance (Council Administration Levy) Act 2003, repealed by the Consequential Amendments and Transitional Provisions Bill.

This Supervisory Levy Imposition Bill establishes the legislative framework for the calculation, and collection, of a supervisory levy to recover APRA’s costs incurred in regulating the private health insurance industry.

Consistent with the collection of APRA’s other supervisory levies, from 2016-17 the levy will be determined with a legislative instrument by a Treasury Minister. In 2015-16, the levy will be collected on a quarterly basis in line with the existing legislative instrument. This ensures no change to the levy arrangements for private health insurers in 2015-16.

The full detail of this Bill is contained in the Explanatory Memorandum.

PRIVATE HEALTH INSURANCE (RISK EQUALISATION LEVY) AMENDMENT BILL 2015

The Private Health Insurance (Risk Equalisation Levy) Amendment Bill 2015 is one of three bills in this package that provides for the continued imposition of levies upon the private health insurance industry.

This bill will amend the Private Health Insurance (Risk Equalisation Levy) Act 2003 to give APRA the functions previously undertaken by the Council. These functions include the setting of the amount of the Risk Equalisation Levy.

The purpose of the Risk Equalisation Levy is to ensure that no insurer is unduly impacted by costly claims because of the risk profile of its members. It does this by allowing for cross-subsidisation for
aged, chronic and long-term acute care patients and other high-cost policy holders across different private health insurers.

The Risk Equalisation Levy assists insurers to offset the effects of complying with the principle of community rating established under the Private Health Insurance Act.

The Health Minister will retain overall policy responsibility for the Risk Equalisation Levy, with APRA maintaining a similar role administering the Risk Equalisation Special Account as the Council had administering the Risk Equalisation Trust Fund.

APRA will maintain the Council's power under the Private Health Insurance Act to request information from insurers about their liability to pay the Risk Equalisation Levy, and APRA will also have the power to investigate in relation to the Levy under Part 6 of the Prudential Supervision Act.

The full details of the amendments are contained in the Explanatory Memorandum.

PRIVATE HEALTH INSURANCE (COLLAPSED INSURER LEVY) AMENDMENT BILL 2015

The Private Health Insurance (Collapsed Insurer Levy) Amendment Bill 2015 is one of three Bills in this package which provide for the continued imposition of levies upon the private health insurance industry.

This Bill will amend the Private Health Insurance (Collapsed Insurer Levy) Act 2003 to help facilitate the transfer of responsibility for the administration and collection of the Collapsed Insurer Levy from the Council and the Health Minister, to APRA and a Treasury Minister.

The Private Health Insurance (Collapsed Insurer Levy) Act 2003 establishes the legislative framework for the imposition and calculation of a levy to recover the cost of meeting a collapsed insurer's liabilities to the people insured under its complying health insurance policies, that it is unable to meet itself.

The full details of the amendments are contained in the Explanatory Memorandum.

The DEPUTY PRESIDENT: In accordance with standing order 115(3), further consideration of these bills is now adjourned until 17 June 2015.

COMMITTEES

Corporations and Financial Services Committee

Appointment

The DEPUTY PRESIDENT (18:08): The President has received a message from the House of Representatives informing the Senate of the appointment of Mr Ruddock to the Parliamentary Joint Committee on Corporations and Financial Services in place of Mr Coleman.

BILLs

Business Services Wage Assessment Tool Payment Scheme Bill 2014

Returned from the House of Representatives

Message received from the House of Representatives indicating that the House had made the amendments requested by the Senate to the bill.

Third Reading

Senator FIFIELD (Victoria—Manager of Government Business in the Senate and Assistant Minister for Social Services) (18:08): I move:

That this bill be now read a third time.

Question agreed to.
Bill read a third time.

**MOTIONS**

**Disallowance of Instrument**

**Senator RICE** (Victoria) (18:10): I, and also on behalf of Senators Lambie and Cameron, move:

That the Instrument as contained in the Specification of Income Threshold and Annual Earnings 2015 and made under the *Migration Act 1958* and the *Migration Regulations 1994*, be disallowed as 15 sitting days remain, including today, to resolve the motion or the instrument will be deemed to have been disallowed.

I rise today to speak in support of this motion to disallow the instrument as contained in the Specification of Income Threshold and Annual Earnings 2015 and made under the *Migration Act 1958* and the *Migration Regulations 1994*. This disallowance would have the effect of disallowing this motion, which would lower the market salary rate assessment exemption for 457 visas to $180,000. The purpose of the temporary work skilled subclass 457 visa program is to allow employers to fill short- to medium-term skill shortages by recruiting qualified workers from outside of Australia when they cannot find same-skilled workers locally.

I understand that midway through 2012 the relevant department identified that the subclass 457 program was growing at a record rate and that a significant component of this growth was in industries and in geographical regions that did not appear to be experiencing skill shortages. And while many employers were using the subclass 457 visa program appropriately, there is a big concern that certain employers in some industries are sourcing their skilled labour needs outside of Australia without first checking the availability of labour locally. While this is not unlawful, these actions completely are not in line with the principles of the subclass 457 program. As a result, there are a number of improvements to the subclass 457 program that were introduced on 1 July 2013, which was supported by the Australian Greens. These improvements were designed to ensure that the intent of the subclass 457 program was respected by users of that program.

The reforms were designed to improve the integrity of the program without adversely impacting on businesses that are using the program to fill genuine skill shortages. One of these important reforms that was introduced in 2013 was the raising of the market salary rate assessment exemption to $250,000. This ensures that most 457 visa employment is subject to a wage assessment to ensure that workers are not being paid below the going market rate for the job they are applying for. However, the government now, via regulation, is seeking to lower that threshold and therefore remove whole classes of possible 457 visa employment from proper market salary assessment. Some forms of employment—in the shipping industry, for example—will no longer be subject to proper regulation. This change will affect not only people working in the Australian resources industry but many people working as marine engineers, marine officers and masters and in many other key jobs. It will affect over 20 enterprise agreements currently in place that maintain conditions and safety for Australian workers. The Australian Greens think that the regulation of the 457 visa program needs to be tightened, not weakened.

It is absolutely clear on the evidence that is currently being heard by the inquiry into the temporary migration visa system that many things are going on that are undesirable. Recent
media reports have shown major problems, abuse and exploitation, which are harming overseas workers and are undermining local workers’ wages and conditions.

So, given this context, we believe there is no justification whatsoever for removing whole classes of employment from current levels of scrutiny. We want to disallow the minister’s decision to lower the thresholds for market salary rate assessment.

**Senator LAMBIE** (Tasmania) (18:15): I rise to support the disallowance motion, because I support Australians working in Australian jobs. I rise to support the disallowance motion because, unlike the Liberals and Nationals in this place, I want to protect every Australian worker’s job. By supporting this disallowance motion, senators have a choice to send a clear message to the Liberals and Nationals in this place, that we will not put up with their sneaky and sly attack on the wages and conditions of Australians.

The intent of the change to the regulations, introduced by Assistant Minister Cash, is to reduce the current income threshold under the Migration Act, from $250,000 to $180,000. This will make it easier for employers to hire overseas workers rather than Australian professionals. The regulation effectively provides a ceiling above which compliance with many of the significant requirements of the migration regulations is waived. The threshold, when initially introduced in 2008, was set at $180,000. Then, in 2013, it was raised to $250,000. Above this level of income, sponsors of visa applicants are not required to comply with the conditions which otherwise apply to visa applicants.

The threshold is currently $250,000 and the new regulation takes the threshold down by $70,000. $250,000 is a high income but, if Australia has the people with the necessary qualifications and experience, why should such high-paying jobs not go to Australians? Why should high-paying jobs in Australia be exempt from the standard obligation that if there are Australians able to do the work then they should get the work? And if there are qualified Australians ready to do the work, then why should the parliament allow these jobs to be allocated to foreign workers rather than those qualified, hardworking Australians?

Of course, under the labour-market-testing rules, if there are no Australians available then the visa may be granted to a foreign worker. But if there are Australians available, why should they not get the work in the first place? The change to the regulations would mean that any employee from overseas who is paid over $180,000 would have the labour-market-testing waived. Australians would be able to be replaced by foreign workers virtually automatically. Here is the government’s catch 22. Treasurer Hockey says to Australians who want to buy a house, ‘Go out and get a good, secure, well-paid job.’ However, Assistant Minister Cash says, ‘The well-paid jobs are exempt from the migration regulations.’ The jobs are effectively reserved for foreigners. Go figure.

One area where this has the potential to have adverse consequences for Australians is in the offshore oil and gas industry. On a large proportion of the vessels which operate in that sector, the rates of pay for chief engineers and masters are now above $180,000. Therefore, if the regulation is allowed to stand, those workers could be replaced by foreign personnel on visas, who will not be subject to the normal conditions such as labour-market-testing. The Constitution does not give the Australian parliament the power to set rates of pay for workers. For over 20 years enterprise bargaining has been a process whereby rates of pay have been settled. But in a sly, backdoor way the government is seeking to put a ceiling on rates of pay that can be negotiated under enterprise bargaining. According to Assistant Minister Cash, if
you negotiate pay outcomes above $180,000 per annum, then foreign workers can be brought into Australia to replace you. Labour-market-testing does not need to be carried out. The employer can use foreign labour to replace Australian workers. The income earned by these workers is then lost to the Australian economy and the impact of the economists' multiplier effect is lost to the Australian economy.

In closing, I again urge senators to support the disallowance motion because they will be voting to protect Australian workers' jobs. I, again, remind senators that by supporting this disallowance motion they can send a very clear message to the Liberals and the Nationals in this place, who have betrayed Australian workers at every opportunity, including those in the oil and gas industry, by making it easier to replace them with overseas workers. We will not put up with the sneaky, sly and politically motivated attack by the Liberals and Nationals on the wages and conditions of hardworking Australians.

Senator CAMERON (New South Wales) (18:20): I am very pleased to rise in support of this disallowance motion and indicate my support for the contributions that have been made by Senator Lambie and Senator Rice. In supporting this disallowance motion, a number of issues need to be made clear.

This disallowance motion was brought to bear on Australian workers without any debate, any discussion or any validity by this parliament. It was simply made by the stroke of a pen, by Senator Cash. It meant that decent-paid workers in the mining, gas and coal industries ended up being in fear of their jobs and being replaced by workers on 457 visas, who must be paid at the applicable market rate. The market rate depends on the occupation and location of the employee, and evidence must be provided by the employer as to what the market rate is for the occupation. Until this instrument was made on 17 April 2015, if a sponsor of a 457 visa holder wanted to employ a visa holder at a salary under $250,000, the employer carried an onus to establish that the salary proposed to be paid was at the market rate. As I have indicated, Minister Cash—with no justification and no explanation—has reduced that threshold to $180,000. There is now a yawning gap of $70,000 through which employers can pass in order to sponsor 457 visa holders in occupations and locations where the market rate is somewhere between $180,000 and $250,000, without the need to provide evidence of market rates.

These are highly skilled and highly paid employees earning more than $180,000 but less than $250,000 in occupations such as marine engineers, mining engineers, medical and allied health professionals, and they all now find themselves in danger of being replaced by 457 visa workers who are paid less than the market rate. In a media release issued on 18 March 2015, this change was welcomed by the Australian Mines and Metals Association, which said: Lowering the market salary comparison threshold from $250k to $180k reflects AMMA's advice that this should be viewed as a safeguard for lower income jobs only.

This is another example of the Abbott government doing the bidding of sectional interests. Who are these sectional interests? These sectional interests are BHP, Rio Tinto, Glencore, and Peabody—the American multinational mining company. These are the companies that are represented on the board of directors of the Minerals Council of Australia. These very same minerals executives do not put up a proposition that they should have their salaries reduced. In fact, Sam Walsh, the managing director of Rio Tinto, is one of the highest paid executives in this country, with an annual salary of $9.7 million. A couple of years ago the chief
executive of BHP was on $7.5 million a year, and this is from a position where, about 20 years ago, the salaries of a BHP executive were six to seven times the average salary in the country. It is now up to 200 times the average salary. These are some of the richest executives in the country, some of the best paid executives in the country, and they are trying to reduce costs for their companies by reducing the salaries of highly paid but highly skilled Australian workers. I do not accept for one minute that signing off in the middle of the night on a regulation that takes away protections, even for some of our highly skilled workers, is what we should be about in this country.

It seems to me that this government is prepared to attack workers who seek to collectively bargain and enjoy decent wages and conditions, and they seek to do that at the bidding of organisations like the Minerals Council of Australia. When you look at that board of directors of the Minerals Council of Australia and you look at the debate we recently had about tax shifting, about shifting profits offshore to minimise the tax in Australia, these are some of the biggest culprits in this area. Yet we have this government, at the bidding of the Minerals Council and the chief executives and the directors of some of the biggest mining corporations in the country, setting about to reduce the minimum rate for skilled workers in the industry. Many people who are listening would say, ' $250,000 is a massive salary' and, for most ordinary workers, that is correct. But these are workers who are amongst the most highly skilled workers in the country. These are workers who are doing jobs that maintain the capacity of our minerals industry and our gas industry to continue to operate and to export. These are not workers who are without qualifications. These are workers who are highly qualified. These are workers who take years to get the qualifications and experience that they have to do the jobs that they undertake. They are entitled to get a fair share of the profits that the minerals industry and the gas industry in this country make; they are entitled to that. And they are workers who add to the skill base of this country. We should not be relying on 457 workers from anywhere in the world to do these key jobs that keep our industries going in this country.

I am not sure why this proposition was brought forward, other than one sure thing. If the Minerals Council says to the coalition, and certainly to the Liberal Party, 'Jump!' the response is, 'How high? How high should we jump?'. That is the response we got when they said, 'Cut back on this standard for skilled workers; allow us to get that $70,000 gap so that we can bring in workers on 457 visas.' These are workers who might be more complacent in terms of their approach to industrial relations, who might be more subordinate to the employer, who do not want to collectively bargain, who will come in here on a visa system that will give the employer complete control over that individual. That is the argument, basically, from the mining industry. This is an industry that has been making massive profits over the last few years, where the executives have gouged their profits, their wages, out of the industry and now they want to push down the wages of some of the most skilled workers in the country.

I just think the Abbott government dislikes workers earning decent money. They certainly dislike Australian seafarers making a decent quid. The income threshold reduction that they put in, without any debate, without any discussion in this parliament, is another example of how workers would be treated under this government if there were not the check and balance of the Senate in place. That check and balance should be exercised by senators today, because
we should not accept for one minute that the Minerals Council should dictate to the
government of this country and cut back the wages of workers in this country.

Tub masters working out of Bowen earn $183,000; out of Brisbane, it is $193,000; out of
Kwinana, it is $184,000; and out of Newcastle, it is $198,000. I have seen tug masters
bringing ships into Newcastle harbour when the conditions have been pretty awful. This is a
job that not only demands skill; this is a job that also demands a lot of courage. It demands
skill, courage and ability. There are not too many people who could do that job. It is not like
being a fitter, which is what I was, when you could do your training; you could get people to
do that work. These people are really highly skilled, really specialist, in what they do. And it
is the case in terms of not only their skills but also their courage. The chief engineers are the
people who keep these vessels going right around the country. They earn about $188,000.
These pay rates reflect the skills of these workers.

I have to say to any senator who is listening in: if we simply allow the Minerals Council,
BHP, Rio Tinto, Glencore and Peabody to dictate when 457 workers come into this country
then we are allowing something that is unacceptable and that will bring this country to its
knees in terms of its capacity to have the skills here to do the jobs that are so important to this
country. So, I say that it should not be about the Mineral Councils and these individual mining
companies making significant donations to the Liberal Party and then telling them what they
want them to do in order to get their way with the workers of this country and get more so-
called flexibility into the 457 system. This should be about decency. This should be about an
understanding of the skills of these workers. This should be about an understanding that these
workers are integral to a vast industry in this country. Even though their salaries are high, they
should not be undermined by workers coming in on 457 visas.

It will be interesting to hear the reasoning behind the arguments put by Senator Cash when
she makes a contribution to this debate, because at no stage have we heard any of the reasons
why this government is simply doing the bidding of BHP, Rio Tinto, Peabody and the
Minerals Council. I can only assume that the close, cosy relationship that the Liberal Party
have with these big corporations, the funding that goes from these corporations to the Liberal
Party at election time, is now being reciprocated by them delivering what the Minerals
Council wants in relation to these 457 visas. What every worker in this country must now be
worried about is that Senator Cash can have any employer organisation say: 'Bring down the
market rate; bring 457 visas into the country,' and we see the Liberal Party delivering. It will
mean that workers and skilled jobs around this country will end up facing international
competition from workers on 457 visas who come into this country under the market rate.
This is an issue of significant principle. This is an issue that is more important than the
Liberal Party delivering for its mates in the minerals industry. This is about recognising the
importance of the skills that these highly skilled workers bring and the need to ensure that we
get paid decent market rates in this country.

The test is quite clear. The 457 visa system should not be used to undermine market rates
in this country. The 457 visa system should not be used by the coalition and the Liberal Party
in particular to pay back its mates for the funding that it gets during election campaigns. The
test should be that a highly skilled, highly paid, courageous worker in this country, who is out
in all sorts of seas, who is out in all sorts of conditions, gets a decent rate of pay. It should not
only be the mining executives and the gas executives of the country who get the benefits of
this industry; it should also be the highly skilled workers who keep this industry working, whether they are a fitter, a rigger, a boilermaker, a tug boat master or a chief engineer. They should all get a fair go, because this country has not been getting a fair go out of this industry. This industry has not been paying its fair share of tax. This industry has been under the radar for far too long in terms of its approach on wages and conditions, and we should not be allowing the Liberal Party to simply bow at the knee when the Minerals Council say, 'Lower the wages and conditions and the standards for 457 visa workers coming into this country.'

It will be interesting to see what happens with this China free-trade agreement, which we are told will be tabled next week. What will be the situation—to bring workers from China in here to operate in any industry across this country? These are massive political issues. These are huge issues about the skill base of this country. These are huge issues about ensuring that we have jobs for Australians. I thank both Senator Rice and Senator Lambie for bringing this to the Senate. This is an important decision that this Senate should make. We should stand up for the workers of Australia against the Minerals Council of Australia and the people in the Liberal Party who want to simply do their bidding. This is an important issue. The principle that applies here can apply in the rest of the economy across industries in this country. If the Senate allows the coalition to give in to the Minerals Council, they will be giving in to other industries when they try to cut the market rates for 457 visas around the country.

Brown paper bags in the front seats cars and massive support at election time should not be used to reduce the wages and conditions of workers in this country. It is an absolute outrage and the Senate should stand firm and stand up for the workers of this country against the Liberal Party, against the National Party and against their mates who fund their election campaigns.

Senator CASH (Western Australia—Assistant Minister for Immigration and Border Protection and Minister Assisting the Prime Minister for Women) (18:39): I have to say, based on what I have heard in relation to what is a very serious disallowance motion, it can be summed up by saying: never let the facts get in the way of a good rant in the Senate. If I can commence by dispelling a number of the statements that have been made as if they are fact, which, I can assure those people who are listening, they clearly are not.

Senator Cameron would have the Senate and Australians believe that it is only those who support the coalition who utilise the 457 visa program. If your assertion, Senator Cameron, is that 457 visa holders displace Australian workers, I am sure that, when the former Prime Minister of this country, Ms Julia Gillard, employed John McTernan as her communications director, you were standing there in Caucus saying, 'I demand to see the labour market testing that Ms Gillard undertook before she employed Mr McTernan. I demand to know whether or not Mr McTernan has displaced an Australian.' Because I am sure you are aware that the former Prime Minister, Julia Gillard—

Senator CAMERON: Mr Deputy President, on a point of order. The senator is misrepresenting what I put. If anyone should not have been in the country, it was Mr McTernan.

The DEPUTY PRESIDENT: Misrepresentation is not a point of order. There is no point of order.
Senator CASH: As I was saying, Senator Cameron will be well aware that for almost two years former Prime Minister Gillard fought a query from the Office of the Information Commissioner for information on labour market testing in relation to Mr McTernan. I would also ask Senator Cameron: of those workers on 457 visas that the TWU and the MUA are employing, have you demanded to see the labour market testing that was undertaken in relation to those unions employing 457 workers, and are they displacing Australians? So it is not just those who support the coalition who utilise the 457 visa program. It is, quite frankly, businesses, industry and unions across the board that have a genuine need to access labour.

In relation to the statistics that Senator Rice raised, again, I would like to confirm for the Senate that under the former Labor government, the 457 visa program expanded rapidly. The figures are as follows: from approximately 68,400 primary visa holders in June 2010 to over 110,000 primary visa holders when Labor were removed from office in September of 2013. What is so disappointing about this growth under the former government is that this growth occurred in occupations not known to be in widespread shortage and, further, this rapid increase occurred during a period when growth in the Australian economy was slowing. Again, I assume that Senator Cameron was there in caucus saying, 'Under my government, there has been a huge blow-out in the 457 visa program. It has gone from 68,400 to in excess of 110,000, and, worse than that, the growth in it is in areas in which it is proven there is no widespread shortage.'

Since the coalition government was elected to office, there has been no growth in the 457 visa program. In fact, the numbers in the 457 visa program have fallen to 104,780 as at the end of May 2015. So they went from 68,400 to 110,000 under Labor—but apparently that is okay, even when those coming in are coming into occupations where there is no actual shortage. But when the program under this government does exactly what it should do and responds to the labour market, and it falls to 104,780, apparently we are still mismanaging the program. I will merely allow the facts to stand and speak for themselves.

In terms of the instrument that I signed on 17 April this year, Senator Cameron said, 'I'll be interested to hear the reasons behind this decision.' Senator Cameron, I will be delighted to enlighten the Senate—and those people who are listening in to this debate—as to the reasons why this government made that decision. The decision was made following an extensive independent review of the 457 visa program. Let us be very clear: we are talking about a high-income threshold here. The independent panel recommended amending the high-income threshold of annual earnings amount back to $180,000 so as to reduce the unnecessary burden on businesses employing highly paid workers.

Let us talk about the history of this threshold. Senator Cameron, in 2008 your government commissioned the Deegan review. The Deegan review looked into the 457 visa program. The Deegan review came up with a number of recommendations. I have the Deegan review recommendations in front of me. One of the recommendations was as follows:

It is recommended that market rates of pay should be paid to all temporary visa holders with salaries less than $100,000 per year …

Senator Cameron—through you, Mr Deputy President—your government did not take the advice of the person that it appointed to investigate the 457 system; that recommendation was to set market rates at $100,000. Instead, former minister Chris Evans set it at—lo and behold—$180,000. That is also the figure that stood under Minister Bowen and, I understand,
Minister Burke. Labor's Minister Evans set it at $180,000. It was subsequently reset by Minister Bowen and, I understand, Minister Burke. It was only when, at the behest of the unions, Minister O'Connor became the relevant immigration minister that—with absolutely no explanation at all—this was rushed through the Senate on the last day of sitting. Senator Cameron, you refer to the stroke of a pen; well, I can assure you that that was exactly what happened under your government. This was rushed through the Senate on the last day of sitting, and that is when the increase went to $250,000.

I go back to the fundamental difference between this side and those on the other side, who make a whole lot of assertions but not one of those assertions is backed up by a fact. The former Labor government, as I said, commissioned the Deegan review into the 457 program. The Deegan review made a number of recommendations. One of those recommendations was in relation to a market rate. That market rate was $100,000. The government did not accept its own expert panel or expert inquiry's recommendation. It gave no justification as to why it did not accept that recommendation. Instead, Minister Evans set the income threshold at $180,000. It was not just Minister Evans; it was also Minister Bowen. It was not until the dying days of the former government that—quite literally with the stroke of a pen—Minister O'Connor amended it to $250,000.

The review that this government commissioned involved consultation extensively across Australia with stakeholders. It included 140 face-to-face meetings and a review of 180 written submissions from industry and union representatives. In terms of the recommendation that the independent review—based on the extensive consultation that it undertook—made in relation to the issue of the income threshold, the independent panel said as follows:

... in relation to the specific issue of threshold, no substantial evidence was provided to the panel that supported the need for the market rates exemption threshold to be as high as $250,000. If there are specific occupations and/or regions where the market rates of Australian workers would be undermined by 457 visa holders being paid $180,000 or more, then evidence of these concerns can be taken to the proposed new ministerial advisory council which would have the authority to make recommendations to address this situation for that occupation.

So this government accepted the recommendations of its independent review, which said that there was no evidence under former Minister O'Connor, who, with his stroke of the pen, increased it to $250,000, and that it should be taken back to $180,000, consistent with what it was under the former Labor government, former minister Chris Evans, former minister Chris Bowen and, I understand, former minister Tony Burke.

Another fact which has not been placed on the table is that integrity measures do still apply to those earning above $180,000. One example is the genuineness test which, again, the former Labor government brought in and which remains today. An employer is expected to demonstrate a genuine need for the particular employee. If they are not able to demonstrate that need, the particular departmental officer does not have to grant the visa.

Senator Cameron made a big song and dance about the fact that, apparently, the coalition government was acting on behalf of the mining industries in doing this. I think that I have put that to bed, because—based on an independent panel which undertook extensive consultation across Australia and made a number of recommendations, which we accepted—clearly, that is not the case.
I would put to the Senate and those listening to this disallowance debate that this particular disallowance motion has been moved at the behest of the union representing the industrial interests of maritime and power engineers seeking to shore-up their control over conditions in the sector and distort the market rate of pay in their favour. You appear to have a dispute between the MUA and the engineers union and this is the result of this dispute. Bear in mind that this is the same union that lobbied Minister O'Connor, in 2013, which resulted in—at the stroke of the pen—Minister O'Connor increasing the high-income threshold to $250,000 for no apparent reason other than the union's self-interests.

Although this disallowance moved for selective interests at the behest of certain unions, if it does go through it will impact on all employers across Australia. The instrument that is the subject of the disallowance does nothing to infringe on the conditions of some of those people who are the highest paid workers in Australia. They are highly employable. If any of the other speakers—particularly Senator Cameron—had ever gone out and worked in industry and business they would have understood that when an Australian is highly employable they are sought after by business and industry. Based on the facts of this particular disallowance motion, I would ask the Senate to not support the disallowance.

The DEPUTY PRESIDENT: As there are no other senators seeking the call, Senator Rice, you do have the right of reply, if you wish to take up that opportunity.

Senator RICE (Victoria) (18:54): I do, thank you. I listened very closely to Minister Cash trying to explain this move to reduce the salaries of some of the most skilled—yes, highly paid—workers in Australia. So much of Minister Cash's response was an attack on unions, an attack on some of the most hard-working workers in Australia and an attack on the Labor Party. I am not interested in petty point-scoring between the government and the Labor Party. I am interested in supporting the interests of workers and unions. The pettiness is the not the interest I have at my heart; I am interested in supporting the interests of workers.

Minister Cash's justification for reducing this threshold from $250,000 to $180,000 was based on a so-called independent review that did consultation. I am sure that consultation showed there was a great diversity of opinion from the big end of town—the resource industries; the mining industries—and the unions working for the interests of their workers and supporting their conditions and salaries to make sure they have fair salaries for the work they do.

The only justification for this so-called independent panel and its recommendation is that they were not given any substantial evidence. The most substantial straight-forward evidence for why that threshold was increased from $180,000 to $250,000 is that the $250,000 ensured that the vast majority of workers would have their salaries subject to market testing. This would mean their salaries would have to be upheld and they would not have unfair competition from 457 visa holders.

The other telling point of Minister Cash's response was that the independent review of this 457 program said that having the market threshold at $250,000 was an unnecessary burden on businesses employing highly-paid workers. The government's unnecessary burden, what it often refers to as red tape—your unnecessary burden; your red tape—equates to what we see as sensible regulation, sensible controls, and sensible checks and balances to make sure that the rights of workers are maintained.
I did not hear any evidence to justify why the decision made in 2013 to increase this market
threshold to $250,000 should now be reduced. In fact, if you are going to reduce it to
$180,000 why stop there? Why not reduce it to $100,000 as the minister was proposing? Why
not have less than that? Why not get rid of market testing altogether? The reason is that the
market testing is an absolutely critical part of the 457 visa program and ensures workers are
paid at the going market rate.

Keeping that market threshold at $250,000 is in the interests of workers. To reduce it to
$180,000 is to inevitably reduce the salaries of these highly paid skilled workers. Yes,
they are highly paid but they are not nearly as highly paid as the people who would benefit:
the owners of those big residences, the big end of town, the resource-industry bosses and the
mining industry. These bosses are being paid 10 times as much—if not more—as these highly
skilled workers. The rationale for reducing it to $180,000 is not there. There is ample
rationale to keep the market threshold at $250,000 and I commend the Senate to support this
disallowance motion.

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

The Senate divided. [19:04]
(The President—Senator Parry)

Ayes ......................31
Noes ......................30
Majority ...............1

AYES

Bilyk, CL (teller)
Bullock, J.W.
Conroy, SM
Di Natale, R
Gallagher, KR
Ketter, CR
Lazarus, GP
Ludlam, S
Madigan, JJ
McLucas, J
Moore, CM
Polley, H
Rice, J
Singh, LM
Waters, LJ
Wright, PL

Noes

Back, CJ
Bernardi, C
Birmingham, SJ
Bushby, DC
Canavan, M.J.
Cash, MC
Colbeck, R
Day, R.J.
Fawcett, DJ
Fifield, MP
Heffernan, W
Johnston, D
Leyonhjelm, DE
Lindgren, JM

Sterle, G
Whish-Wilson, PS

CHAMBER
Question agreed to.

**BILLS**

**Communications Legislation Amendment (SBS Advertising Flexibility and Other Measures) Bill 2015**

**Second Reading**

Debate resumed on the motion:

That this bill be now read a second time.

Senator CANAVAN (Queensland) (19:14): It is great to continue my remarks on the Communications Legislation Amendment (SBS Advertising Flexibility and Other Measures) Bill 2015. In the very short period I had before question time I was trying to explain that sometimes I just do not know whether the Labor Party has a full understanding or conception of the English language. I was listening to Senator Singh’s contribution to the bill before question time and she was trying to characterise the bill and the changes envisaged in the bill as cuts. But, in fact, what the bill does is permit the SBS to have a little more flexibility with its advertising revenue and allow it to raise additional money for its budget and for its spending. It actually has nothing whatsoever to do with cuts.

It reminded me of previous Labor Party redefinitions of words in the English language. I remember in the budgets that they passed—they had about six budgets in the Rudd-Gillard government—they would often propose or present that they had delivered billions of dollars worth of savings. For example, in the 2012-13 budget they proposed that they had $33.6 billion in savings in 2012-13. Then they went on to say, when you read the fine print, that less than half of the savings in the budget were from changes in tax receipts. So they were actually saying that just under half of their savings were from tax increases, not from actual savings—they were tax increases. And that is their approach in this bill. They are trying to characterise
as a cut what is actually trying to give SBS more revenue and more resources. It is consistent with their approach elsewhere to obfuscate.

One of the reasons the SBS has to try to find other revenue sources is that we do not have the benefit and the flexibility of a stable and secure budget position like we had when the coalition last left office. Over six years, in those budgets I referred to, the Labor Party accumulated $240 billion in debt. It was a time of profligacy not seem outside of wars in Australia's history. We did not have a recession. We continued to maintain moderate levels of economic growth through that period, but we still racked up $240 billion in debt. When you have the accumulation of $240 billion in debt—we have more than $300 billion of debt now—on the books, we are going to have to look for other ways of funding essential services and services that we want to provide to the Australian people. That is what any sensible government would do. We have to try to find how we can continue to fund things that we want to continue to support, and I certainly want to continue to support the good work the SBS does.

Any household would do exactly the same. If they had a bit of an increase in their debt—an unforecasted and unexpected increase, which it certainly was, because the Labor Party never did forecast these deficits, despite the fact that they arose—they would look to find other ways of bringing income into that household to at least partially offset the deficit. That is all this bill does. I will go to the detail of it later, but is a very reasonable and sensible change to help fill that gap.

As I said, I do want to support the work of the SBS. I have an Anglo-Saxon or Irish name, unlike Senator Xenophon, who is fortunate enough to have a name from a southern European country. My mother had a name from a southern European country—not Greek, but Italian. I remember as young child when nonno used to come and visit he would turn on the Italian news on in the morning. He was a little bit hard of hearing, so not only could he hear it but it would wake us all up throughout the house, and we could hear what was going on in Italy—not that I could understand a word of it. But SBS does provide an essential service to, particularly, newly arrived migrants to our country. It helps them become integrated within Australia and feel that they are a part of Australia. I think it is a fantastic thing that Australia has a service like SBS. From my understanding, we are one of the few countries in the world that has a dedicated public broadcaster providing multilingual services to migrant communities. It is fitting that we are one of those countries, because we are proud multicultural country that has drawn people from all parts of the world to make up a strong and stable nation. SBS is a very important glue holding together that stable nation. So I do want to support it. I want to make sure it continues to provide those services.

We must, of course, realise that, in an environment where most other countries actually do not have the money or the resources to fund a dedicated public broadcaster for these purposes, it will be a challenge to continue to find the resources to do this going forward in strained budget circumstances. I think we can continue to do that, and I hope we do. An essential element of ensuring that we continue to do that is to allow the SBS to raise revenue from advertising and not draw on the taxpayer.

Over our history, both sides of politics have supported SBS raising money in this way. That is not a controversial element of SBS's current governance structure or current budget. Indeed, going right back to the inception of the SBS in the late 1970s, under a coalition government, it
was given the ability to receive money for program sponsorship—not advertising per se, but some form of commercial and outside funding. In the late 1980s decisions were made under a Labor government to expand that to include the sale of advertising time, particularly during the 1990 FIFA World Cup—which was actually hosted in Italy—and that was a success. That was expanded over time and in the late 1990s greater flexibility was given to SBS to take advertising dollars. That has proven to be a great success and has helped underwrite the many good shows and the content that the SBS creates.

Right now, as has been the case for many years, SBS is permitted to show 120 minutes per day of paid advertising content. The changes that this bill proposes are apparently controversial, leading some in this chamber to oppose the changes because they are radical and potentially will create a whole new monster in SBS or create a fourth commercial television network!

**Senator Xenophon:** It will! It will!

**Senator CANAVAN:** The sky will fall in! Australia will no longer be the country it once was! But wait for it: exactly what we are doing in this bill—these radical, groundbreaking, world-changing effects!—is allowing SBS 10 minutes more per hour of paid advertising. Shock, horror! I believe that is the change.

**Senator XENOPHON:** Five more.

**Senator CANAVAN:** From five to 10 minutes per hour, sorry. I am just trying to read my notes. But we are not going to change the total amount of time per day that SBS can show advertising; it will remain 120 minutes a day. I have just checked, Mr President; I apologise. Currently, it is five minutes per hour, and we are going to allow SBS to increase that to 10 minutes per hour. Currently, they have to spread that 120 minutes over the day at five minutes per hour. We are—radically!—proposing that we give them more flexibility by allowing them to take advertising up to 10 minutes per hour while still keeping the cap of 120 minutes per day. That is the radical change that apparently is going to make the sky fall in! It is still under the cap of 14 to 16 minutes per hour of advertising that that commercial broadcasters can show, and they are permitted to show 350 minutes per day. Advertising on SBS, as I have said, will remain at 120 minutes per day.

Because this is a small, extremely sensible and reasonable change to SBS's approach to paid advertising, it is not going to raise an enormous amount of money. SBS say that it will raise around $28.5 million. I recognise that other estimates, particularly from the free-to-air TV industry, say it will be much higher, and I will go to into those in more detail. But, when you take SBS's figures, the proportion of their funding that will come from paid advertising under this proposal is expected to rise from 26 per cent to 28 per cent—again, apparently a radical change that is going to somehow completely change our broadcasting landscape, if you listen to those on the other side of the chamber.

Really, the only substantive argument that has been put by those people against this change is that, somehow, because the commercial TV industry are upset by this change, we need to listen to those concerns and not make the change. That is about the only substantive argument that has been put forward against the specific changes being proposed—that the commercial TV industry are not happy. It is true that some of them are not happy, and therefore I would
like to deal briefly with some of the issues they have raised and dismiss the veracity of these claims.

SBS at the moment is not a mainstream broadcaster. It is a niche broadcaster, by definition. It is never going to earn large shares of our national audience; it is not intended to. The reason we have it is to provide services to Australians who may not—not yet, at least—be part of what would be broadly characterised as mainstream society, and it is a right and proper thing that we do that. SBS should be focused on providing services to those viewers, which is always going to mean that it will not carry or attract a great share or a great proportion of the viewing audience. At the moment, it attracts around five per cent of the national audience. That is not a figure that is growing in any great way, and I do not expect it to. That is not part of SBS's charter or approach. Its approach is to provide services to a niche section of our community, not to try and grow its audience like commercial broadcasters try, obviously. Because SBS only gets five per cent of the national audience and is restricted as to how much paid advertising it can show, it currently only gets around 1.4 to just under two per cent of the commercial TV advertising budget. The total commercial TV advertising market in 2012-13 was worth $3.8 billion and, in 2013-14, it was—

Debate interrupted.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Gallacher) (19:20): It being 7.20, I propose:

That the Senate do now adjourn.

Bring Them Home Campaign

Senator PERIS (Northern Territory) (19:20): I rise to speak of the efforts of some proud Territorians who have been working hard to bring home to Australia the bodies of 25 soldiers who were killed serving our country in the Vietnam War but were buried in Malaysia and Singapore. One of these men was Corporal Reg Hillier, the only Territorian killed in the Vietnam War. Five hundred and twenty-one Australian soldiers were killed in the Vietnam War, but only 496 of those were brought home to Australia. Reg never made it home. His family could not afford to pay the 500 quid, a lot of money back in the 1960s—all that was needed to bring their son home. The Hillier family have never stopped their efforts to bring Reg's body home.

Recently Reg's nephew and a Territorian, Neil Bond, travelled to Malaysia with the President of the Vietnam Veterans Association of Australia NT Rural Sub Branch, Bob Shewring, and Channel Nine's A Current Affair to visit the graves of Reg and others and, in doing so, brought the shameful story to our nation's attention.

The Northern Territory Vietnam veterans started a project called operation 'Bring Them Home'. Over the last six months, their work has achieved a critical breakthrough. The Prime Minister has announced that descendants who want to repatriate the remains of their loved ones from Malaysia and Singapore to Australia will be able to do so at the Commonwealth's expense.

I want to acknowledge the work of Neil Bond, Bob Shewring, Peter Mansell and Sue McCallum from the Vietnam Veterans Association of Australia Northern Territory branch.
When the Minister for Veterans' Affairs, Senator Ronaldson, was sympathetic but not committed to bringing home our soldiers, these Territorians persisted. I am proud to say that earlier this year, after hearing of this project, Labor committed to bringing them home. I would like to acknowledge the work of my territory colleagues, the member for Lingiari, Warren Snowdon MP, and Luke Gosling OAM, who worked with the shadow minister for veterans affairs, Dave Feeney, to confirm our support for this passionate grassroots veteran and community effort. I am glad that both the Northern Territory and federal governments also decided to support it and, importantly, made this a bipartisan effort.

I would like to acknowledge Keith Payne VC and the family of Cameron Baird VC MG, who also supported the project, particularly when they visited the Northern Territory as part of the Borella Ride in early March this year. So many territorians supported this campaign, including my stepfather, Les Chapman, himself a Vietnam veteran who served two tours of duty in Vietnam. Chappie is an inspiration to me. He is passionate in his unwavering belief that those who served, and particularly those who gave their lives, should be honoured.

NT Vietnam veterans will now embark on the second stage of Operation 'Bring Them Home'—the exhumation and return to Australia of Reg and the other veterans, where the families wish this to be done. I hope this is not a long process, and the government should rest assured of our bipartisan support. We will be watching closely until the job is done and we will do anything we can to assist. It has already been far too long.

It is important that we not only remember our military history but that we also understand our rich and proud history. As you would know, Mr Acting Deputy President Gallacher, my sister, Vanessa Peris, served our country in the Australian Army for 10 years. As a territorial, I know that when war came to our nation in 1942 we defended Australia from our strategic position in our nation's north. Today in the territory we remain on the front line of our nation's defence. In fact, my great-grandfather, Jack Knox, served in the 2nd/16th Battalion AIF on the Kokoda Trail. In September this year I will walk the Kokoda Trail to pay my respects to him and every other Australian service person that served in our name.

I am proud that territorians have played a key leadership role in the effort to bring the 25 Vietnam veterans home, and I am proud of our unique and close relationship with our defence and veterans communities, forged in times of war and peace. Territorians have volunteered for service in every conflict. They represent us and make us proud. Territorians today are serving in faraway lands and they are always in our thoughts and prayers. For those we have lost, we will remember them. We will pay our respects. Lest we forget.

Illicit Drugs

Senator XENOPHON (South Australia) (19:25): Tonight I would like to speak pretty much off the cuff, but from the heart, in relation to an issue that has affected hundreds of thousands of Australians—Australia's ice epidemic; the scourge of crystal methamphetamine in our community. I want to congratulate and single out the work that Triple M in Adelaide has done in the Breakfast Show with Chris Dittmar—‘Ditts’—and Mark Ricciuto—‘Roo’. Last month they spent a whole week talking about ice. They heard from former addicts; they heard from families caught up in this; they heard about the lack of rehabilitation facilities. They heard from one woman who was involved in a bikie gang where, in just one hour in a meth lab, the bikies made $360,000 in income they could obtain from producing this evil substance.
What they said was very important, because it was a matter of cutting through to an audience that needs to understand in very direct terms the impact of ice in the community.

I spoke to Chris Dittmar just a few minutes ago, and he said that they were inundated with calls when they ran the story—more so than on any other topic. They ran it every day for a week. They spoke to the people who were addicted and to the paramedics who were bashed and abused by ice addicts. There are parents who want to get their kids into rehabilitation and cannot do so. He also made the point that the response they had to their programs about the ice epidemic was unprecedented. Triple M in Adelaide did this. I urge the Austereo network to roll this out, to do what Chris Dittmar and Mark Ricciuto did, because it made the issue very real and direct for people who knew someone who was affected by and cut through in terms of getting through at a community level.

I met with one of the families who featured on the program. This family—and obviously I will not say anything to identify them—told me about how their son and brother became an ice addict and could not get help here in Australia. The help was not here. This family of ordinary means, a decent family just like millions of other families in this country, had to take out loans and had to sell assets, effectively, to fund the rehabilitation of their son and brother in Thailand, because in Chiang Mai they do have rehabilitation facilities that, by all accounts, are doing a good job. The question I ask is: why do we have that situation? Why do parents and loved ones have to take out loans to ensure that their loved one can have a fighting chance of beating the ice addiction? The government has set up a National Ice Taskforce. I note that Ken Lay, who is heading that task force, has not yet appeared on Triple M. If you are listening, Mr Lay, please go on air. These guys have done a great job and they need to hear from you sooner rather than later. This must be tackled as a matter of urgency. What Triple M did was very important in reaching a tipping point in the community, saying that this is something we must act on.

I am not being critical of the government's priorities. The government has clearly set aside hundreds of millions of dollars to tackle the threat of terrorism overseas with ISIS, or Daesh. I do not have an issue with that, but we have a home-grown threat here in Australia, where there are thousands of people addicted to ice who cannot get help or rehabilitation. Rehabilitation services are just not there; they are not readily available. We need to tackle that. We need to look at the New Zealand approach to substance abuse, where an education campaign and increased rehabilitation halved the level of ice addiction in a relatively short time. We need to look at what they do in Sweden, where they have had mandatory rehabilitation for a number of years. It is tough love but it has worked, because their level of ice use is a fraction of what it is here in Australia. We need the resources to deal with that, because right now lives are being destroyed at a completely unacceptable rate.

That is why I congratulate Triple M in Adelaide and the breakfast hosts Mark Ricciuto and Chris Dittmar for bringing this matter out into the community by making it accessible to so many South Australians. I congratulate them. I am looking forward to further programs they are doing on this issue. It makes the point that we need to do so much more to tackle ice. A task force is good, but we will need real action particularly in terms of rehabilitation services that are readily and easily accessible.
Kirner, Ms Joan Elizabeth, AC

Senator SINGH (Tasmania) (19:30): I rise to speak about a truly inspirational woman: the
late Joan Kirner AC. Joan's actions, values and tenacity both in her official parliamentary
roles and in her personal life introduced many to the world of politics, including myself. I
offer my sincere condolences to Joan's family.

As an MP Joan was an education, environment and social equity advocate. As Premier
Joan represented what can be achieved under difficult circumstances. Recognising that good
policy involves all those who are affected, Joan engaged and empowered communities to be
part of the solution. As she said, 'If you want to change the world for yourself and your own
kids, you've got to change it for and with other people, particularly women.'

And so on Friday, 5 June, I attended Joan's funeral in Melbourne along with my Tasmanian
colleagues former Premier Lara Giddings; our current deputy opposition leader, Michelle
O'Byrne; and many other Labor women from across the country, including the Leader of
Opposition in the Senate, Senator Penny Wong, Senator Anne McEwan, Senator Claire
Moore and so many more state and federal MPs. It was a day, that I thought, like many of my
Labor sisters, would never come, and when it did it certainly hit us hard. And despite the tears
and the feeling of loss it was also a day of celebration—celebration for a woman who gave us
so much, who contributed to where we are today.

Joan Kirner was a mentor like no other. She was fearless, tenacious, encouraging and so, so
supportive. I was a much younger woman when I first met Joan, and like many of us I became
absorbed by her strength, her wisdom and her belief in us that we could be leaders in our
community. My involvement with Joan began with joining EMILY's List in the late 1990s
around the same time I first met Julia Gillard, Penny Wong, Tanya Plibersek and so many
more women that would ultimately influence my decision to run for parliament. Joan decided
that I would be suited to sit on the EMILY's List national executive and, as they say, the rest
is history.

EMILY's List Australia has helped 155 women into Australian parliaments across the
country at both federal and state and territory level. EMILY's has raised $4.5 million to help
individual candidates and ensure the long-term support of progressive Labor women. I
organised fundraisers and coordinated candidate support with my Tasmanian co-convenor at
the time, Kareelle Logan, for our local Tassie ELAG—EMILY's List action group, as they
were called—and I made new friends, or sisters, in the progressive women's movement that
EMILY's was a key part of. And then in 2006 I ran for parliament for the first time with the
support of EMILY's List.

None of this would have happened—indeed, I attribute where I find myself today to the
incredible woman Joan Kirner. She was a trailblazer like no other. She gave us a strength we
did not even know we had. She gave us a confidence, a belief in ourselves that enabled us to
go forward and argue for equality. Her dear friend Hutch Hussein's words at Joan's funeral
described the legacy which she has left:

Her indomitable spirit and soul will still be with us, living on in her legacy and the memories we all
have about how she affected our lives. Joan Kirner will be deeply missed by so many, but her memories do live on within us. She
will never leave us.
Vale Joan Kirner.

Deaths in Custody

Senator LINES (Western Australia) (19:34): I rise tonight to speak about a tragedy in Western Australia: another death in custody in the women's prison just yesterday. It is a tragedy and really does need the urgent attention of the Western Australian government.

As I have spoken about in this place before, WA has a range of mandatory sentencing laws. In addition, in WA it is harder to get bail or parole and people end up in prison for the nonpayment of fines and for relatively minor offences such as breaching a move-on order. All of this adds to our prison population, and more recently those of us who support justice reinvestment over incarceration have been absolutely alarmed at the growing number of women incarcerated in WA.

WA continues to have deaths in custody. All of this should lead to a compassionate government taking serious stock of what is happening to its citizens and why it is happening. Yet, unfortunately, it falls on deaf ears with the Premier and the corrective services minister calling for more prison sentences for minor offences. And yesterday there was another death in custody: a 50-year-old woman who I believe suicided at Bandyup Prison. What a tragedy—an avoidable tragedy. I offer my condolences to the family and friends of this woman.

Last year the Inspector of Custodial Services described Bandyup as the harshest and most neglected prison in the state. The report went on to characterise women's imprisonment in WA as a crisis and Bandyup as bearing the brunt of that crisis. The number of women in prison has been growing rapidly at twice the rate of men. Bandyup is the mirror to the Barnett government's harsh sentencing laws, its tight bail and parole and its push for more mandatory sentencing.

The prison has a design capacity of 183. In December there were 348 women at Bandyup. More than one third of those women are on remand; 121 women are almost enough to fill the jail in their own right. This means women sleep on mattresses on the floor in cells designed for one that have two crammed into them, with their heads up against the toilet. This is clearly unacceptable, yet no action has been taken to address this overcrowding, apart from the Department of Corrective Services being ordered by the minister to look at options within current prisons. One of the options is to build a wall down the centre of the male prison and that option was put up last year. How long does it take to build one wall? Only 10 per cent of Bandyup’s prison population is maximum security but, of course, it is required to operate as a maximum security facility because of this figure, and this, of course, disadvantages women who are in medium and minimum security.

The inspector's report is chilling, and in April the Deaths in Custody Watch Committee of Western Australia reported in a news release:

We hope it will not take a death in Bandyup before the government acts on the numerous suggestions, reports and recommendations on women's imprisonment in Western Australia.

Well, yesterday that tragic death, a suicide, happened.

It is time for the Barnett government to review its bail and parole procedures, and it is time to stop jailing people for the non-payment of fines. Deaths in custody in WA police cells and WA jails must stop. How much longer do we wait for justice for Ms Dhu, Mr Wallam and this woman?
Employment

Senator MUIR (Victoria) (19:39): Perhaps this is a different note to usual, but I note this government is taking some much needed action in the budget to tackle the crisis of youth unemployment and to fund new programs. But I know that the way you tailor and implement the programs and who you work with to deliver the programs are going to be the real keys to success. I believe that the old Canberra based bureaucratic solutions will not work in helping young people become employable and move in to entry-level positions. The job services system, we all know, is not working for many young people in areas of high unemployment.

As many people in the public would be aware, I have been involved with the Brotherhood of St Laurence campaign on youth unemployment. One important thing I have learnt from them is that any program that is going to really make a difference in youth unemployment hotspots around the country needs to tap into the resources of those local communities. That extends to tapping into the experienced people and mentors in service and sporting clubs to linking up with school principals and, most importantly, local employers who can provide valuable work experience which can progress to paid work.

I know there is a lot of goodwill in the community towards young people and I know young people who want to work. The government needs to support local communities in finding solutions and not tie them up in red tape that dictate processes designed by public servants here in Canberra who so often are far removed from problems in local communities. The current government has committed to removing red tape and unnecessary costs and regulatory burdens for Australian businesses. I would like this commitment extended to the local communities who will play a vital role in ensuring any new programs to tackle to youth unemployment are successful.

It is not as if the most effective ways of achieving the results we all want are not known or tested. For example, I have visited the Brotherhood's employment programs in my own community in Gippsland, in Moe, and I can see on the ground what can be achieved when you have a program which has a sound method and is flexible on the ground for the challenges of that community, not to mention a highly-reputable organisation delivering it, such as the Brotherhood, which has won the backing from the local community and partners. Finally, I would like to take this opportunity to thank the Brotherhood of St Laurence—Tony, Farah and the team at the Brotherhood—who have worked tirelessly on this issue. Their work is so important in ensuring that poverty is not just alleviated, it is prevented.

Asylum Seekers

Senator LAMBIE (Tasmania) (19:42): It has become apparent that we have a Prime Minister and cabinet ministers who think that they are above the law. By his own disclosures, the Australian Prime Minister could be a party to people trafficking, because he authorised payment of $30,000 to people smugglers—international criminals—to take asylum seekers to Indonesia. There is the possibility that, because we have a Prime Minister and cabinet ministers who think they are above the law and refuse to answer questions in parliament, it may take a change of government and a royal commission for Mr Abbott and his Liberal Party friends to explain under oath to a judge why we should not view those who have assisted murderers, rapists and human rights abusers as criminals.
Senator Fawcett: On a point of order, Mr Acting Deputy President. There is clear imputation on the character of the Prime Minister and accusations that are not borne out.

The ACTING DEPUTY PRESIDENT (Senator Sterle): Senator Lambie, you may wish to reconsider those remarks.

Senator LAMBIE: Of course, I am referring to people smugglers who have no right to an assumption of innocence and who are murderers, rapists and human rights abusers until they prove their virtue. So if the world understands that people smugglers are vile criminals, why is our Prime Minister giving them cash and why are we not holding these criminals and their associates to account for their actions?

Senator O'SULLIVAN: Through you, Mr Acting Deputy President, the senator has to be very careful with these comments. These are allegations to which the Prime Minister has responded. They are imputations on his reputation. I would ask her to pay attention to her phrasing.

The ACTING DEPUTY PRESIDENT: Senator Lambie, the President has met with the temporary chairs and has suggested that we be vigilant against any imputations against any senator or member of the parliament. I would ask that you recognise that.

Senator LAMBIE: Australia and, indeed, the world must deal with people smugglers in a different manner. People smugglers are international criminals who should be taken before the International Criminal Court and held to account for their human rights abuses and crimes. If we are going to pay money to anyone, it should be to boost the resources and reach of the International Criminal Court. People smugglers, their accomplices—including government officials and politicians—wherever they live in this world should fear the ICC and the penalties of the ICC can impose on them.

If it is found that the International Criminal Court does not have the physical capability or the legislative power to investigate, put on trial and put in jail people smugglers then it is up to the countries of the United Nations to take action. Australia should take the lead on this issue and restore our nation's integrity. Our foreign minister should make a speech to the UN calling for a policy of accountability and justice when it comes to people smugglers. She should not be part of a plan which bribes with Australian cash international criminals who smuggle, murder, rape and abuse asylum seekers.

Our Prime Minister has also bungled proposals to take citizenship from terrorists. If the PM's plan to strip citizenship from Australian terrorists and their supporters is passed and made law then it is likely that it would be doomed by a High Court challenge. Australia does not need to be put through this political confusion and constitutional heartache, because the solution is simple. On 6 June I made a very public statement where I indicated that we could amend the existing laws on sedition and treason so that the penalty for those found guilty of fighting for or supporting our enemies allows for a judge or jury, as opposed to a politician, to strip them of their Australian citizenship should they hold a second citizenship. It is a position, I note, which was supported by barrister and communications minister Malcolm Turnbull. This amendment fixes the problem of breaching article 15 of the Universal Declaration on Human Rights, which says:

No one shall be arbitrarily deprived of his nationality …
A politician depriving Australians of their nationalities is an arbitrary act; a court doing the same, after going through due process, is not an arbitrary act.

While we are strengthening the laws on sedition and treason, let's also increase the maximum penalty for sedition from seven years to life in jail. In addition, those Islamic terrorists found guilty of treason and who have killed during their attacks on Australia should also qualify for the death sentence. Imagine if Man Haron Monis had survived the Sydney Lindt cafe attack. Should an Australian jury have had the option of sentencing the traitor and murderer to death? Absolutely.

Hill, Mr Mark, OAM

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (19:47): I rise to celebrate the contribution of a notable South Australian in the areas of research in agriculture, in the community and, on a broader level, in South Australia's economy. I am talking here about Mr Mark Hill OAM. I first met Mark when I was the member for Wakefield. Wakefield is a seat that stretches from Elizabeth and Salisbury in the south up to Port Wakefield and across through to Clare and Kapunda in the east. Smack in the middle of it is the township of Tarlee.

Tarlee was a place that I had heard about ever since I was a teenager. My dad, Dr Bob Fawcett, was an agricultural research scientist and he did many trials up through Tarlee and Balaklava and down in the Mallee. Later in life, as a pilot, I flew out of RAAF Base Edinburgh and Tarlee was right under the area where we used to conduct many of our tests activities. So I knew Tarlee well but I did not actually know Tarlee. When I was the candidate for election to the seat of Wakefield, I got to know many of the communities. In fact, my dad's work in things such as reduced tillage, crop rotation and stubble retention had built a fantastic legacy and so, as I moved around communities, people would ask, 'Is that who you are?'

One of the first people to do that was Mr Graham Hill, who is Mark's father. He pointed out the fact that right back in the 1970s he participated with the department of agriculture in some of the trials my dad had been involved with. Then, more recently in the 1980s, there were crop rotation trials on his farm. As part of that, I got to know him reasonably well. But Mark in particular I got to know because I asked Mark what they ran on their farm other than cereal crops. Mark said that they ran sheep. I asked him whether that was fat lambs or wool, at which he kicked my shins—and I think I still have the scar!—and informed me that they are actually prime lambs, not fat lambs. I will come to that a little bit later.

Mark followed in his father's footsteps in being someone who has dedicated his life to his community and to agriculture. He received the Medal of the Order of Australia this year in the Queen's Birthday Honours list in recognition of his service to both agriculture and livestock industries and his community in Tarlee. Mark has been on the farm since he finished school in the 1960s. He and his father have been early adopters of change over many years.

One of the key things that we in government need to remember is that we can have all the research programs we like and we can have departments that want to innovate and initiate things, but none of it will go anywhere if we do not have local people on the ground who are willing to invest their time and energy and to take a risk to try something new and help gather data to prove that something works.
Graeme and Mark have been early adopters of things such as rotating crops and reduced tillage, moving through now to direct drilling and stubble retention with minimal burning. I say that gratefully as somebody who grew up in Adelaide. I remember when it was stubble burning time that quite often Adelaide was enveloped with smoke coming from the Mid North and Adelaide Plains. Occasionally when we got a strong northerly wind, much of the good topsoil from that area also passed over our roofs, much to my mother's disgust when there was washing out. Not only the advantages of better soil structure, moisture retention and better cropping but also significant environmental benefits have come through the work that Mark has been involved in.

He has also been actively involved in the Durum Growers Association of South Australia, the Crop Science Society of South Australia, the South Australian Lamb Development Team and also the South Australian lamb committee. He was on that from 1975 to 1990. He was the chair of that for eight years. It was during that time that he transformed the categorisation and labelling of the sheep meat industry from the concept of 'fat lambs' to 'prime lambs' and changed the whole way that was marketed. He has also had a view beyond the local scene. He has been very involved with the MLA, supporting initiatives to promote lamb not only locally but also into export markets. Export from South Australia has been a significant contributor to our economy.

He has also made significant contributions to the community—for example, he has been a long-term member of the Riverton Saddleworth Marrabel United Football Club; the Rural Youth Movement of South Australia; the Tarlee CFS, where he is both a founding member and still an active volunteer; the Tarlee Tennis Club; the Tarlee Hall committee—I recall when he would organise film nights, and, as the local member, I would turn up to enjoy a film night with the community from Tarlee; as well as the Riverton and District High School committee and the Tarlee Primary School committee. I will digress briefly to say that one of my favourite memories of being the member for Wakefield in the other place was visiting Tarlee Primary School one day where the head of the school, a very well-spoken and confident young lady, came out to meet me and escorted me in and, in front of the assembled school and parents and staff, stood up to introduce me and could not work out why everybody burst out laughing when she introduced the 'feral' member for Wakefield. I thought that was fantastic, and it is still a great memory.

Mark represents the best of what I see in country South Australia—somebody who is not only committed to conserving the environment they live in and making agriculture more viable, better for them, their families, their community and the economy, but also prepared to invest in their community in a significant way over many years. Like so many South Australians, he does not do it for reward or recognition. But it is appropriate, and I am very proud of Mark, that he has been recognised with the award of an OAM. To Mark, from here in the Senate, I would like to say thank you for your friendship, for your support during my time as the member for Wakefield and also now in my term as a senator, and particularly thank you for your contribution to your community, to the industry of agriculture and to our state. Congratulations, again, Mark Hill OAM.

Workplace Relations

Senator LUDWIG (Queensland) (19:54): Tonight I want to take a short time in the Senate to talk about cleaners more broadly, and the Commonwealth Cleaning Services
Guidelines that apply to them. I will take you back to the Fair Work Ombudsman’s report *National cleaning services campaign of 2010-11*, which revealed that 37 per cent of employers in the cleaning services sector did not comply with workplace laws, 48 per cent underpaid wages, 39 per cent failed to issue payslips or keep accurate records and 12 per cent breached penalty rate rules. Not a good score! This is an industry in which 65 per cent of people employed are 40 years of age and older and 47 per cent are born in countries other than Australia. The cleaning sector is an industry that has some of Australia’s lowest paid workers and they are subject to a greater chance of contravention of their workplace rights, with many cleaners afraid to speak up about employers offending their rights at work. That is why, in 2009, the previous government introduced the Cleaning Services Guidelines and signed the Clean Start agreement to make sure that government contracts adhere to workplace laws and to ensure that our cleaners got a fair day’s pay for a fair day’s work. These guidelines ensured whole-of-government procurement on cleaning contracts was consistent with fair work principles and gave cleaners the certainty and the stability of a minimum hourly base rate of pay for cleaners employed on government contracts.

Before the election, the Prime Minister told the Australian people that ‘Workers’ pay and conditions are safe with us’. However, as a part of the government’s red tape repeal day last year, the Liberals repealed the Commonwealth Cleaning Services Guidelines. When asked about this in the House on 16 June, the Prime Minister made it ‘absolutely crystal clear’ that his government had not ‘reduced the pay of any cleaner full stop, end of story.’ That is the refrain. You have heard it before, I suspect. Senator Abetz on the same day stated that ‘when the guidelines were removed nobody’s pay was cut’. But this is a government that says one thing to the parliament and does the complete opposite to suit themselves.

Since the abolition of the Cleaning Services Guidelines, new contracts entered into by the Commonwealth have seen a reduction in wages for some of Australia’s lowest paid workers. *The Canberra Times* on 25 May reported that cleaners at the Department of Foreign Affairs and Trade had seen a cut in the annual rate of pay of up to $6,000. That is $100 less a week for cleaners in departmental buildings. *The Canberra Times* on 2 March 2015 reported that contracted cleaners at the Department of Immigration and Border Protection were receiving $2 less per hour than prior to the minister removing the guidelines. *The Canberra Times* also reported that a letter was sent from the immigration and border protection department cleaners to the Minister for Immigration and Border Protection, Peter Dutton, saying the pay cut ‘may not seem like much to you but when you don't earn a lot this really does make a big difference’, to which the department coldly replied that ‘due to the uncertainty around the removal of the guidelines, the tender of the contract we work for was based on three different pay rates. Unfortunately the department chose to accept a reduced pay rate.’

This is not acceptable when you have the Prime Minister and the Leader of the Government in the Senate saying that cleaners’ pay is safe; they will not have reduced pay. These are the lowest paid workers. They work in Parliament House; they work across government. What the department did was to simply say, ‘We will just choose the lowest rate which suits us.’ Not only did the government guarantee to the parliament that no cleaner’s wages on government contracts would be cut; they considered better standards and conditions for low-paid workers as red tape. This is another example of the twisted and out-of-touch priorities of this government.
Cleaners are already doing it tough in the workplace, but they work hard to make a living and to provide for their families. They are people who are incredibly committed and dedicated to their work—especially the cleaners who are employed to clean Parliament House, who require professional cleaning skills and the highest amount of discretion and professionalism.

Many cleaners work two or three jobs just to make ends meet or to give their children a better life and opportunity than they could either afford or have access to themselves. They should be congratulated for the hard work that they do on behalf of their families. They are in many instances second-income earners to support their families. As many cleaners are telling this government, a $2 reduction of their hourly rate may not mean much to the Prime Minister, it may not mean much to Minister Abetz, but it means the difference between whether or not they can afford to pay their overdue bill or put food on the table for their families. But we have a minister in this place and a Prime Minister who are divorced from the human impact of their decisions.

Cleaners are some of Australia's lowest paid workers. They cannot afford to have their pay troubled in the way that this government wants to trouble it, to make it uncertain, to reduce it. This will cause cleaners greater uncertainty about what the next month or the next year will bring for their pay. This is not a future that Australians want to see for cleaners or their families. All that the government contracted cleaners are asking for is certainty when they go to work and a fair deal when it comes to their pay. Senator Abetz and the Prime Minister have not been straight with the parliament on this issue, and they have let cleaners down badly. This is, quite frankly, further evidence that the Australian people simply cannot trust this government on workplace relations.

This is a government that thinks it can get away with cutting penalty rates for workers and bringing back individual agreements that rip away basic standards and conditions. We can see this in the actions that the government is already taking through the Fair Work Amendment Bill 2014. It is another simple attack on workers rights at the workplace. If the bill is passed, it will be a small step on the pathway back to Work Choices under the coalition: stripping the rights of workers and reintroducing unfairness into the workplace. This is a government that pretended to walk away from Work Choices. It is now crabbing its way back to Work Choices any way it can. This is clear from the Fair Work Amendment Bill and it is clear from the so-called red tape removal of guidelines for cleaners. Labor does not stand for that. What we want to see is a future where working Australian families can earn a fair day's pay for a fair day's work. This government simply cannot be trusted when it comes to workers rights.

Western Australia: Roads

Senator LUDLAM (Western Australia—Co-Deputy Leader of the Australian Greens) (20:03): I rise tonight to speak about the so-called Perth Freight Link—an unwelcome intrusion into the lives of the residents of Perth's southern suburbs. This is a campaign that has had a very, very long fuse. It was lit as long ago as the late 1950s with the Stephenson-Hepburn plan that mandated a ring, a network, of freeways for road and rail passenger and freight transport throughout the Perth metropolitan area. The city, by and large, has grown along the spine of that original plan in the late 1950s. The rail, unfortunately, was largely discarded, and we have been left with one or two ghost freeways, lines on maps, reservations and easements that have been left behind—reflections of an age that has long ago passed us but nonetheless are being progressed by the Abbott government in an act that I would say is—
and there are a number of candidates for this label—one of the most extraordinarily irresponsible funding decisions made by a government of any flavour in my experience.

The Perth Freight Link proposes to smash four to six lanes of tarmac through the Beeliar Wetlands, wrecking a recognised Aboriginal site that is sacred to the local Nyoongar people, a camp site that still bears the traces of when people would make their way up from the south-west into the area of the Swan coastal plain, into the area that is now occupied by the city, and that now is an area of internationally recognised wetlands, the Beeliar Regional Park. We understand that the proposed freight link is then to carry on up Stock Road, destroying one of the last stands of intact banksia woodland on the way through, join onto the Leach Highway and then somehow make its way across the Swan River and into the container port in Fremantle. The Abbott government has committed, sight unseen, nearly $1 billion to this concrete obscenity, to a project that might as well have been sketched on a bit of butcher's paper for all the detail that local residents, local planners or local councils for that matter have been given. The state government that has proposed this thing will not release the cost-benefit analysis. Nobody has seen the business case, including Infrastructure Australia—the Commonwealth bureaucrats who are tasked with assessing this. The Prime Minister had already made the announcement that he would be supporting it. The state government does not even know where this freeway will go. They do not have any idea how it is going to make its way into the port of Fremantle.

Premier Colin Barnett, do you remember when you used to go to COAG meetings and you would sit down next to Premier Napthine from Victoria? Do you notice how he is not there anymore? The reason for that is that the Liberals in Victoria got thrown out of office when they threw their political fortunes in with the East West Tunnel. It cost them an election. That is what is about to happen in Western Australia if the Barnett government does not read the signs about what is coming. State transport minister Nalder just appears to be flailing around helplessly in the prosecution of this project. People must just shake their heads. Whether you live in the impact area or not, this is an utter debacle in the making. Mr Nalder could not even tell residents in Palmyra whether or not they would be losing their houses as this freight highway barges through Perth's southern suburbs on its way into the port. Mr Nalder said of residents:

I can understand their anguish but we are still at the early stages of finalising that route into the Port of Fremantle.

The state transport minister and Premier Barnett should be thoroughly condemned for the way in which they have handled this project.

I have never seen a project that is more like a headless monster that the government is determined to push through, no matter how many houses have to be destroyed and no matter how much bushland is pushed under bulldozer blades in the process. They do not even know whether it is going to be a road or a tunnel. Residents of Bibra Lake and North Lake do not know yet whether this is to be an elevated freeway that will fly over the wetlands, making it the most expensive section of freeway ever built in Western Australia, or whether it is planned to smash through at ground level. Residents of North Fremantle do not know, because neither does the government, how the Perth Freight Link is going to connect to the port. All it is doing is creating an extraordinary bottleneck of container traffic on the back of
trucks that are going to be charging into the port, somehow bottlenecked in from this so-called freight link.

The city of Fremantle, which is doing, I think, a great job on behalf of rate payers to try to pull the state and federal governments back from this madness, has commissioned a report by the Curtin University Sustainable Policy Institute—CUSP. That independent report, commissioned by the city of Fremantle, has described the best option as being that the Perth Freight Link be redirected to Kwinana and that a cap and transition scenario be used for Fremantle harbour to enable building the outer harbour, as originally planned in Perth's planning scheme. The second best option is to upgrade the rail system using electrification and double stacking, which will require a dedicated rail bridge, and that is something that the Greens had costed at the last election. The third best, although very expensive, is a rail tunnel from the inner harbour, under the Swan River, emerging in Spearwood, on the current freight rail alignment. The fourth best option is to have a road tunnel from High and Leach to dive under White Gum Valley and Clontarf Hill to emerge onto the Roe 9 right of way, although extraordinary issues would then still remain on the North Fremantle bottleneck, and we would still be sacrificing our corridor through the Beeliar Wetlands.

The study identified that what the state and federal governments are blindly pursuing is the worst possible option for dealing with freight traffic in and out of Fremantle harbour, and so what we are calling on tonight is for the state and federal governments to cease this headlong rush. The Commonwealth government, which says that it is so desperately financially strapped, should not commit a dollar to this project until the state government can sort out what on earth it is doing. With this evidence now on the table, we believe there is a path forward for managing freight traffic that does not involve the kind of disastrous impact on neighbourhood amenity, on urban bushland, on the wetlands of the Beeliar wetland chain and on the Aboriginal heritage that happens to be under the path of this freeway.

To the tenderers involved in this project, this is something you really do not want to be involved in. Our office did a little bit of backtracking and a bit of research of the three tenderers. Can you imagine that this thing has gone out. This project is worth $1.6 billion. The government does not yet know where it is going, how much it is eventually going to cost, or how much it is going to do, yet they are in the process of letting tenders for its construction. The first tendering consortium, led by BGC Contracting, as far back as the records that we could identify, identified $23,000 in donations to the state and federal Liberal parties. So congratulations to you BGC Contracting. The second batch of tenderers, led by Clough—$90,000. A wonderful contribution to the fortunes of the federal and WA Liberal and National parties. The third tenderer, led by Leighton—$1,506,850. All three tendering consortia for this project have been generously donating to the Liberal Party.

We say to you tonight, if you are listening in from outside this building and you happen to be involved in one of the companies tendering to dump enormous volumes of concrete through people's neighbourhoods, this is one contract you do not want to win. It is one contract that you do not want to win, because the fight you will be picking is not just with the Greens, and it is not with the Labor party—it is with people who have been trying to stop this project for decades, whether it be the Bibra Lake and North Lake residents associations, the Cockburn Community Wildlife Corridor Association, the Coolbellup Community Association, groups like the Wetlands Conservation Society, the Fremantle Road to Rail...
group, Willagee Alive or Save Beeliar Wetlands. These groups have led this campaign for years. Also, there are the Fremantle Environmental Resource Network, FERN, which would have to be demolished if this thing ploughs through on Leach Highway, the North Fremantle Community Association, the Wildflower Society, the Conservation Council, the Maritime Union of Australia, and the Urban Bushland Council. The number of these groups is growing every week. So tonight I am saying that, if you are outside this building and you are listening in and you want to do something to stop this project, my message is: we are going to stop the Perth Freight Link. It will not destroy the Beeliar wetland chain. It will not disfigure neighbourhoods from Northlake all the way through to North Fremantle.

The $1.6 billion worth of taxpayers money could be better deployed in getting freight onto rail and in getting passengers onto rail as well. Tonight, I am asking: will you join us? That means targeting those contractors if they are so unwise as to put in bids to flatten these neighbourhood areas and these urban bushland areas, and to take the fight up to the Barnett government and to the Abbott government. Not a dollar worth of taxpayers money should be spent on this project. There are far better alternatives than what the government has in mind. We will see this campaign through. The Perth Freight Link Project will not be going ahead in its current form. We urge the government to listen to the evidence and to listen to the community.

Kingston Beach Surf Life Saving Club

Sense-T Program

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (20:13): Tonight I am going to talk about two different events I have recently attended. The first is the Kingston Beach Surf Life Saving Club dinner. As an island state, Tasmania has an abundance of beaches enjoyed by locals and visitors. Many people do not know that Tasmania has more coastline than New South Wales or Victoria. The men, women, boys and girls of the surf lifesaving clubs around Tasmania work very hard to make our beaches safe and to protect and rescue swimmers.

Recently, I attended the annual dinner and awards night of the Kingston Beach Surf Life Saving Club. Kingston Beach is one of the most popular beaches in Tasmania, located just a few minutes south of Hobart. It is the area where I live, so I know how beautiful it is. Consequently, Kingston Beach Surf Life Saving Club is one of the largest and most active clubs in Tasmania, and it is run on volunteer labour. I have spoken previously in this place about the importance to Australian society of volunteering. It cannot be underestimated. Members of the club contributed in excess of 2,300 hours of volunteer patrol and water safety duties. The patrolling members have contributed significantly to keeping Kingston Beach safe and have assisted many organisations to undertake their water based activities safely. In addition many, many hours have been volunteered to training, education and organizing the club. As a result, members have responded in the last year to 29 first aid incidents. They have undertaken 151 preventative actions and 23 rescues. As a consequence, beach visitor numbers grew 30 per cent—from 29,000 to a record 38,000. Around 10,000 of these visitors attended the beach on 26 January for Tasmania’s largest Australia Day event, A Day on the Beach. As patron of this event, I would like to thank the Kingston Beach Surf Life Saving Club for the absolutely amazing support they provide to the day.
Member training has been significant during the past 12 months. It allows the club's volunteers to be able to manage a variety of situations successfully. The trainers and assessors have contributed significant hours to ensure the ongoing development of the club's member base. Many members of this club have contributed to it for a number of years—even decades, in some cases.

At the annual dinner, a number of these volunteers were recognised for their contribution. Fletcher Cheviot, Ben Dadswell, Kelly Dyer, Bridget Fasnacht, Nathan Gadsby and Scott Ragg were all recognised for five years service. Sandra Gadsby and Marg Little were both recognised for 10 years service to the club. I would just like to make a special mention of Kelly McInnes and Paul Munday, who were recognised for an incredible 15 years service. Kelly commenced her lifesaving involvement in 1996 at Kingston Beach as a nipper, gaining her surf rescue certificate in 1999 and bronze medallion in 2001. Kelly has been an active competitor and patrolling member at both Clifton Beach and Kingston Beach. She has served as a committee member, training officer, first aid officer and patrol captain. She has attended several national development camps and provides mentoring and leadership to our youth.

Paul gained his surf rescue certificate in 1998 and bronze medallion in 2000. He has actively patrolled at both Clifton Beach and Kingston Beach, gaining numerous awards along the way. He has been actively involved in coaching, training and assessing, and officiating, having gained level 2 official accreditation last year. He has also actively been involved in committees in various roles, including lifesaving and junior activities coaching, and he is currently the founding president at Kingston Beach. Paul has also been recognised at a state level as volunteer of the year and surf lifesaver of the year.

Philippa Lohrey also needs to be congratulated on winning the club's highest honour, the president's award. She has contributed significantly to the success of the Kingston Beach Surf Life Saving Club as a lifesaving officer; vice president; committee member, patrol captain and mentor. Philippa is active within the lifesaving movement and has been part of the development team associated with the lifesaving camps held this past season. In addition, the club's sponsors and supporters have enabled the club to make numerous improvements over the last year. These include: securing new equipment for front-line services; running education programs; and developing community events, in particular the Ocean Swims. The sport of surf lifesaving is an important part of the club's activities. The club has participated in the state lifesaving championships in Burnie, with a number of outstanding performances being achieved by club members. In addition, members of the club also performed well at a number of national competitions and I would like to congratulate them all on their successes.

The club's future is bright with the preparation of a development application for a combined facility, including restaurant and clubhouses on the existing—rather ugly, I might say—toilet block site on Osborne Esplanade. The club is working closely with council and the consortium to ensure that a good outcome is achieved for members, for the general public and for the club's activities. I am excited to see how the development progresses and to see the potential of the new facilities realised to improve the club's activities and the experience of beachgoers. I wish the club every success into their future. I also wish to thank everyone involved for their selfless volunteering to such an important organisation.

The other issue I wish to speak to tonight is in regard to the Sense-T project. Sense-T was established through a partnership between the University of Tasmania, the CSIRO and the
Tasmanian government. It collects data from a range of public and private sources, particularly from sensors, and then analyses the data to support better decision making and solve practical industry problems. Sense-T was established in mid-2012 with funding of $3.6 million from the Tasmanian Labor government. That funding was provided to support economic growth in regions affected by the forestry downturn. It later received another $13 million funding from the Australian government, through Labor's jobs and growth plan.

Senator Carol Brown—one of my Tasmanian colleagues—and I met with representatives of Sense-T last week to get a briefing on their progress. Partnering with industry, Sense-T have completed four exciting stage 1 projects, including a pasture growth prediction tool, a water use management tool for irrigators, monitoring environmental conditions in shellfish farms and a tool to help vineyards avoid disease. Among the 14 stage 2 projects that Sense-T is embarking on is a project to track tourists and receive feedback about their visitor experiences.

Sense-T has also established Sense-Co, a company that will commercialise Sense-T's projects. The profits generated by Sense-Co will go back into Sense-Co to fund research and development, with the aim of eventually making the enterprise self-sustaining. The work that Sense-T is doing is world leading and is contributing enormously to productivity and economic growth within Tasmania. There is a lot more to say about Sense-T and their exciting work, but I understand that Senator Brown intends to cover this in more detail in an adjournment contribution later on. However, it demonstrates the decision making and economic power that can be harnessed by sensors.

This leads me to an important point about an observation made by the consulting firm, Gartner. In 2014, 3.9 billion devices were connected to the internet worldwide. This increased to 4.9 billion in 2015—a 30 percent increase. Gartner predicts that by 2020 there will be 25 billion devices connected worldwide. While connected devices typically include desktop computers and smart phones, increasingly other devices are being connected such as televisions, cars and even refrigerators. We know this is going to add exponentially to our household and business data needs, and increasing data means an increasing need for internet speed.

As a member of the Senate Select Committee on the National Broadband Network, I have commented on the need for broadband speed before. We have heard the most incredible statements from the Minister for Communications that 15 megabits per second would be sufficient for the average household in 2023—never mind that almost a third of NBN users are already selecting plans with 50 megabits per second or more. Only last month, we learnt in budget estimates that, despite almost two years in government, there is not a single commercially available connection—home or business—to the government's second-rate fibre-to-the-node NBN.

This government promised 25 megabits per second to every home and business by the end of next year. Fibre to the node was meant to speed up the rollout and yet it is still stuck in the 'planning and development' stage. As each day passes, we hear more and more evidence that broadband consumers' needs for bandwidth are growing. As each day passes, we hear more and more evidence that the government's abandonment of fibre to the premises has actually slowed—not sped up—the NBN rollout. When Labor started building the NBN we were working on a network that would last us a century, not just a decade. Under this government,
we are getting a network that will barely see us through the next few years, and our economy will suffer as a result.

**UNICEF Australia Young Ambassadors**

Senator MOORE (Queensland) (20:22): This year is the 25th anniversary of the Convention on the Rights of the Child. As part of the commemoration and celebration of this important event, the UNICEF Young Ambassadors decided to go to Australian young people and ask them what their rights are, how they see their rights and what they think are important. This afternoon I met with two of this year's team of UNICEF Australia Young Ambassadors, Hiba and Catherine. They have a one-year voluntary role where young people work with UNICEF to learn about their voices, perspectives, ideas and times so that they can learn more about themselves and children.

The program, to celebrate the 25th anniversary, was to talk with young people in Australia, with children. The process put in place was with the young ambassadors and advocacy staff. They decided to ask young people across Australia seven questions, which would focus on the core areas of the convention. These are: non-discrimination, the best interests of the child, survival, growth and development, protection and participation.

The seven questions were quite straightforward: what's important to you and why? Do you feel safe in your local community and what would make you feel more safe? What worries you? Do you feel included in decisions that are made at home, school and with your family? We know that kids have different lives and experience; are there children in Australia you worry about, and why? We have a National Children's Commissioner. What would you like to say to her? The last question is: what do you think the government should spend its money on?

I do not have every answer from each one of the children the ambassadors spoke with, but across 28 schools in our country, in kindergarten, primary and secondary—1,157 children—the online survey had 285 responses. The wonderful Girl Guides in New South Wales and the ACT actually had 93 of their girls involved. This totalled 1,535 children who told the ambassadors what they thought was important to them.

They have produced a report called *Things that matter: children in Australia share their views* and it is available online. This shows us that young people in Australia do care about what is happening in their world and that they are very complex and special young people. They have different views and different concerns, but what is important to them is safety, their families, and concerns about bullying and the lack of safety in their communities. A number of young people were particularly concerned about the safety of children in Australia, and their rights and protections. They had an extraordinary amount of knowledge on what is happening in our world.

The young people spoke fully about their concerns regarding asylum seekers, refugees and war. These young people knew there was war in our world and they were concerned about it. They talked about issues of children with disabilities. They talked about climate change. They talked about poverty. They knew that young people in our nation were not being treated equally—that there was poverty in Australia and someone should do something about it. This was one of the things they thought the Australian government, their politicians, should spend their money on.
The report came up with 13 major recommendations to government as well as four recommendations to the National Children's Commissioner. I believe the young people have already met as ambassadors with the National Children's Commissioner. They talked about her role, what the people with whom they had done interviews knew about her role and what they thought their children's commissioner should do to listen and respond to the children of Australia.

One major recommendation—they call it the 'big one'; the big recommendation—was that they would like our government to develop a national plan for children. Twenty-five years after the convention was signed and many nations of the world have signed onto the protocols, including Australia, the young people do not feel there is a clear plan developed by our governments to look at the needs of children. We need to ensure that children are happy, healthy, safe and treated fairly.

The fact that we do not have a plan—according to the young people who were talking about the fact that we needed one—makes it difficult for us to measure exactly how far we have come as a nation. So many young people have read the international Convention on the Rights of the Child and can see where they fit into that plan. They want to know how Australia is doing. They see what is happening in their own communities. The young ambassadors were able to visit schools and talk with young people in most states of Australia. Most of this was facilitated through wonderful schools that facilitated the process through visits and sessions in the schools. The inside front cover of the report lists the schools that signed up to be part of it. I would like to commend all of them. I am not going to read all of them into the record but I hope that parliamentarians will find out whether schools in their own electorates were part of that and whether these schools will be part of future activities.

When the young people had the chance to talk, it was important that they felt their voices would be heard, and they wanted their voices to be heard. They did not want this to be just an exercise, just another questionnaire that they filled in. They had messages for us in parliament and for the wider community. They want to see that governments care about making sure children are happy, healthy, safe and treated fairly. That is the goal. The kids understood that not all children in our community have the benefits of being happy, healthy, safe and treated fairly. They had great knowledge and insight into that and they cared, because they wanted to see that children can work together and communicate and make a difference in their communities.

The ambassadors have agreed that they will talk to their parliaments about the recommendations they have, and I hope many, many parliamentarians took the opportunity today to meet with the UNICEF ambassadors who came to see us. They are going to be talking to the UN Committee on the Rights of the Child. An arrangement has been made for that to happen. They have already met with the Children's Commissioner and they will continue to work in their own communities, through their school communities and also through the wonderful people at ABC Online, who helped develop the online strategy to make sure people understand that young people care and they want to make a change in the community.

More than 1,500 voices were heard in the making of this response. The key concern was to ensure that there was safety in the community. They were worried about this. As we know, so much has been said in here about the need for responses to issues around bullying and child...
protection. These young people were at various stages of understanding—the young people who were involved were aged between four and 18—and the ambassadors took great care to ensure that people felt as though they were safe when talking with them and that their voices would be heard, so special age groups were engaged.

It is so important that we respond now that we have had this challenge put to us by our young people that they want their parliaments take action—and they are more than happy to be involved in the action that we put in place; they want to be part of that response. So to the young ambassadors, including the two young women I met this afternoon, I say congratulations. To all of the young people who were involved, I thank you for your time and for the range of responses. It really makes fascinating reading, and I encourage people to take the opportunity to look at the report, to see the range of issues that were covered and also to hear the responses of people who care about their community.

UNICEF will continue to do this work, but there is a particular focus this year because of the 25th anniversary of the convention. We do report on our responses to the UN, and this is going to be a particularly important element in our plans moving into the future because when we have the opportunity to listen to the voices of our young people, then the commitment we have to make to them is that they have a voice and it should be loud enough for us to hear.

Senate adjourned at 20:32

DOCUMENTS

Tabling

The following documents were tabled by the Clerk pursuant to statute:
Commissioner of Taxation—Public Rulings—
Goods and Services Tax Rulings—
Addenda—GSTR 2002/5 and GSTR 2004/1.
Erratum—GSTR 2014/1.
GSTR 2015/2.

Migration Act 1958—
Direction under section 499—Priority for considering and disposing of applications for specified visas made by persons who reside, or have resided, in an Ebola Virus Disease affected country—No. 66.
Notice under section 501C—13 April 2015.

Tabling

The following government documents were tabled:
The following documents were tabled pursuant to standing order 61(1)(b):
Australian National Preventive Health Agency (ANPHA)—Report for 2013-14—Corrigendum.


Migration Act 1958—Reports for the period 1 November 2014 to 28 February 2015—

CHAMBER
Section 91Y—Protection visa processing taking more than 90 days [Final report].
Section 440A—Conduct of Refugee Review Tribunal reviews not completed within 90 days [Final report].

Treaties—


**Multilateral**—


Marrakesh Treaty to Facilitate Access to Published Works for Persons who are Blind, Visually Impaired, or Otherwise Print Disabled (Marrakesh, 27 June 2013)—Text, together with national interest analysis.