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### SITTING DAYS—2015

<table>
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<th>Month</th>
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<td>February</td>
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<tr>
<td>March</td>
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<td>November</td>
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<td>December</td>
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- **PERTH**: 585AM
- **SYDNEY**: 630AM

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FORTY-FOURTH PARLIAMENT
FIRST SESSION—SEVENTH PERIOD

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

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

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

Printed by authority of the Senate
<table>
<thead>
<tr>
<th>Senator</th>
<th>State or Territory</th>
<th>Term expires</th>
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<tr>
<td>Abetz, Hon. Eric</td>
<td>TAS</td>
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<tr>
<td>Back, Christopher John</td>
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<td>Bernardi, Cory</td>
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<tr>
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<td>Fierravanti-Wells, Hon. Concetta Anna</td>
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<td>Leyonhjelm, David Ean</td>
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<td>McLucas, Hon. Jan Elizabeth</td>
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<td>Moore, Claire Mary</td>
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<tr>
<td>Muir, Ricky Lee</td>
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<td>Nash, Hon. Fiona Joy</td>
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Pursuant to section 42 of the Commonwealth Electoral Act 1918, the terms of service of the following senators representing the Australian Capital Territory and the Northern Territory expire at the close of the day immediately before the polling day for the next general election of members of the House of Representatives.

<table>
<thead>
<tr>
<th>Territory</th>
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<th>Party</th>
<th>Senator</th>
<th>Party</th>
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<td>Northern Territory</td>
<td>Gallagher, K.</td>
<td>ALP</td>
<td>Peris, N.M.</td>
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<tr>
<td></td>
<td>Scullion, N. G.</td>
<td>CLP</td>
<td></td>
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</table>

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

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

<table>
<thead>
<tr>
<th>Title</th>
<th>Minister</th>
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<tbody>
<tr>
<td>Prime Minister</td>
<td>Hon Malcolm Turnbull MP</td>
</tr>
<tr>
<td>Minister for Indigenous Affairs</td>
<td>Senator Hon Nigel Scullion</td>
</tr>
<tr>
<td>Minister for Women</td>
<td>Senator Hon Arthur Sinodinos AO</td>
</tr>
<tr>
<td>Cabinet Secretary</td>
<td>Senator Hon Michaelia Cash</td>
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<tr>
<td>Minister Assisting the Prime Minister for the Public Service</td>
<td>Senator Hon Mitch Fifield</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for Digital Government</td>
<td>Hon Michael Keenan MP</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for Counter Terrorism</td>
<td>Hon Alan Tudge MP</td>
</tr>
<tr>
<td>Assistant Minister to the Prime Minister</td>
<td>Senator Hon James McGrath</td>
</tr>
<tr>
<td>Assistant Minister for Productivity</td>
<td>Hon Dr Peter Hendy MP</td>
</tr>
<tr>
<td>Assistant Cabinet Secretary</td>
<td>Senator Hon Scott Ryan</td>
</tr>
<tr>
<td>Minister for Infrastructure and Regional Development</td>
<td>Hon Warren Truss MP</td>
</tr>
<tr>
<td>(Deputy Prime Minister)</td>
<td></td>
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<tr>
<td>Minister for Resources, Energy and Northern Australia</td>
<td>Hon Josh Frydenberg MP</td>
</tr>
<tr>
<td>Minister for Territories, Local Government and Major Projects</td>
<td>Hon Paul Fletcher MP</td>
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<tr>
<td>Assistant Minister to the Deputy Prime Minister</td>
<td>Hon Michael McCormack MP</td>
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<tr>
<td>Minister for Foreign Affairs</td>
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<tr>
<td>Minister for Trade and Investment</td>
<td>Hon Julie Bishop MP</td>
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<tr>
<td>Minister for International Development and the Pacific</td>
<td>Hon Andrew Robb AO MP</td>
</tr>
<tr>
<td>Minister for Tourism and International Education</td>
<td>Hon Steven Ciobo MP</td>
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<tr>
<td>Assistant Minister to the Deputy Prime Minister</td>
<td>Senator Hon Richard Colbeck</td>
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<tr>
<td>Attorney-General</td>
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<tr>
<td>(Vice-President of the Executive Council)</td>
<td>Senator Hon George Brandis QC</td>
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<tr>
<td>(Leader of the Government in the Senate)</td>
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<tr>
<td>Minister for Justice</td>
<td>Hon Michael Keenan MP</td>
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<tr>
<td>Assistant Minister for Multicultural Affairs</td>
<td>Senator Hon Concetta Fierravanti-Wells</td>
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<tr>
<td>Treasurer</td>
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<tr>
<td>Minister for Small Business</td>
<td>Hon Scott Morrison MP</td>
</tr>
<tr>
<td>Assistant Treasurer</td>
<td>Hon Kelly O’Dwyer MP</td>
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<tr>
<td>Assistant Minister to the Treasurer</td>
<td>Hon Kelly O’Dwyer MP</td>
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<tr>
<td>Minister for Finance</td>
<td>Hon Alex Hawke MP</td>
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<tr>
<td>(Deputy Leader of Government in the Senate)</td>
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<tr>
<td>Special Minister of State</td>
<td>Senator Hon Mathias Cormann</td>
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<tr>
<td>Minister for Agriculture and Water Resources</td>
<td>Hon Barnaby Joyce MP</td>
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<tr>
<td>Assistant Minister for Agriculture and Water Resources</td>
<td>Senator Hon Anne Ruston</td>
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<tr>
<td>Minister for Industry, Innovation and Science</td>
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<td>Hon Wyatt Roy MP</td>
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<tr>
<td>Minister for Immigration and Border Protection</td>
<td>Hon Peter Dutton MP</td>
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<td>Title</td>
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<tr>
<td>Minister for the Environment</td>
<td>Hon Greg Hunt MP</td>
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<tr>
<td>Minister for Cities and the Built Environment</td>
<td>Hon Jamie Briggs MP</td>
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<tr>
<td>Minister for Health</td>
<td>Hon Sussan Ley MP</td>
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<tr>
<td>Assistant Minister for Health</td>
<td>Hon. Ken Wyatt MP</td>
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<tr>
<td>Minister for Sport</td>
<td>Hon Sussan Ley MP</td>
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<tr>
<td>Minister for Rural Health</td>
<td>Senator Hon Fiona Nash</td>
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<tr>
<td>Minister for Defence</td>
<td>Senator Hon Marise Payne</td>
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<tr>
<td>Minister for Veterans’ Affairs</td>
<td>Hon Stuart Robert MP</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for the Centenary of</td>
<td>Hon Stuart Robert MP</td>
</tr>
<tr>
<td>ANZAC</td>
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<tr>
<td>Minister for Defence Materiel and Science</td>
<td>Hon Mal Brough MP</td>
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<tr>
<td>Assistant Minister for Defence</td>
<td>Hon Darren Chester MP</td>
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<tr>
<td>Minister for Communications</td>
<td>Senator Hon Mitch Fifield</td>
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<tr>
<td>Minister for the Arts</td>
<td>Senator Hon Mitch Fifield</td>
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<tr>
<td>(Manager of Government Business in the Senate)</td>
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<tr>
<td>Minister for Employment</td>
<td>Senator Hon Michaelia Cash</td>
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<tr>
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<td>Hon Christian Porter MP</td>
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<td>Minister for Human Services</td>
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<tr>
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<td>Senator Hon Simon Birmingham</td>
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<tr>
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<td>Hon Luke Hartsuyker MP</td>
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<tr>
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</table>

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. Assistant Ministers in italics are designated as Parliamentary Secretaries under the *Ministers of State Act 1952.*
<table>
<thead>
<tr>
<th>TITLE</th>
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<tr>
<td>Shadow Minister Assisting the Leader for Science</td>
<td>Senator Hon. Kim Carr</td>
</tr>
<tr>
<td>Shadow Minister Assisting the Leader for Small Business</td>
<td>Hon. Bernie Ripoll MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Small Business</td>
<td>Julie Owens MP</td>
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<tr>
<td>Shadow Cabinet Secretary</td>
<td>Senator Hon. Jacinta Collins</td>
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<tr>
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<td>Hon. Michael Danby MP</td>
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<tr>
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<tr>
<td>Shadow Minister for Foreign Affairs and International Development</td>
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<tr>
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<tr>
<td>Shadow Minister for Infrastructure and Transport</td>
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<td>Shadow Minister for Cities</td>
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<tr>
<td>Shadow Minister for Tourism</td>
<td>Hon. Julie Collins MP</td>
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<tr>
<td>Shadow Minister for Regional Development and Local Government</td>
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<tr>
<td>Shadow Parliamentary Secretary for Regional Development and</td>
<td>Hon. Alannah MacTiernan MP</td>
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<td>Hon. Dr Andrew Leigh MP</td>
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<td>Shadow Parliamentary Secretary to the Shadow Treasurer</td>
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<td>Shadow Minister for Environment, Climate Change and Water</td>
<td>Hon. Mark Butler MP</td>
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<td>Shadow Minister for Higher Education, Research, Innovation and Industry</td>
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<td>Shadow Minister for Communications</td>
<td>Hon. Jason Clare MP</td>
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<td>Shadow Minister for the Arts</td>
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<td>Hon. David Feeney MP</td>
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<td>Shadow Parliamentary Secretary to the Shadow Attorney General</td>
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<td>Shadow Parliamentary Secretary for the Arts</td>
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<td>Shadow Minister for Education</td>
<td>Hon. Kate Ellis MP</td>
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<td>Shadow Assistant Minister for Education</td>
<td>Hon. Amanda Rishworth MP</td>
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<td>Shadow Parliamentary Secretary for Education</td>
<td>Julie Owens MP</td>
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<td>Shadow Minister for Agriculture</td>
<td>Hon. Joel Fitzgibbon MP</td>
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<td>Shadow Minister for Rural Affairs</td>
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<td>Shadow Minister for Resources</td>
<td>Hon. Gary Gray AO MP</td>
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<td>Shadow Minister for Northern Australia</td>
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<td>Shadow Special Minister of State</td>
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<td>Shadow Parliamentary Secretary for Northern Australia</td>
<td>Hon. Warren Snowdon MP</td>
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<td>Shadow Minister for Health</td>
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<td>Stephen Jones MP</td>
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<td>Shadow Minister for Mental Health</td>
<td>Senator Hon. Jan McLucas</td>
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<td>Shadow Minister for Sport</td>
<td>Hon. Bernie Ripoll MP</td>
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<tr>
<td>Shadow Parliamentary Secretary for Health</td>
<td>Nick Champion MP</td>
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<td>Shadow Minister for Families and Payments</td>
<td>Hon. Jenny Macklin MP</td>
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<td>Shadow Minister for Disability Reform</td>
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<td>Shadow Minister for Human Services</td>
<td>Senator Hon. Doug Cameron</td>
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<td>Shadow Minister for Housing and Homelessness</td>
<td>Senator Hon. Jan McLucas</td>
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<td>Shadow Minister for Carers</td>
<td>Senator Claire Moore</td>
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<td>Shadow Minister for Communities</td>
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<td>Shadow Parliamentary Secretary for Families and Payments</td>
<td>Senator Carol Brown</td>
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<td>Shadow Minister for Immigration and Border Protection</td>
<td>Hon. Richard Marles MP</td>
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<tr>
<td>Shadow Minister for Citizenship and Multiculturalism</td>
<td>Michelle Rowland MP</td>
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<tr>
<td>Shadow Parliamentary Secretary for Immigration</td>
<td>Hon. Matt Thistlethwaite MP</td>
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<td>Shadow Minister for Indigenous Affairs</td>
<td>Hon. Shayne Neumann MP</td>
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<td>Shadow Minister for Ageing</td>
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<td>Shadow Parliamentary Secretary for Indigenous Affairs</td>
<td>Hon. Warren Snowden MP</td>
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<td>Shadow Parliamentary Secretary for Aged Care</td>
<td>Senator Helen Polley</td>
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<tr>
<td>Shadow Minister for Employment and Workplace Relations</td>
<td>Hon. Brendan O'Connor MP</td>
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<td>Shadow Minister for Employment Services</td>
<td>Hon. Julie Collins MP</td>
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</tbody>
</table>
## CONTENTS

**WEDNESDAY, 11 NOVEMBER 2015**

**Chamber**

**BILLS**—
- Tax Laws Amendment (Combating Multinational Tax Avoidance) Bill 2015—
  - In Committee............................................. 8235

**STATEMENTS BY SENATORS**—
- El-Mouelhy, Mr Mohamed.................................................. 8257
- Arts Funding........................................................................... 8259
- Western Australia: Criminal Code Amendment (Prevention of Lawful Activity) Bill 2015
  - .................................................................................. 8262
- Health Policy........................................................................... 8264
- Alcohol and Illicit Drugs....................................................... 8266
- Remembrance Day ................................................................. 8268
- Queensland: Drought ............................................................ 8271
- National Recycling Week ..................................................... 8274

**MINISTERIAL ARRANGEMENTS**.............................................. 8275

**QUESTIONS WITHOUT NOTICE**—
- Goods and Services Tax ......................................................... 8275

**DISTINGUISHED VISITORS**................................................... 8277

**QUESTIONS WITHOUT NOTICE**—
- Defence Procurement ............................................................. 8277
- Workplace Relations .............................................................. 8278
- Trans-Pacific Partnership Agreement ..................................... 8281
- Northern Australia Investment Forum .................................... 8282
- Water .................................................................................... 8285
- Overseas Students ................................................................. 8287
- Defence Procurement ............................................................. 8288
- Research and Development .................................................. 8289
- Indigenous Employment ........................................................ 8291

**QUESTIONS WITHOUT NOTICE: TAKE NOTE OF ANSWERS**—
- Answers to Questions ........................................................... 8292
- Trans-Pacific Partnership Agreement ..................................... 8298
- Defence Procurement ............................................................. 8299

**NOTICES**—
- Presentation........................................................................... 8300

**BUSINESS**—
- Leave of Absence ................................................................ 8304
  - Leave of Absence ................................................................ 8304

**NOTICES**—
- Postponement ..................................................................... 8304

**COMMITTEES**—
- Community Affairs References Committee—
  - Reporting Date ................................................................. 8305

**BILLS**—
- Veterans' Entitlements Amendment (Expanded Gold Card Access) Bill 2015—
  - First Reading ..................................................................... 8305
  - Second Reading ................................................................... 8305
CONTENTS—continued

COMMITTEES—
Treaties Committee—
Meeting ......................................................................................................................... 8308

MOTIONS—
Domestic and Family Violence .................................................................................. 8308
Dismissal ....................................................................................................................... 8309
Government Departments: Recycled Paper ................................................................. 8310
Vocational Education and Training ............................................................................ 8311
Legal System ................................................................................................................ 8312
Free-to-air Television .................................................................................................. 8314
Marriage ....................................................................................................................... 8314

PETITIONS—
Gender Pay Equity ....................................................................................................... 8315

DOCUMENTS—
Consideration .............................................................................................................. 8315

COMMITTEES—
Scrutiny of Bills Committee—
Report ......................................................................................................................... 8315
Regulations and Ordinances Committee—
Report ......................................................................................................................... 8315
Parliamentary Joint Committee on Human Rights—
Report ......................................................................................................................... 8315
Joint Standing Committee on Treaties—
Government Response to Report ............................................................................. 8317
Education and Employment References Committee—
Membership ................................................................................................................. 8324

BILLS—
Migration Amendment (Charging for a Migration Outcome) Bill 2015—
Migration and Maritime Powers Amendment Bill (No. 1) 2015—
First Reading .............................................................................................................. 8324
Second Reading .......................................................................................................... 8324
Social Services Legislation Amendment (No Jab, No Pay) Bill 2015—
Report of Legislation Committee .............................................................................. 8329

COMMITTEES—
Procedure Committee—
Report ......................................................................................................................... 8329

BILLS—
Tax Laws Amendment (Combating Multinational Tax Avoidance) Bill 2015—
In Committee .............................................................................................................. 8329
Third Reading .............................................................................................................. 8338
Foreign Acquisitions and Takeovers Legislation Amendment Bill 2015—
Foreign Acquisitions and Takeovers Fees Imposition Bill 2015—
Register of Foreign Ownership of Agricultural Land Bill 2015—
Second Reading ......................................................................................................... 8339
Foreign Acquisitions and Takeovers Fees Imposition Bill 2015—
Register of Foreign Ownership of Agricultural Land Bill 2015—
Second Reading ......................................................................................................... 8371
CONTENTS—continued

Third Reading......................................................................................................................... 8371
Social Services Legislation Amendment (More Generous Means Testing for Youth
Payments) Bill 2015—
Second Reading.................................................................................................................. 8372
ADJOURNMENT—
Fitzroy Basin......................................................................................................................... 8375
Superannuation.................................................................................................................... 8378
Small Business...................................................................................................................... 8380
Tasmania: Golf....................................................................................................................... 8383
DOCUMENTS—
Tabling................................................................................................................................. 8385
The PRESIDENT (Senator the Hon. Stephen Parry) took the chair at 09:30, read prayers and made an acknowledgement of country.

BILLS
Tax Laws Amendment (Combating Multinational Tax Avoidance) Bill 2015
In Committee

Debate resumed.

Senator DASTYARI (New South Wales) (09:31): As a point of clarification, I just want to confirm that we are discussing the second amendment that was put up by the Australian Greens yesterday evening. Is that the amendment we are discussing at the moment?

The CHAIRMAN: There is no amendment before the chamber at the moment. It has not been moved.

Senator DASTYARI: There is an opportunity that this Senate has before it, this morning, to pass what can potentially be a very good piece of legislation. As those of us on this side of the chamber, certainly in Labor, have previous said, we are very supportive of the bill that the government has put together, the Tax Laws Amendment (Combating Multinational Tax Avoidance) Bill 2015. However, we have felt and continue to feel that with some small, minor amendments this bill can be improved. Frankly, this is not the ideal bill. It is not the bill that I would have put forward. It is not the bill that I would have said is the perfect and right bill. But there are some opportunities here to make a few amendments and some small amendments that will be able to improve the bill.

One of the great opportunities is an amendment that has not yet been moved by the Australian Greens. That amendment is looking at being able to restate and put in some of the measures as they relate to tax transparency and making sure that a handful of very large, very powerful, private corporations are not able to hide behind their own structure. Let us be clear here: this is not mum and dad small businesses. These are some major entities. These are some of Australia’s largest businesses, and we are talking about businesses that have revenue of over $100 million a year.

In the past few days we have seen an expose where a small, pretend astroturf group took the Senate Economics Legislation Committee for a ride. We found that the representations being made were being put together by a small group of paid lobbyists who were pretending and purporting to represent the broader community. Heath Aston from the Sydney Morning Herald should be congratulated for his expose of this matter and the demonstration of which all of us need to be conscious—that, while we in this chamber go through our committee process, understandably, senators, Senate staff and the secretariats of our various committees will and should work on the principle that the information being presented to them and the witnesses coming before them are genuine.

What was so disappointing here was that we were all taken advantage of; we were all given a false assessment. It showed that there is not a groundswell of opposition to this information being published. There is a small group of incredibly wealthy, powerful individuals who have structured themselves as private family companies for tax disclosure purposes and who do not
want this information out. They are prepared to pay large amounts of money to lobbyists to create pretend organisations, pretend grassroots movements. This was exposed because the phone number that was on the end of their submission turned out to be the law office which also happened to be where this group was registered, which also happened to be one of the other submitters in this process. We found that a con job was being perpetrated against the Senate Economics Legislation Committee. That expose changes some of these material facts.

I think the Australian Greens amendment goes a long way to making sure that there is greater disclosure and greater transparency. Let us be clear: it means that information that has already been collected and gathered by the Australian Taxation Office would be disclosed. This is not any additional burden on the ATO; this is information they already have, information they have already collected, information they were anticipating they would be disclosing in December. If the Australian Greens were to move their proposed amendment, that is what it would do if it were passed.

Minister, does the government believe there is an opportunity, through different amendments, to improve this legislation? Has the government had an opportunity to sit down and have a look at these amendments? Furthermore, Minister, has the government been talking to crossbenchers and other parties about ways this bill could be improved?

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications, Minister for the Arts and Minister Assisting the Prime Minister for Digital Government) (09:38): As has already been canvassed in relation to the Greens proposed amendment, colleagues would be aware that on 15 October the parliament passed a bill to amend the legislation that directs the Commissioner of Taxation to publish confidential taxation information of Australian controlled private companies. The government introduced the amendment because publication of the taxation information of these companies would have effectively disclosed the owners' financial affairs and posed a risk to their position in the market by making key economic information available to their competitors and suppliers.

It is important to note that the amending legislation has no impact on the comprehensive powers of the Commission of Taxation to require companies to produce any information that is relevant to making an assessment of their tax liability. The public disclosure of tax information at law will continue to apply to multinational enterprises operating in Australia and to Australian public companies. The government has made clear that every company, indeed every taxpayer, must pay the right amount of tax and, to that end, has tightened the thin capitalisation laws applicable to the amount of interest that may be deducted. It has introduced new legislation to tackle tax avoidance by large multinationals.

The government is focused on ensuring that the Commissioner of Taxation has all the powers he needs to ensure multinational companies pay taxes on profits earned in Australia. As has been made clear, the government will not be supporting the Greens amendment.

Senator LUDWIG (Queensland) (09:39): It is ridiculous to make the point about hiding behind commercialisation; if the information is made available those companies would then be subject to attack by other companies, they would have all of their financial affairs on the record. No-one is suggesting that. These are very tight laws that require disclosure, and if that was the case then it would apply to a publicly listed company as well—but it does not. What I want to hear is why there is a difference between a publicly listed company and a privately listed company as to the proper disclosure of the information. The argument has been simply
a broad-brush approach, and if that argument were true then it would also apply to publicly listed companies so that they should not have their annual report, their information, their financial affairs listed because it would somehow be available to their competitors and they would then be short-changed in the market and not have the ability to progress whatever deals they were doing. Of course it does not stop publicly listed companies from doing all of those things properly and appropriately in the marketplace.

We want to see proper transparency, but this government does not like transparency—it hides behind, now, a new corporate veil to disguise its position because it wants to hide the big end of town. That is the short answer; that is the true answer. I do not think, with respect, that the argument progressed by the minister holds water. If it did hold water, and if that point was valid, why was it passed in first place and why were they going to be compliant with that? I think the piper has been paid the money and the big end of town has said 'Be sure to play this tune.' The government is hiding behind some very loose rhetoric. In any event, it is long overdue that these issues are being dealt with appropriately and properly in this place.

Senator SINGH (Tasmania) (09:42): I concur with the remarks made by Senator Ludwig, particularly in relation to raising issues about transparency. That is why Labor has been calling for so long for action by this government to bring legislation like this to the parliament so that we can have more transparency and this government can stop hiding the big end of town away from tax payments and more broadly deal with the issue of tax avoidance. Why has Labor been doing this and why are we here today at this point? We are here because we live very much in a globalised world, a digitised world, a world where our economy is constantly changing, where multinational companies can move their profits from country to country and as a result avoid paying their fair share of tax. Labor has been calling for more action on multinational tax avoidance for over two years. It was six months or maybe even longer than six months ago that we laid out our own package—a package of $7.2 billion to close these tax loopholes and keep revenue here in Australia. You would think the government would think that was a good thing.

Now that we are going into the detail of this bill, it would be helpful if the government made it clear that they are going to pursue this kind of tax reform under a principle of transparency and accountability of those large multinational companies so that they start paying their fair share of tax and so Australian small businesses and individuals are not left picking up the slack. That has been the reality up until now. Why should Australian small businesses, of which there are a plethora, and individuals end up picking up the slack whilst these large multinational companies that are making massive profits get away with tax avoidance?

I would like to know, as Senator Ludwig referred to, how the government is going to tighten Australia's tax net in relation to the transparency principle. I think that is the most important thing here, other than, obviously, this legislation passing, multinational companies paying their fair share of tax and this issue of profit-shifting being tackled. I am really pleased that we are now doing this after the couple of years or more that it has taken to get to this point.

I would like to know in some detail how that transparency principle is going to be part of the government's agenda, its approach, as it goes forward in dealing with this issue and this reform. My understanding is that something like three of the five biggest companies in the
world are companies that make their money primarily on the basis of intellectual property. If that is the case—I would imagine that could be the case, because we are very much living in a digitised world economy, so those issues could be seen as being part of that—is there any focus by this government on those particular multinationals? We are talking about intellectual property being an important component of the Australian economy and the rights of small businesses and the like. Again, this goes to the heart of the issue of transparency. It also shows the complexities involved in relation to multinational companies and how they have managed to profit shift for all these years.

I am no expert when it comes to the tax avoidance workings of multinational companies, but I am aware that these issues have been looked at in other countries in great detail. The UK is a good example of that. Australia is not immune to multinationals behaving in this way. It is happening right across the globe, because that is the nature of a globalised economy and that is the nature of these particular large companies and the way that they make their profits, unfortunately. We all bear the brunt of that; we miss out in the process of that.

As I said, without that greater transparency, we will never know whether these major companies, these major corporations, are paying their fair share of tax. The government has started a whole new debate in relation to raising the GST and is particularly looking at everyday, individual Australians, including low-income individuals, because it is a regressive tax that affects everybody. Why is it doing that? It is looking at whether all taxpayers are contributing their fair share. You cannot raise that kind of argument—‘Let's look at our tax base, our tax system and whether Australians are paying their fair share’—and, at the same time, allow all of these large multinationals to profit shift and not make their own contribution. This is an issue of transparency. It is a really important that transparency becomes one of the most effective tools for this government to combat profit-shifting and tax avoidance by these multinationals.

It is my hope that the government not only shows a commitment to ensuring that these major corporations pay their fair share of tax but also pushes transparency laws—that this government does not gut our tax transparency laws but instead stands by them. That would serve not just the interests of good governance—although that would be a start—but the interests of all Australians, who would be benefit from knowing exactly what is going on with tax avoidance by large multinationals. That is something they certainly would not know at this point in time. I ask the minister to outline, as Senator Ludwig has already alluded to, how the government is going to stand by the principle of transparency rather than continuing to hide the big end of town on this issue of multinational tax avoidance.

Senator WHISH-WILSON (Tasmania) (09:50): Evidence was heard by the Senate Economics Committee that up to a thousand of Australia's biggest privately owned companies would be exempt from providing information—basic information. I remind the Senate what that information is. We are not asking for much. We are asking for the ABN and the name of the company; we are asking for total income for the income year; we are asking for taxable income or net income, if any, for the income year; and we are asking for income tax payable, if any, for the financial year. That is it. That is what we are asking each of these thousand companies to provide. It is not much. As Senator Xenophon discovered, if you go to ASIC, you get a lot more information than that—you get a thick file of consolidated accounts for all these companies. But what we want is a register that is publicly available, a net that captures
all these corporations—because some of them we do not know about. It is hard to seek the information you want from ASIC if you do not know of their existence. The ATO should know of their existence, but that is not, as we discussed yesterday, in the realm of the public debate. Minister, who lobbied you or your government to bring in the original exemption? Have you had any direct discussions with the Family Office Institute of Australia?

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications, Minister for the Arts and Minister Assisting the Prime Minister for Digital Government) (09:52): I do not accept the premise of Senator Whish-Wilson's proposition that the government responds to particular lobbying activities. The government looks at what it believes is in the interests of the broader community. That is what this legislation is about.

Senator WHISH-WILSON (Tasmania) (09:53): I find that really hard to believe. This was about to become law—in fact it had already become law, but we had seen no disclosure around it—and you put up a bill to create an exemption, unfortunately passed by the Senate, that effectively shielded privately owned companies from increased transparency. That is all we were asking for. I find it hard to believe that that is something that you, the coalition, decided was necessary for the public interest—and I underline the words 'public interest'. Someone must have lobbied the government or Liberal MPs to bring in this exemption. I find it hard to believe that you suddenly woke up one morning and, while shaving and looking in the mirror, decided this was a good exemption to bring to the Senate. All of us in here are a bit smarter than that and we know how it works. Which wealthy individual or business—or which front companies for wealthy individuals—lobbied the government. We know they have astroturfed our Senate recommendation. Unfortunately, to our detriment, we let that happen. But who lobbied you to bring this in, Minister?

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications, Minister for the Arts and Minister Assisting the Prime Minister for Digital Government) (09:54): Again, I do not accept the premise of Senator Whish-Wilson's proposition, which is that there are particular individuals of greater than usual influence who are getting the government to do something that the government would not otherwise have
done. It sounds like Senator Whish-Wilson is presenting a conspiracy theory that involves government, darkened rooms and individuals. That is the scenario that Senator Whish-Wilson is seeking to paint, and it is wrong.

Senator WHISH-WILSON (Tasmania) (09:56): This is a significant matter of public interest, beginning a transparency process around potential tax avoidance, and it is not to say that these 1,000 companies are avoiding tax. But we have all agreed that the evidence we have heard through the committee and elsewhere is that transparency is a good place to start. Minister, if you had presented an argument perhaps today or previously that it was a significant amount of red tape for the ATO to construct this register or for these businesses to comply, then maybe that would be a reasonable argument as to why the coalition might decide to put up an amendment to shield wealthy individuals from providing transparency around their tax affairs. But, as we have discovered, go to ASIC—$38—and it is already there in comprehensive information. So how is it an issue to simply have a register of companies, with the ABN and name, total income for the year, taxable income or net income, if any, and income tax payable? In fact we have looked at the potential costs in the legislation and they are not very big. So what is the argument? Why can we not have a register, if that is what the public want?

We heard yesterday from second readers and in committee about the big coalition across this country, not just the Tax Justice Network, which constitutes dozens of community groups and social enterprises and those who want to see this country move in the right direction around good public policy. They want to see parliament taking some action. This is actually a really simple place to start. It is not a silver bullet—I totally agree with that—but it is an easy place to start. I still do not get why you brought the legislation forward in the first place, because there is no reasonable argument. We have dismissed the kidnapping theory. Senator Conroy did a very good job on that last night. He has seen this kidnapping theory come up before. We have dismissed that as being an issue, because motivated kidnappers can access the information anyway and there are lots of other things that could potentially trigger kidnapping. Having these four sets of data on a register is a long bow. We have now dismissed, I think quite thoroughly, the idea that this could affect commercial in confidence for corporations in their commercial spheres, because this information is available anyway through ASIC. In fact it is a lot more comprehensive if you go to ASIC. This is a matter of setting up a simple public policy and giving the community what they ask for—and actually it is not a big ask.

I still do not feel I have an adequate explanation from the minister as to why the government brought this legislation forward in the first place. Can you explain to us here and now why it is in the public interest to shield wealthy individuals from providing transparency around their tax affairs, please?

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications, Minister for the Arts and Minister Assisting the Prime Minister for Digital Government) (09:59): Thank you for your question, Senator Whish-Wilson. The tax office have the information that they need to do their job, and we also think that the concept of taxpayer confidentiality is an important one. I do not know that we can really canvass in any greater detail than has happened over the many hours previous the government's rationale for that which it has done.
Senator WHISH-WILSON (Tasmania) (10:00): I just have a follow-up to that. I ask the minister to respond to that same question, as I was looking for the public good justification for shielding wealthy individuals from providing their tax affairs. The minister just responded by saying that they respected the confidentiality and they thought that was an important aspect for taxpayers. Do you accept there is also a very compelling case for transparency and disclosure being a strong disincentive for potential tax avoidance, especially around reputational risk? I will let the minister know, if he is not aware, that the evidence that the Senate committee heard on this issue was that disclosure is the first important step to take in providing disincentives to individuals and to companies to avoid tax, because they will get caught out. Senator Dastyari calls it a name and shame register. But I am not saying that these individuals and these companies are actually avoiding tax. I will say, as I said yesterday, if they have done nothing wrong, they have got nothing to hide. So what is the issue? Why not disclose? It is confidentiality on the one hand—respecting the confidentiality of wealthy individuals—and on the other hand we have a compelling argument for policy in the public interest that provides disclosure and a disincentive for tax avoidance. Can the minister please say where she feels the balance of evidence in this argument lies and where the public good component of your policy is?

Senator FIERRAVANTI-WELLS (New South Wales—Assistant Minister for Multicultural Affairs) (10:02): The government has focused on ensuring that the Commissioner of Taxation has available to him all the powers that he needs to ensure that multinational companies pay taxes and pay the appropriate amount of tax. Senator Bushby, who I understand was part of that committee, also has indicated to me that one of the important things about preserving confidentiality—and I think the ATO also said this, although I am going on what Senator Bushby has indicated to me—is that it ensures that maximum tax is paid and provides confidence in the system. In a former life when I was at the Australian Government Solicitor, I did my fair share of acting for the Commissioner of Taxation. It is very important that the Commissioner of Taxation has available to him all the powers necessary to ensure that all taxpayers pay the appropriate amount of tax. I think that is a general principle, and it is a principle that applies irrespective of who the taxpayer is.

Senator KETTER (Queensland) (10:04): I want to just touch on a different issue. It goes to the question of the revenue to be collected by this bill. We know that the budget papers have indicated a series of asterisks in relation to the government's projections as to what revenue this bill is going to generate, and this is in contrast to the Labor approach, which is, I think, a real attempt on our part to adopt a bipartisan position on the issue of multinational corporate tax avoidance. I think you would agree, Minister, that it is unprecedented for an opposition to come forward with a series of revenue measures in advance of a budget being handed down. It was an opportunity for the government to look at what Labor had put forward, and when you examine what was put forward it was a properly costed proposition. It was a $7.2 billion package, and it went to a range of issues: changes to the arrangements for how multinational companies claim tax deductions, greater compliance work by the ATO to track down and tackle corporate tax avoidance, cracking down on multinational companies using hybrid structures to reduce tax, and improving transparency and data matching. So Labor took our approach to the PBO, and we were able to come up with some credible estimates as to what the impact of those measures would be. I know that the government has not done that work up to now.
My question is: has the government in recent times had Treasury look at this issue? Is there any more information you can provide to the Senate in terms of what impact the government's measures will have in the future? If that work has not been done, can you please explain why not?

Senator FIERRAVANTI-WELLS (New South Wales—Assistant Minister for Multicultural Affairs) (10:07): Excuse me for a moment. I will just seek some instructions. Senator Ketter, the officers were speaking to Senator Bushby. Would you kindly just go through that again. If I understand correctly, you were asking a question about the revenue to be collected. You referred to asterisks. Could you just go through that again, if you do not mind. Thank you. Sorry about that.

Senator KETTER (Queensland) (10:07): Yes, I was referring to the fact that for the projected revenue for this bill being generated, if you go to the budget papers, you see asterisks in terms of what the government expects to receive in revenue as a result of the adoption of these measures. What I was putting to you was that the Labor approach was that we have come up with some measures to address the issue of multinational corporate tax avoidance, we took those measures to the Parliamentary Budget Office, and there was the ability there to provide some credible estimates as to what impact the Labor measures would have. I know that the government did not do this work prior to the budget. My question is: has the government asked Treasury recently to look at this in light of the opposition's package? We have had the capacity to put some figures—some dollars. I would like to know whether in recent times the government has done this work to look at what revenue is expected to be generated by the passage of this legislation. If the answer is, 'No, nothing's been done,' my question is: why hasn't anything further been done about it?

Senator FIERRAVANTI-WELLS (New South Wales—Assistant Minister for Multicultural Affairs) (10:10): Thank you for the Senate's indulgence. I am advised that Treasury advice was sought in relation to the work that was done by the Parliamentary Budget Office. I am advised that it was dismissed because the measure is not quantifiable and that the work that was done failed to look at the behavioural implications that are necessary to make an appropriate assessment. The necessity for this bill is to ensure that we will be able to access data which goes to those activities. Senator Ketter, that is what I have just been advised.

Senator KETTER (Queensland) (10:11): On a point of clarification, where you said that the advice you had received was not credible or words to that effect, could you explain to me what particular advice you were referring to there.

Senator FIERRAVANTI-WELLS (New South Wales—Assistant Minister for Multicultural Affairs) (10:11): Perhaps I can put it in this way: Treasury provided advice in relation to what the Labor Party put out there. So my response is that I am advised that the Treasury advice was sought on the work that was done by the Parliamentary Budget Office. My understanding is that work was dismissed because of its failure to take into account and look at behavioural implications necessary for an appropriate quantifiable estimation.

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (10:12): I am wondering if the minister could clarify a couple of things. There has been a lot of pejorative language used in here this morning such as about providing exemptions for 'rich' taxpayers and things like that. Is it not the case that the only exception that relates to the law that they
are talking about is the exemption that was introduced by the previous Labor government and that was an exemption to the principle of taxpayer confidentiality, singling out a group of taxpayers and exposing them to a level of scrutiny that is normally protected for taxpayers? Is it not the case that the bill that was passed recently actually reversed that exception and that if there is an issue in terms of any particular class of taxpayers not paying what is considered a fair level of taxes then that is a problem with the law as it applies, given that the tax office indicated at the inquiry that they are entirely confident that they have all the information they need to ensure that the taxpayers in question are meeting their legal obligation to pay taxes and that if there is a need to change anything then that requires a change of law? The actual bill that we are here today to discuss is, in fact, making an attempt to do that.

**Senator WHISH-WILSON** (Tasmania) (10:14): To clarify, the Greens amendment that I will be moving, which we are talking about right now in committee—or we should be anyway—

**The TEMPORARY CHAIRMAN** (Senator Gallacher): Senator Whish-Wilson, I am advised those amendments have not been moved yet.

**Senator WHISH-WILSON:** I will be moving an amendment. It is to the Tax and Superannuation Laws Amendment (Better Targeting the Income Tax Transparency Laws) Act 2015, which passed the Senate a few weeks ago. You can talk about different amendments if you like, but at the end of the day that is what I plan to move an amendment on. And I hear there might be an amendment on an amendment. On my amendment too, that is a possibility.

**The TEMPORARY CHAIRMAN:** Order! It being 10.15, the sitting of the committee is suspended until 11.45 to enable senators to attend Remembrance Day services.

**Sitting suspended from 10:15 to 11:45**

**The CHAIRMAN:** The committee is considering the Tax Laws Amendment (Combating Multinational Tax Avoidance) Bill 2015. There has been one agreed amendment. The question is that the bill, as amended, be agreed to.

**Senator WHISH-WILSON** (Tasmania) (11:45): The Greens will be moving an amendment, and I understand that there are other amendments that will come before the chamber. Before we move on, I would still like to ask the minister the question that I did not get an answer to from the previous ministers. I ask whether the minister has met with the Family Office Institute Australia, which presented to the Senate committee around the transparency bill that the Greens will be moving an amendment to and whether the minister thinks that kind of activity—that kind of astroturfing, with a front group being set up with no members and presenting to a Senate committee on behalf of who knows—is acceptable.

**Senator CASH** (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (11:46): I put on record that we are talking about a piece of legislation that is going to implement a new multinational anti-avoidance law. What we are talking about here today is a bill, proposed by this government, that is going to put in place stronger penalties for large companies that engage in tax avoidance and profit shifting. What we are talking about today is a bill that is going to put in place additional responsibilities. But Senator Dastyari and Senator Whish-Wilson come in here and, for some reason, continue to filibuster. It is my understanding, Senator Dastyari, that you actually support this legislation—but you continue to filibuster.
Can we be realistic? In terms of the substance of the amendments that Senator Whish-Wilson has already been debating today, I understand that we, as a Senate, have already debated the substance of these amendments when we passed a previous piece of legislation, the Tax and Superannuation Laws Amendment (Better Targeting the Income Tax Transparency Laws) Bill 2015, only a few weeks ago. You know our position on these amendments. You know our position on the bill. Can we please stop wasting the Senate's time, because there are other pieces of legislation that need to be debated? I do not think there is any disagreement at all in relation to the intent of this bill and what we are all, I would hope, collectively seeking to ensure, and that is, of course, that multinational companies who are profiting in Australia pay tax. The government's position is very clear. The government's position on the amendments is very clear. Senator Whish-Wilson, I do not think I can help you any further in relation to this debate.

Senator WHISH-WILSON (Tasmania) (11:48): We have made it very clear, Senator Cash, that the Greens will be moving an amendment to bring back what was lost in the Senate a few weeks ago. I am sure you are aware of the debate that we have been having now for several hours. That is not about big multinational corporations, billion-dollar-plus corporations and new disclosure laws and powers to the ATO to help the commissioner with this issue. We support that issue, and we were very clear about that in our speeches in the second reading debate. We will be bringing forward an amendment to replace the Tax and Superannuation Laws Amendment (Better Targeting the Income Tax Transparency Laws) Bill 2015. That was defeated in the Senate a few weeks ago. I will be moving an amendment to this bill. I am not officially moving it yet, Chair, but I will be. We have all been discussing it. That is the context of my questions.

One of the things that has come to light, for your information, Senator Cash, since that piece of legislation was passed in the Senate is that an investigative journalist has discovered that one of the key witnesses who provided evidence—evidence which senators have admitted in this chamber influenced their decision on how they voted—turned out to be a front group called the Family Office Institute Australia, which was set up with no members to present to the Senate committee to support a coalition bill that effectively shielded privately owned companies from increased transparency. We are trying to get that transparency back. We think that this is a significant matter of public interest. It has been promoted to all of us, as senators, by various groups and organisations over the years, like the Tax Justice Network, as a good way of starting to help combat the problem of tax avoidance.

That is the context of the question I asked. My question was fairly simple: have you met with the Family Office Institute Australia or any of its registered members? This is the group that astroturfed the Senate, in the sense that it ran a campaign to support government removing these transparency laws. Do you believe it is acceptable that a few special interests can come together like this and essentially con the Senate and the Senate committee that this is somehow supported by a large number of individuals or businesses that do not see this legislation as being in their interests?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (11:51): The answer to your question as to whether I have met with these people, is no. In relation to the actual organisation, my understanding is that what they were referring to does not necessarily have
anything to do with this particular piece of legislation. In relation to people being able to present views, anybody is entitled to present a submission to this parliament, to a Senate committee, and it is for the committee to decide, whether or not, based on the rules of the Senate, they accept that particular submission.

Senator XENOPHON (South Australia) (11:52): I will briefly try to put this debate into perspective. That may be of assistance to the chamber and the 33 people listening in on News Radio right now—maybe 34, or 35 at a stretch! Senator Whish-Wilson has done a tremendous amount of work on this. The Australian Greens have not yet moved his amendment. The amendment proposes a repeal of a bill that was passed several weeks ago. I indicated at the time that, to quote Lemony Snicket, there was a series of unfortunate events where the debate was truncated. It was not a conspiracy. It just happened that I did not get to speak in time, I did not get into the chamber on time. Other colleagues were not here in time and the vote went through. It almost never happens like that, but it did happen on this occasion.

The outcome would have been the same: the bill would have gone through. The concern I have, which relates to the amendment foreshadowed by Senator Whish-Wilson, is whether there ought to be a disclosure requirement on private companies with a turnover of $100 million or more a year. I voted with the government that they should be exempt for this very reason: the reason put to me in private conversations was that in the food and grocery sector, where you effectively have a duopoly of Coles and Woolworths controlling something like 75 per cent of the $100-plus billion grocery market in this country, companies with turnover of $3 million or $4 million a year—that is their revenue but their profit margins will obviously be much, much lower than that; they might be making only $3 million, $4 million, $5 million or maybe $10 million a year—would be put at a competitive disadvantage in negotiations with Coles and Woolworths if they had to disclose that information.

I thought there was something in that argument. I gave an undertaking early on to the government to support them—perhaps I gave that undertaking too early—and some of the people who have put their concerns to me in respect of this. I think there was some merit to that argument. But there was absolutely no merit to the 'kidnap' argument given by the government. Frankly, it was ridiculous to suggest that these people would be at risk of being kidnapped by giving this information. That information is effectively the revenue, the taxable income and the tax paid by a company in an easy to access format. The idea that they would somehow become a kidnap risk is, frankly, ridiculous. And the proof is in the pudding: there was no advice given by the Australian Federal Police or any other law enforcement agency in relation to this. The kidnap argument was farcical, nonsensical; it had no credibility.

But I thought there was something in the argument about the $100 million turnover—that if you are a food processor releasing this information may somehow make you more vulnerable and compromise your negotiations with someone 'up the food chain' who has greater economic power. To put that in perspective, what we are talking about is information that can be obtained. I did my bit—and I hope the minister is pleased to hear this—to reduce the government deficit by $38 this morning when I charged to my Visa credit card $38, payable to the Australian Securities and Investments Commission, to get a copy of the financial statements and reports of Teys Australia Pty Ltd. Now, I am not picking on them. They are a great Australian company involved in meat processing and abattoirs. They are a large Australian company and a family owned business. And they were good enough in the course
of this debate to set out their objections. They did not do it behind an astroturfed front
group—and the astroturf was not even green on this group; it was pretty parched. If there was
ever a drought look astroturf, this is what the Family Office Institute Australia, or FOIA, is—
and maybe their acronym should be 'PHOOEY!', because what they provided to us was barely
adequate. I thought they represented many, many private businesses—but they had no
members!

You can spend $38 at ASIC to get this information. Let's put this in context. There is a
reporting requirement. If you are a business that has revenue of more than $25 million a
year—not $100 million a year but $25 million a year—you are required to provide financial
statements and reports to ASIC. So there is already an even lower threshold that applies.
Looking at my copy of the Teys Australia Pty Ltd financial statement report, which I obtained
for $38 this morning, it includes at page 5 a statement of profit or loss and other
comprehensive income. Their profit and loss statement sets it all out. At page 6 is a statement
of their financial position as at 30 June 2014 and their current tax liability. I do not need to
read out the amount but it sets it out in black and white. Further along, at page 24, there are all
sorts of assumptions and details in relation to their tax, their revenue and the like—very
comprehensive information. Page 24 sets out their income and the income tax that is paid and
payable.

The information is already there. So I do feel somewhat misled by the argument that was
put up for this bill in the first place. But I will still buy that part of the argument that having
this information easily and readily available may in some circumstances compromise the
negotiations of these companies—although presumably, given what is available for ASIC for
$38, you get a hell of a lot more information in relation to this. So I wonder whether this
amendment is not so much a storm in a teacup—it would be unfair to characterise it that
way—but about trying to make it easier for information to be provided publicly about these
companies. We can still get that information because of the ASIC requirement that any
company with $25 million or more in revenue needs to provide some pretty comprehensive
financial statements.

The reservation I have in relation to Senator Whish-Wilson's proposed amendment, which
has not yet been moved, is there may be, in some circumstances, an issue of potentially
prejudicing that company in negotiations. It is not a strong argument, but I can see the
argument in certain circumstances. In order to keep faith with those companies that I think
had a genuine concern about this,—although, I now wonder whether their concerns were
misplaced—if there were an amendment along the lines of a company being able to say to the
tax commissioner, 'We don't think you should release this because it could significantly
prejudice our commercial negotiations,' that is the path that I would like to go down. I want to
keep faith with the government on the intent of the bill, in terms of private companies, but I
think their arguments have been quite weak. Some of them have been farcical in terms of
kidnapping.

I think there is a way through this in order to deal with this. But, again, I emphasise to the
34 people listening on NewsRadio, what we are arguing about is the access of this
information. If you want detailed information, you can get it anyway through ASIC for $38. It
just means that the information is easier to get, even though it is at a much lower level—three
lines of information in terms of taxable income and actual tax paid, or revenue and the taxable
amount and the amount of tax paid. So that is pretty minimalist, but I think that there might be some circumstances where companies may want the assurance that the information is not publicly released so easily. Although, if you really want to dig around for it, you can get it through ASIC for $38. I am not sure if there will be further amendments moved in relation to this. I would like to think that there is a compromise possible in respect of this.

Senator LUDWIG (Queensland) (12:02): This is the same issue that I raised earlier with—

Senator Cash: With a different minister.

Senator LUDWIG: a different frontbencher, from whom I am still waiting to get a reply. So I take issue with your criticism that this is a filibuster. The filibuster is from your side, Senator Cash. I do not know how many frontbenchers who have had carriage of this piece of legislation.

Senator Cash: Duty ministers.

Senator LUDWIG: I would like one who knew something about it, and then who could pass the information back as requested. Then we could get on to the substantive amendments. The issue raised by Senator Xenophon I raised as well. The answer given by Senator Fifield said that the reason that they can reduce from 1,000 to 200—in other words, only publicly listed companies—was effectively what Senator Xenophon had said, absent the kidnapping. He did not throw the kidnapping one in; I would not have taken much stock of that issue. The answer given was that the exposure of their financial records in the public domain could allow competitors to gain an advantage by being able to trawl through their profit and loss statements, or whatever might be available. Senator Xenophon, much better than I, encapsulated the argument that most of this information—if not more if it, as it would be available through payment of $38 on the ASIC register—could be obtained in any event. An astute company wanting to assess and look at another company would also, similarly, be able to examine ASIC—as I am sure they would—to establish the financial position of that particular company.

This is the first time I have heard this. I am minded to the position where, just as in the share market world of public listed companies, if there is an issue such as an offer or a takeover in the wind, they generally report and suspend trading. It is the same concept—I think Senator Xenophon is looking for a compromise—where, logically, if there were a concern by a particular company that they were ripe for a buyout, a sell-out, a takeover, or whatever it might be, or if they were going to be troubled in the market by a competitor, then they might be able to make a prima facie case for the removal of their name from the register during that period or for a period of time. It would be a logical thing to do. I did not follow the argument put forward by Senator Fifield at the time that it is simply a case of, 'You don't need the register with all of those people on it because of this issue.' The truth is that you can deal with the issue in a more substantive way and still have an appropriate threshold. You do not need an unbelievable threshold, which really only lists into a very small number of companies. What you want to achieve in any legislation that you are bringing forward is a wide and fair application of it so that you do fairly capture all of those companies that you are required to. I am still waiting for the response to that. I am sure I will obtain it now.
Before we get into the substantive amendments, the second issue I wish to raise to get a response for is: in the 2015-16 budget relating to multinational tax avoidance, I want some assurance about the package going forward as to the time line or how it will be rolled out. Other elements in the 2015-16 budget related to the developing of a public tax transparency code to complement country-by-country reporting, which is being developed by the Board of Taxation. What is the time line on that? Will that be a draft? Will it be publicly released? Is there a release date available for that? Also, the same goes for the implementation of treaty abuse rules developed by the OECD and which aim to address the exploitation of tax treaty rules by multinationals to avoid taxation. Will there be a draft? What consultation will be undertaken to give that effect, and is there a time line for that?

Thirdly, I refer to the antihybrid rules developed by the OECD to address the issues of multinationals claiming a tax deduction in one country but not paying tax in another because of different tax rules. Will those antihybrid rules be open for draft consultation? Although they are called rules, will they be regulations which are disallowable and come here, or will they effectively be guidelines or rules used by the tax department? If they are the latter, will they be promulgated or open or draft and able to have some input into them from the various institutes that have an interest in how they would operate, and what is the time line for the implementation of those rules?

Fourthly, in regard to exchanging information with other countries about harmful tax practice and preferential tax deals, the same applies there. Will they be either regulations or rules? Rules obviously would not come here. If they are regulations, will they be disallowable? Following on from that, is there a draft or a consultative process that will surround the development of those practices, and what is the time line that might be associated with that?

Fifthly and lastly, there is the issue of a GST on digital products and services imported by Australian consumers. This would help level the playing field between domestic and international suppliers and ensure that all suppliers pay a fair share of tax. The same goes for that particular one, and it comes from the 2015-16 budget relating to multinational tax avoidance. With a GST on digital products, how would you determine whether or not a GST should be applied to a particular product and, if so, on what basis? What is the broad definition that you are going to use in respect of digital products and services? If a like service is already GST-free, will there be a determination that that particular service would then be subject to a new GST? Will there be a consultative process surrounding the definition of digital products and services and what is the time line for the implementation of that?

It is a good measure which I support. What I would like to ensure is that, in bringing about the level playing field between domestic and international suppliers, all suppliers do pay their fair share of tax. But, ultimately, I would like to ensure that it is brought in in such a way that it does not disadvantage Australian consumers and it does not create red tape for businesses in Australia—and thereby create not a level playing field, in fact, because you have effectively brought in a compliance regime or red tape that surrounds the implementation.

The broader issue for individuals is that, in doing all of this, there is some view expressed or at least considered that you are then not implementing a raft of red tape for business that they would then have to comply with, particularly given that this government continually trumpets the view that it is a remover of red tape. I would not like to see business suffer
significant red tape around the implementation of those measures. I suspect that that will be hard to achieve because much of the implementation will require some regulatory burden and some guidelines, rules and legislation. But, ultimately, in considering all of that, do it in such a way as to be mindful of the minimisation of red tape on business.

I do take issue with your accusation that it is a filibuster. You have got a couple of minutes. I really do want answers to these questions. This is the opportunity for senators to ask questions about the legislation, and that is exactly what I am doing.

**Senator BILYK** (Tasmania—Deputy Opposition Whip in the Senate) (12:12): I have a couple of concerns about this whole bill. The first concern is that it so obviously erodes public confidence because it makes our tax system not as transparent. The biggest concern that I have—and we heard from Senator Xenophon earlier in regard to this and from Senator Ludwig—is this concept of kidnapping, this concept that if big businesses have to report then there is the chance that they or their families might be kidnapped. I do not want to make light of this at all, because kidnapping is obviously a very serious issue. But when the ATO gave evidence during the inquiry that one in five private companies earning over $100 million do not pay any tax and the government is supporting that—that seems to be the whole emphasis behind this bill—then I think that the people of Australia have the right to understand that it is just a furphy. It is just a ridiculous argument. When asked about that particular area of concern, the AFP, the ATO and the Attorney-General’s Department could not give any evidence about that happening. So my first question is: where did that evidence come from? If you are going to use the argument of kidnapping, where is the official evidence? Where did that come from?

When people are kidnapped, most of the time there would be a ransom involved and, to me, the only people being held to ransom here are the low and middle income earners of Australia, who pay their fair share of tax. But if you are in one of these companies earning $100 million then the government will find any excuse for you not to have to pay your fair share of tax. It is absurd and it is absolutely logical. There is a complete lack of evidence behind the absolutely clumsy defence of this bill. We know there are few supporters of it. So my question to the minister is: where is the evidence of that? Who actually gave evidence? How did you get that evidence? You cannot just stand up and say that. And also: how do you respond to these comments in general that are being given by other senators?

Just before I sit down, in regard to the ‘filibustering’ comment: what an absurd comment to make. You come in here, you put up these proposals and you give us the most illogical arguments to defend them. As Senator Ludwig said, he is still waiting for an answer to his question. I have been sitting here through this debate, and I have not heard any logical or believable answer about the kidnapping concept. I really seriously would like to know: where did that evidence come from?

**Senator Ludwig:** That's a weird one!

**Senator BILYK:** It is absolutely weird, Senator Ludwig—and not just weird, but absolutely bizarre, and quite an insult to the intelligence of low and middle income Australians who, as I said, are paying their fair share of tax and expect that big businesses should too.
Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (12:16): I have to say, Senator Ludwig, yours—I will pay you a compliment—was an exceptionally eloquent filibuster. Senator Bilyk, unfortunately, I cannot say the same to you, but I will pick up one comment that you made—albeit that I am almost indulging your filibuster, and I disappoint those listening to this debate by doing so. Senator Bilyk, in your opening statement, you said that this bill currently before the Senate 'erodes public confidence'. I think that I and the hardworking citizens of Australia are going to disagree with you on that point. Let me tell you why. The bill—for the benefit of those who are listening in on broadcast—that is currently before the Senate is the Tax Laws Amendment (Combating Multinational Tax Avoidance) Bill 2015. I would have thought—and I think the Australian people, quite genuinely, themselves would have thought—that, when a government brings in a law that is all about combating multinational tax avoidance, which is all about ensuring that multinationals that have activity in Australia pay tax in Australia, that would be a good thing. I would have thought that, but, clearly, I am wrong, because Senator Bilyk, as I said, has clearly stated, on the *Hansard*, that this is a bill that erodes public confidence.

Let me also tell you a little bit more about the bill, because, again, I do not believe that this is a bill that erodes public confidence. In fact, I believe—as does the government and as do, I would say, the Australian people—that this is a bill that is going to ensure that Australians can continue to have confidence in our taxation system.

What do we know? As a government, we know that some multinationals are artificially structuring to avoid Australian tax by booking revenue from Australian sales offshore. What that means is that they have an unfair advantage over our local businesses and over families and small businesses, who have to shoulder more of the tax burden. What does that then do? It undermines the public confidence in our taxation system.

What does this bill therefore do? The Tax Laws Amendment (Combating Multinational Tax Avoidance) Bill, if it is passed—and I would hope that this is a bill that is going to pass this place—will allow the Commissioner of Taxation to treat these large multinationals as though they have a taxable presence in Australia. What that will do is to ensure that they are subject to Australian tax. So, despite what we have heard, in, as I said, the very eloquent filibuster by Senator Ludwig, this is a good piece of legislation and it should have the support of the parliament.

As to the amendment that I understand will be moved by the Australian Greens and to which Senator Ludwig has been referring: Senator Ludwig, my instructions are that you have already asked this question a number of times—and that is fine; as you rightly say, you are entitled to do that. But you have already been provided by relevant ministers with an answer to your question. I am happy, though, to again provide you with the information in relation to your question.

I am instructed that, on 15 October—and that is why, apparently, this amendment is going to be moved—parliament passed a bill to amend the legislation that directs the Commissioner of Taxation to publish confidential tax information of Australian-controlled private companies. The government introduced the amendment because publication of the taxation information of these companies would have effectively disclosed the owners' financial affairs and posed a risk to their position in the market by making key economic information available...
to their competitors and to their suppliers. And, Senator Ludwig, it is important to note that the amendment has no impact on the comprehensive powers of the Commissioner of Taxation to require companies to produce any information that is relevant to making an assessment of their tax liability. The public disclosure of tax information law will continue to apply to multinational enterprises operating in Australia and to Australian public companies.

The government has made it exceptionally clear that every company and indeed every taxpayer must pay the right amount of tax. To that end, we have tightened the thin capitalisation laws applicable to the amount of interest that may be deducted, and we have introduced new legislation to tackle tax avoidance by large multinational groups.

Senators Whish-Wilson and Ludwig do make relevant points. If you are so concerned about this information—and I understand this has been said several times now in this chamber, and I believe Senator Xenophon also may have made the point—apparently you can purchase it from ASIC for $38. So, there you go.

Senator Ludwig, you also asked some questions about when these laws would commence et cetera. My understanding is that the Commissioner of Taxation is currently working with approximately 80 companies. The Commissioner of Taxation is waiting for this legislation to pass, so indeed that particular person is then equipped with these powers and can set about implementing the law. In answer to your question, the sooner we can pass this legislation and the sooner we can get it through executive council, the sooner the Commissioner of Taxation will be able to undertake what we believe is an important part of ensuring that there remains integrity within the Australian taxation system.

Senator WHISH-WILSON (Tasmania) (12:23): In the budget this year the government was looking at bringing in a voluntary corporate disclosure code. You may remember, Senator Cash, that the previous Treasurer, Mr Joe Hockey, said:

The voluntary code will highlight companies that are paying their fair share of tax. It will also discourage companies from engaging in aggressive tax avoidance.

... ... ...

The Board of Taxation will provide a business and broader community perspective to the development of a voluntary corporate disclosure code.

The Government would like more companies, particularly large multinationals operating in Australia, to publicly disclose their tax affairs. In developing the code they will need to consider what information is disclosed and how it is disclosed.

This was said in May this year. The point being that the government was looking at a voluntary code.

You are bringing in a mandatory code for multinationals over $1 billion. When the Treasurer said ‘the government would like more companies, particularly large multinationals,’ why did you make the cut-off $1 billion, and what is wrong with applying standards of disclosure to companies of $100 million, because that is what we are trying to do in the Greens amendment. We are trying to provide a mandatory code for Australian and offshore companies over $100 million, and you have brought in a mandatory code for $1 billion. So, my questions are as follows. What is wrong with doing it for $100 million versus $1 billion? How did you determine that cut-off? Clearly you believe disclosure is important, otherwise
you would not have made these comments. Also, what is the public good argument for not supporting disclosure for companies over $100 million.

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (12:25): I believe this question has been put in a number of ways, both in debate on the previous legislation and on this legislation, and I do not believe that I can add anything further to the answers that have already been given by several ministers in relation to this point, which keeps being reiterated—and that if fine as we are all entitled to do that. But I do not think I have anything further that I can add that is going to satisfy you. But, please feel free. We have until 12:45 to ask the question in another way. You will, however, quite possibly get the same answer, because the government's position does not change.

Senator WHISH-WILSON (Tasmania) (12:26): I would like to highlight to you that my question is actually new. This is not something that has been discussed at all since we started this last night. Let me put it to you a different way. Why did the government bring in a mandatory code when you had been working on a voluntary code? Was it that you realised a voluntary code was not going to work? If you could answer those questions I would appreciate it. Then I can ask you more questions about why you chose $1 billion for a mandatory code.

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (12:27): My instructions are that the mandatory code is a far more narrow code so that we are not putting a huge red tape burden onto particular companies, hence the reason for the mandatory code.

Senator WHISH-WILSON (Tasmania) (12:27): With all due respect, I think we have determined that the information ASIC already requires these companies to lodge is significantly more detailed and comprehensive than what we are asking for. For your information, as you were not in the chamber a little bit earlier—as Senators Bilyk and Ludwig pointed out—in the Greens amendment with which we are seeking to bring back the better disclosure requirements, we are asking for four things: an ABN and name; total income for the year; total taxable income, or net income; and, income tax payable. This is only a fraction of what is on ASIC. So, in relation to your answer to me about this being about red tape, I fail to see how there can be any red tape involved with just asking for four simple things on a register, considering that the information is already available. The Senate looked at this when the bill was first introduced, and there was very little cost involved in bringing this in. This was looked at in 2013 by the Labor government and by various committees. We are not talking about a significant amount of red tape here. Could you please address that question?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (12:28): Again, you are going exactly to the point that has been canvassed time and time again by various senators in this debate. It has already been answered by several government ministers. I have already answered the question in relation to responding to Senator Ludwig. He raised this point and, again, I do not have anything further that I can add.

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (12:29): Minister, thank you for your not so complimentary comments about my questions! Even so, I think that they are very legitimate questions. The question was: where did the evidence come from? The
argument was used by your side, so surely you can validate where the evidence came from that people could have a higher chance of being kidnapped if they were one of these businesses. Where does that evidence come from? In the inquiry the AFP, the ATO and the Attorney-General's Department could offer up no evidence, so you cannot come in here and make statements that are very dramatic—lots of amateur dramatics go on on that side—if you cannot back them up. I want to know: where did the evidence come from?

We see on that side, so often, that you can talk the talk but you do not walk the walk. We see it in every question time. There are people on your side who have to constantly prove which drama school they went to by their amateur dramatics. With all the puffing up of your chests and all the claims that it is a crackdown on multinational companies, just because it says it in the title of the bill does not mean that is what is happening. In this case, it is not happening. So where did the evidence come from in regard to kidnapping?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (12:31): I would remind Senator Bilyk that Labor is supporting this bill. Do not get too excited in your arguments against it. As has been stated several times in this debate—and perhaps if those on the other side had a little more experience in the real world of business they would understand—the government introduced the amendment that we are all referring to because publication of the taxation information of these particular companies would have, effectively, disclosed the owners' financial affairs and posed a risk to their position in the market by making key economic information available to their competitors and their suppliers.

Senator Bilyk: Where does the evidence come from?

Senator Dastyari: That is just a lie!

The TEMPORARY CHAIRMAN (Senator Reynolds): Senator Bilyk and Senator Dastyari, the minister has the call.

Senator CASH: The Senate, as I have stated, has already debated the substance of this amendment when it passed the tax and superannuation laws—

Senator Bilyk: I rise on a point of order, Temporary Chairman. The minister is not answering the question that is pretty simple. I have asked it a couple of times. Where did the evidence come from? Is there any evidence? Let me make it easy for the minister: is there any evidence?

The TEMPORARY CHAIRMAN: Senator Bilyk, there is no point of order.

Senator CASH: For the benefit of those in the gallery who have to endure this, and for those listening to broadcast, the good news is that I think there is only 12½ minutes left before we go to senators' statements. This has been canvassed time and time again. My understanding is that the Senate has already debated the substance of this amendment.

Senator Bilyk interjecting—

Senator Dastyari: You are misleading the chamber, Senator.

The TEMPORARY CHAIRMAN: Senator Bilyk and Senator Dastyari, the minister has the call. I have already said that there is no point of order. The minister is answering your question.

Senator Dastyari: I did not call a point of order.
The TEMPORARY CHAIRMAN: You are saying exactly the same thing as you did with your point of order. The minister is answering your question. Let her be heard.

Senator CASH: Again, as I said, the government introduced the amendment because publication of the taxation information of these companies would have, effectively, disclosed the owners’ financial affairs and posed a risk to their position in the market by making key economic information available to their competitors and suppliers. Because it appears that we are going to be going through until 12.45 pm, if I could perhaps take a few minutes, for the benefit of those in the gallery, and for the benefit of those listening to this debate on broadcast, to explain what we are, in fact, debating. We are debating multinational anti-avoidance law. This is all about ensuring that in Australia we have some of the strongest integrity rules in the world. That is something that, as Australians, we should be very proud of.

When we ascertain that there are multinationals who are artificially structuring to avoid tax being paid in Australia by booking revenue offshore from Australian sales, as a government we should do something about that. Why? Because, obviously, these companies have an unfair advantage over local businesses, over families and over small businesses, who end up shouldering the greater tax burden. What this ultimately does is to undermine confidence within the Australian taxation system. Again, it might surprise those listening and those in the gallery that the opposition do support this bill. You would not yet think that by the manner in which they are behaving, but they do support this bill. Before the end of today and perhaps before we go to senators' statements, given that this is a bill that is going to ensure that multinationals engaging in deliberate tax avoidance have to pay tax in Australia, I would hope that this bill does pass the Senate.

Senator WHISH-WILSON (Tasmania) (12:35): I want to ask the minister another direct question, and this is a very genuine question. I am not filibustering at all. It is a very genuine question. When we looked at the Tax and Superannuation Laws Amendment (Better Targeting the Income Tax Transparency Laws) Bill it exempted Australian companies from a set of disclosure laws, but it kept—as the minister is aware—offshore companies under the same disclosure laws that were passed in 2013. Let me read this to you from the Parliamentary Library:
The purpose of the Bill is to amend the Taxation Administration Act 1953 (Cth) (TAA 1953) to provide an additional threshold before the Commissioner of Taxation is obliged to publish information about a corporate tax entity with a total income equal to or exceeding $100 million for an income year. The additional threshold to be met must be one of three alternatives:

• the entity is not an Australian resident that is a private company or
• the entity is a member of a wholly-owned group that has a foreign resident ultimate holding company or
• the percentage of foreign shareholding in the entity is greater than 50 per cent.

So we, in this country, have a law at the moment that demands foreign companies with subsidiaries in Australia meet these disclosure requirements if they are worth over $100 million. My question is quite simple. Why did we exempt Australian companies? What was the logic behind cutting out Australian companies and individuals with a net worth of more than $100 million? Why do we keep it on offshore companies and exempt Australian companies?
Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (12:37): I appreciate you stating, Senator Whish-Wilson, that this is a genuine question—I obviously would hope that all questions in this place are genuine questions—but I am sure that you participated in the debate regarding the Tax and Superannuation Laws Amendment (Better Targeting the Income Tax Transparency Laws) Bill. Again, the substance of what you are going to was debated at that time. Several ministers have indeed answered the question and it continues to be the same answer. I have nothing further to add to the position that the government has adopted.

Senator WHISH-WILSON (Tasmania) (12:38): Perhaps I can have a crack at answering the question that you refuse to answer, Minister. The answer to the question, I think—and I am happy for you to correct the record—is that a group of very influential and wealthy people in this country lobbied the Liberal Party to have Australian corporations and individuals exempt from these laws. How is it that, six days after a Senate inquiry is announced into these laws, a front group gets it up in this country to help shield wealthy individuals and companies over $100 million from disclosing their laws—laws we have kept in place for foreign companies, but we have now exempted Australian companies. I think you have been lobbied quite hard—who knows, potentially by some of your donors—and that you have changed this law to suit them. I can see no public good reason why you would exempt Australian companies from these laws and keep the same laws for foreign corporations. We have heard no reason as to why this is in the public good.

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (12:39): Perhaps you do not need to hear it from me as to why this particular piece of legislation is in the public good, because I think anybody who read this legislation in relation to combating multinational tax avoidance would understand that it is within the public good. In fact, Senator Sam Dastyari summed it up himself in his speech in the second reading debate on Monday, 9 November. He said:

The former Treasurer should be congratulated for saying and doing many good things in this policy area.

He then said:

This is a bill that fundamentally addresses many important concerns around multinational tax avoidance.

...... ...

We—

the Labor Party—

have been calling for more action on multinational tax for over two years. It is good to see that the government has actually come on board—and, if you want to take a little bit of credit for the legislation, Senator Dastyari, that is fine—with this legislation.

If you do not want to believe from me, Senator Whish-Wilson, that this is a piece of legislation that is in the public good, please take it from your former coalition partners in the Australian Labor Party, the now opposition, from Senator Dastyari himself, that this is a good piece of legislation. He indeed compliments the former Treasurer for the work he has done in
this area. Again, I would thank the Labor Party for the fact that they will be, despite the filibustering—

Senator Dastyari: It is a good bill. It just needs amending.

Senator CASH: It is a good bill, thank you, Senator Dastyari—supporting this legislation and therefore I believe it is in the public good. I would say that anything that ensures that multinational companies who are avoiding tax pay their tax in Australia is within the public good.

Senator LUDWIG (Queensland) (12:41): You have forced me to rise again. There are three matters. One is that it is appropriate in the Senate committee stage for the minister to be responsive to the questions. You have not been responsive to the questions I have asked. It does not mean it is a filibuster. By alleging there is a filibuster, you cannot—

Senator Edwards: I rise on a point of order. I have been listening to what appears to be just a flagrant filibuster.

The TEMPORARY CHAIRMAN (Senator Reynolds): Senator Edwards, what is your point of order?

Senator Edwards: The point of order is on relevance regarding the contributions that have been made by the Greens political party. It is on relevance. The legislation—

The TEMPORARY CHAIRMAN: Senator Edwards, there is no point of order.

Senator Edwards: which Senator Whish-Wilson is debating has passed.

The TEMPORARY CHAIRMAN: Senator Edwards, there is no point of order. Please be seated.

Senator Edwards: It is not relevant, Chair.

The TEMPORARY CHAIRMAN: Senator Ludwig, you have the call.

Senator LUDWIG: I want to talk to the point of order. There cannot be a point of order on Senator Whish-Wilson when I am on my feet talking.

The TEMPORARY CHAIRMAN: Senator Bernardi.

Senator Bernardi: I do not wish to digress from your ruling, but Senator Ludwig insisted upon responding to a point of order that you already ruled is not a point of order, so you should draw him back to the question because he is out of order.

The TEMPORARY CHAIRMAN: Thank you very much, Senator Bernardi. I was in the process of doing so before you kindly assisted. Senator Ludwig, you have the call.

Senator LUDWIG: I did not want to be disorderly in that respect, so thank you, Senator Bernardi. What I wanted to come back to were the three issues that I spoke to. I was seeking a legitimate answer to the questions that I raised. You answered the first one. Although I disagree with it, I am not going to continue to reiterate that question. It is an answer and it at least meets the courtesy that it was asked in. The second part of the series of questions I asked relates effectively to the BEPS 15 implementation. BEPS 15 is due to be put forward at the OECD in the next short while. The questions came out of 2015-16 budget. They have not been implemented yet, including the time frames for that. I could do it in a shorthand way and simply ask for the decision around how and when you are going to implement BEPS 15 post the OECD implementation. That is the short question to the issue I went to. I am happy for
your advisors to go back and look at the transcript of the questions I asked and provide an answer to them at a later stage in the debate. I do not need them right now and I do not expect that you would have those readily at your fingertips.

Progress reported.

STATEMENTS BY SENATORS

The ACTING DEPUTY PRESIDENT (Senator Reynolds): Pursuant to order, I now call upon senators' statements.

El-Mouelhy, Mr Mohamed

Senator BERNARDI (South Australia) (12:45): I rise today to raise a matter involving a man claiming to be an international business leader but who has demonstrated through his words and actions that he is a person who clearly has limited—if any—association with the truth. I am talking about a gentleman by the name of Mr Mohamed El-Mouelhy, who is head of the Halal Certification Authority. My attention was first drawn to Mr El-Mouelhy's intentions by his Facebook page in which he made the following comment about me: 'Mr Cory Bernardi is a well-known bigot and Muslim hater. A couple of years ago when halal certification became an issue for the bigots, Bernardi sent me an unsolicited, offensive and racist email. I did not dignify him with a response then, and I am not about to dignify him now.'

Having never heard of this man before, and establishing I had never had any previous contact with him, I was perplexed as to his claim. Upon further review of his distasteful, bigoted and racist social media rantings, I actually thought this was a grubby parody account. Imagine my shock when I discovered that Mr El-Mouelhy was actually a real person claiming to be a respected businessman. I contacted him through his business email asking for evidence of his defamatory claim that I had sent him an unsolicited, offensive and racist email. He responded by not providing any evidence at all and refusing to engage in any further conversation.

Accordingly, I am completely at peace in referring to Mr El-Mouelhy's claims about me as completely false, and I can only consider him to be a liar. This prompted me to conduct a further review of Mr El-Mouelhy's public statements. Clearly, he is no stranger to the limelight. With an increasing interest in halal certification, and as the head of the Halal Certification Authority, he has taken every opportunity to have his views heard. He pops up in TV interviews, on radio and in print. He is constantly offering opinions that halal certification has made him a multimillionaire. In fact, you could probably think that he is the quasi-face of halal certification in Australia. Yet, when given his opportunity to appear before a Senate committee about this precise topic, he refused to appear. I am guessing that the requirement to tell the truth in giving evidence before a Senate committee was enough to scare him off.

But that does not stop him from abusing the Senate inquiry. On Facebook he called the inquiry an 'exercise in bigotry' and a 'sham'. He labelled as bigots all those who called for the inquiry and all the senators who voted for it. He insulted almost every submission to the inquiry and he claimed, quite incorrectly, that the inquiry wants to destroy the halal certification industry. Amid proclamations that the government had 'shut down' the inquiry—again, another lie—he boasted further about the money he makes and mentioned alleged corruption within halal certification in Indonesia.
A large part of me wonders whether we should take anything he says seriously. In addition to defaming me on the internet, Mr El-Mouelhy is happy to abuse many others. He insults the whole of New South Wales as a 'bigots dreamland'. He describes Queensland as a 'bigots hinterland' and the ACT as 'foil hat territory'. I will not list them all now, but he said the same about virtually every state and territory in Australia. On Facebook, he does out opinions and insults in equal measure. I will characterise just a few of these sorts of abuses today. Next to photos of pork rectums for sale, he writes: 'Favourite food for bigots. They are what they eat!' He accuses the Reverend Fred Nile of watching pornography on his computer and reading 'free porn mags'. In a comment to someone who posted on his page he wrote: 'You are a jealous bogan … die in your rage, bigot'. In another comment about someone on his page he said: 'This guy must have been to a Catholic school; he is besotted with paedophilia.' When asked about animal suffering, he said: 'I don't mind seeing you suffer.' He labels those who do not agree with him as 'bogans, bigots, religiously intolerant, rednecks and hicks'. His comments about a photo of short-cut bacon, where the word 'cut' has been misspelled through the addition of an additional consonant is simply repulsive, and it would be unparliamentary for me to repeat it here.

Such comments do not reflect well on any Australian businessman, especially someone who claims to be as successful and prominent as Mr El-Mouelhy. I have lost count of the number of times he has labelled me an Islamophobe, a bigot or a Muslim hater. Frankly, I put no stock in his insults against me. It is not the first time someone has called me names—coming from someone like him, I wear it as a badge of honour.

But the telling thing about all these online rantings and arrogant insults is what they tell us about the character of Mohamed El-Mouelhy. He is willing to spend a significant amount of time abusing people on social media and peddling lies in the public domain. And, by his own admission, he has been involved in corrupt dealings—bribery, to be specific—to attempt to gain access to the Indonesian halal food market. On ABC's Four Corners he was asked whether the $28,000 he spent on a visit to Australia by Indonesian halal officials was, in his mind, a bribe. This is what he said:

In my mind … as an after fact, yes, it is a bribe.

Why would anyone want to do business with a corrupt businessman? But, according to Mr El-Mouelhy himself, business is booming. He arrogantly talks about how much money he makes from the halal certification industry. On Today Tonight he said it had made him a millionaire. On Four Corners he said that everything he touches turns to gold. His business website claims that it has an '80 per cent market share of halal certification in Australia'—something which I have seen no evidence of, but that is what he claims.

Yet beneath these dodgy boasts there are many questions to be answered. He portrays himself and his business as an Islamic body or authority. The name alone—Halal Certification Authority—implies that it is some sort of peak community representative organisation. It even has a '.org' domain name instead of the usual '.com'. But is it really an Islamic body or authority? Is it really a not-for-profit organisation as suggested by the domain name? As far as I can tell it is neither. It is simply a private business formed to make money for Mr El-Mouelhy through any means possible.

Descriptions of his company, on various websites, claim the Halal Certification Authority 'is the most authoritative national Islamic body on the application of Islamic dietary laws' and
it is an 'Islamic body appointed by the Australian Quarantine and Inspection Service, AQIS, according to federal legislation'. Mr El-Mouelhy is not an imam or Islamic religious leader, so I do not know on what basis he makes the claim of being a credible authority. And AQIS does not appoint Islamic certifiers. The certifiers apply to AQIS to gain approval to certify certain products for export. Further, El-Mouelhy boasts on Facebook that 'Sharia rules' and is associated with another organisation that includes a special religious or sharia subcommittee.

Despite these statements and associations, El-Mouelhy also denies the existence of sharia or Islamic law. On 11 Feb 2015, during an interview on SBS, El-Mouelhy stated—in relation to a court case—'The defendants have said I am actually working to install sharia law—whatever that is—in Australia.' On 18 March 2015, during an interview on the ABC's The Drum program, El-Mouelhy claimed: 'There is no such thing in Islam called sharia law, by the way.' They are just more contradictions by a man unwilling to be confined by the truth.

Alarmingly, El-Mouelhy also boasts about contributing to the global Islamic charity Human Appeal International, HAI, an organisation that has been banned in Israel, since 2008, because it channels funds to Hamas and has links to Hezbollah. Mr El-Mouelhy claims he knows of no links from HAI to Hamas, but a quick internet search reveals the HAI logo in use at Hamas ceremonies. Hamas, I remind the Senate, has been listed by the United Nations as a terror group since 2001. In 1996 a CIA report said HAI was used as a conduit to fund terrorism. HAI also sponsored two visits to Australia by a bloke named Tareq Al-Suwaidan, a man banned from the US and Belgium for his violent anti-Semitism. And this is the charity that Mr El-Mouelhy chooses to support.

In short, based on his words and actions, I consider Mr El-Mouelhy to be an untrustworthy person. In fact, he does a great disservice to the Muslim community and the halal certification industry. During evidence to the committee on halal certification, one witness described the shonks and con men operating within the industry and endorsed calls for reform. In my opinion, Mr El-Mouelhy is the embodiment of such a description. I know he has made false statements about me and I know he has made admissions to being involved in corrupt practices. On that evidence alone, El-Mouelhy must be considered one of the halal industry shonks and con men that no reputable organisation should have anything to do with.

**Arts Funding**

Senator BILYK (Tasmania—Deputy Opposition Whip in the Senate) (12:55): 'The king is dead; long live the king.' That is what Senator Abetz told this place a few weeks ago upon the removal of Mr Abbott from the position of Prime Minister. Along with the removal of the Prime Minister, Minister Brandis also lost the arts portfolio. The removal of the failed arts minister has evoked considerable joy amongst the arts community, both nationally and in my home state, in particular, of Tasmania. However, this rejoicing is premature as, while Minister Brandis is gone from the arts portfolio, his policies remain under the new minister, Senator Fifield.

I do sincerely wish him luck—and I have said this to Minister Fifield's face—in fixing the devastation inflicted upon the arts industry by his immediate predecessor. There was a lack of consultation, I know, but also a lack of knowledge of the broader arts community when Senator Brandis made those decisions. It is pretty safe to say that this Abbott-Turnbull government is the worst government in generations for the arts community. It has caused
disruption on a scale that has never been seen before. This government's ideological attacks on the arts has caused untold confusion, anger and heartbreak.

As a full member of the Senate Legal and Constitutional Affair References Committee, I have taken the lead role for the Labor Party in the inquiry into the recent arts funding budget decisions. Time and again, the committee has heard that this government has been a disaster for the Australian arts industry. At every inquiry, we have heard the same evidence. It has caused companies and organisations to close. The changes will be particularly felt in my home state of Tasmania. Tasmania has a wonderful, vibrant, innovative and extremely talented arts industry. It is full of extraordinarily passionate artists who strive to tell the stories of our home state to a world-class standard. Unfortunately, this government has failed them.

When Senator Brandis decided to set up his thoroughly discredited National Program for Excellence in the Arts, having failed to consult with anyone outside his own office, he did so with an arrogant bias against anything not produced by a major company in Sydney or Melbourne. Senator Brandis wanted to see himself as a modern day Lorenzo de' Medici; a wise and beneficial patron of the arts. He wants to be the hero who is lauded for funding the contemporary equivalent of Michelangelo or Botticelli. Australian arts funding for the last year has been skewed by Senator Brandis's view that excellence is solely represented by the work of the major organisations. Anything else is not 'excellent' and is unworthy of funding from the minister's personal NPEA fiefdom.

In Tasmania, we only have one organisation that is a major performing arts group, and that is the Tasmanian Symphony Orchestra. It is a wonderful organisation, well worthy of the major organisation funding it receives from the Australia Council. No-one in Tasmania, especially in the Tasmanian arts community, begrudges its success. The Tasmanian arts community is fiercely proud of Tasmania's orchestra. However, it does not sustain the majority of artists practising in Tasmania, and that is the rub. These artists mainly work for small to medium companies or organisations—often multiple organisations, simultaneously—and as individually practising artists. They may also work doing other paid employment to support their practise, because we all know artists do not make much money.

It is the small to medium organisations that are the lifeblood of the arts industry in Tasmania. Few in this country have the benefit of working for one of the major organisations that were quarantined from Senator Brandis's cuts to pay for his slush fund. It is the small to medium organisations that are creating the revolutionary new works that are travelling internationally and that interstate Australians and international visitors are flocking to see.

I recently held a roundtable with the Tasmanian arts community with shadow minister Dreyfus, as part of the Tasmanian task force initiative. Representatives from a large number of organisations came along to give their views on the current state of the industry and what is needed to keep it going. Without a doubt, the overwhelming view of the roundtable was that it is the policies of this Abbott-Turnbull government that have put the arts industry in jeopardy. Artists told the roundtable that, before the change to the Australia Council's funding, 'the arts industry had just enough people and money to keep it going'. I emphasise that: it had just enough people and money to keep going. The effect of ripping the money out of the Australia Council grants program and shifting it to the NPEA could very well be the collapse of significant parts of the Tasmanian arts industry.
The government have failed to understand the whole nature of the arts. One of the roundtable participants said:

The arts in Tasmania is a 'micro-economy' where small amounts of funding are leveraged greatly. It's an interweaving ecology.

I have heard the phrase 'the arts is an interweaving ecology' time and time again during the Senate inquiry's public hearings. The government do not understand this point. They see arts organisations as silos that employ a certain number of artists as full-time equivalents. They do not see that, in reality, artists work across multiple organisations. They work extremely hard and often contribute large amounts of their own labour, pro bono, to projects or organisations they are involved in. Organisations work cooperatively, connected by deep relationships and a shared commitment to producing quality art. The government do not understand because they only believe in competition. They do not understand a sector that works cooperatively. They also do not understand that money spent by arts organisations does not go just to artists but goes straight back into the economy. This was illustrated by witnesses who told the roundtable:

The basic point is that arts organisations don't just employ artists. They employ admin staff, printers, sign writers, they book venues—

with the costs involved there, not just for the room but often for drinks and things where money is put across the bar and people are employed. The witnesses told the roundtable:

Most income for small-to-medium organisations is spent on wages, and the people are very low waged people, so that is spent on food and rent. The money keeps rolling.

From what I have seen, it is clear that the government do not understand the arts, particularly the small to medium organisations. The government keep on telling arts organisations that they need to get philanthropic funding, but the government either do not understand or do not care how difficult it is for small organisations to compete with the majors for this very tiny amount of private funding. As one of the stakeholders told the roundtable:

There is just so much pressure on the sector to diversify and get philanthropic funding. But we operate at the bottom of the food chain. We do behind the scene work … Our work is invisible; there's no high impact outcomes. We cannot compete with the major organisations that offer opening night red carpets and opportunities to schmooze with the stars. We are a niche not-for-profit doing specialist work. But if we don't do it, who will? And if we go the [artists] will suffer.

While most of the conversations about changes to arts funding have been about the cuts to the Australia Council to fund the NPEA, there have also been significant cuts to Screen Australia in the recent budgets. Funding cuts in the last two budgets have seen federal government funding for Screen Australia drop from $100.8 million in 2013-14 to a projected $84.1 million in 2017-18. This is having a devastating impact on Screen Australia and the various state based organisations it funds. These cuts are going to significantly impact on the operations of Wide Angle Tasmania. Wide Angle Tasmania will lose $80,000 worth of funding from Screen Australia from 2016. Tasmania has a small but vibrant screen industry, and Wide Angle Tasmania are at its heart. They provide enormous support to the sector. For emerging Tasmanian filmmakers who want to access professional equipment, they are the only people to turn to. They provide training courses for young filmmakers so they can start their professional careers at home in Tasmania; and they support the industry through screenings and film competitions and providing a network for talented people to engage with
each other. Almost all of the Tasmanian film industry is linked to, and dependent on, the work of Wide Angle Tasmania. Wide Angle Tasmania recently announced that they will be closing at the end of June 2016, due to their loss of funding. This a terrible outcome for Tasmanian directors, actors, screenwriters and technical crews, who do so much wonderful work with very little money. The government should be ashamed.

I would like to finish this contribution with another comment or two from the roundtable. The first quote is:

The engagement by the Government is disingenuous and we are exhausted by all the changes.

Another quote:

We are losing knowledge of the industry as people are leaving or burning out.

It is clear from these comments that the Tasmanian arts sector is in a desperate state, and it is also clear that failed former arts minister Senator Brandis is to blame. The new minister needs to fix this mess—and, as I said, I sincerely hope that he can. But he needs to fix it now, before Wide Angle Tasmania and other Tasmanian arts organisations close the door and the Tasmania arts industry collapses with them. (Time expired)

Western Australia: Criminal Code Amendment (Prevention of Lawful Activity) Bill 2015

Senator SIEWERT (Western Australia—Australian Greens Whip) (13:05): I rise this afternoon to talk about a threat to our democracy and our community that is happening in Western Australia. I talk about the new anti-protest laws that the Barnett government has introduced. If these laws had been in place in the past, there are things in Western Australia that we cherish now as part of our community that would not be there—for example, our old-growth forests, which are now such a boon to Western Australia due to their tourist values and the fact that they protect so much biodiversity. Ningaloo Reef is another example, as potentially are Mount Lesueur, some of our clearing laws and some of our wetlands on the Swan Coastal Plain, where only around 15 per cent of the original wetlands are left. These things that we now cherish so much are there because of the work of the community and because of the peaceful protests and campaigns that they ran to save them. This work is the very thing that the Barnett government does not want to happen as it moves to facilitate to an even greater extent the development of Western Australia and to give a free ride to developers that want to damage our natural environment in particular.

In February this year the Barnett government proposed its new antidemocracy laws in Western Australia with the introduction of the Criminal Code Amendment (Prevention of Lawful Activity) Bill 2015. If this bill passes it will criminalise offences of ‘physically preventing a lawful activity’ and ‘possessing a thing for the purpose of preventing a lawful activity’. It will also criminalise ‘the creation or maintenance of ... a physical barrier’ to prevent a lawful activity and protests that create ‘a risk of injury to a person, including the offender, or of damage to property’—very wide, very vague and very prone to misuse. Offences carry serious penalties of prison of up to one year and a fine of up to $12,000. In certain circumstances the penalty for preventing a lawful activity can rise to two years and $24,000—excessive, when we are talking about ordinary members of the community who are just trying to ensure that a particular area is protected, that the environment is protected. I am thinking here of James Price Point, for example, or remote communities.
There is huge opposition to this bill in my home state, and the Greens strongly oppose this bill. I want to congratulate my state colleagues—WA Greens MPs Lynn MacLaren and Robin Chapple, who have worked tirelessly opposing this bill and bringing to the attention of the community and the parliament the flaws of this process. We will continue to oppose this legislation. One of the things the bill has done is unite a diverse group of people and organisations in opposition. The WA Farmers' Federation, for example, is standing side by side with environment groups to oppose this legislation; 82 organisations have signed a letter, a joint statement, in opposition to this bill. They can see the damage it could potentially do. These are organisations such as the Anglican Social Responsibilities Commission, the Anglican Diocese of Perth, the Uniting Church of Perth and the Justice, Ecology and Development Office of the Catholic Archdiocese of Perth—as I said, a wide variety of organisations that are saying to the WA government, 'This is not just law'. Many legal and constitutional experts are urging the parliament not to pass the proposed legislation, including the Human Rights Law Centre, which is also deeply concerned that the legislation could well be unconstitutional.

The bill is yet another attack on our fundamental civil rights and democratic freedoms in Australia. Recently we also saw the coalition's blatant demonisation of citizens who stand up to protect the environment and our communities with its Radicalisation Awareness Kit for school students, including the case study of 'Karen' the radical environmentalist, who they used as an example of what could lead to radicalisation—and alternative music, and the alternative music scene, could act as a gateway to radicalisation and terrorism. Again, it is blatant demonisation of people who stand up to protect the environment, to protect our communities. These people are in the sights of state and federal governments.

If this bill were to pass it would seriously impede direct action in campaigns on the ground in WA, such as Lock the Gate, where farmers are protesting to stop fracking on their lands, and Rethink the Link, where the federal government and the state government are combining to try to drive a freeway, Roe 8, through the Beeliar Wetlands. As I said earlier, we have around 15 per cent of our original wetlands left on the Swan coastal plain, and these governments, state and federal, want to drive a freeway through those wetlands. It will also impact on those who have been working to stop the closure of Aboriginal communities.

Both state and federal governments are putting big business interests and the facilitation of more development in Western Australia above the community and above the right to protect our environment. They refuse to listen to the voice of the community and are now threatening to even further erode the community's ability to stand up to harmful decisions and to protest and protect the important areas we love so dearly in Western Australia and throughout Australia. Nowhere is this clearer than in the threats these laws could present to those who are working to protect our remote communities.

This bill criminalises peaceful protest. This is in itself an attack on fundamental civil rights. Australians have a long and proud history of peaceful demonstration, which has been instrumental in securing the rights that many of us now take for granted, including the right to vote, the right to a fair wage, the eight-hour working day and the protection of the places we love so much, such as Ningaloo Reef and the old-growth forests in the south-west of Western Australia. These things would not have been achieved without citizens engaging in peaceful protest. This legislation reverses the onus of proof, unjustifiably removing the presumption of
innocence of citizens. And as the Criminal Lawyers Association said, it is a fundamental cornerstone of criminal justice that an accused person bears no onus to prove their innocence. This is what this legislation overturns. This bill applies on private land and on public land, so a farmer locking the gate to fracking could be convicted of the offence of physically preventing lawful activity for protecting their own farm. This is what the Barnett government wants to do. It is no wonder that the farmers' federation is standing alongside environmentalists and community activists to oppose these laws.

The very broad terms of this legislation are unbelievable. It is extraordinarily vague in its language, which makes it very dangerous in its application. The wider the scope, the more freedom the police have and the more open it is to misuse. For example, the offence of 'possessing a thing for the purpose of preventing a lawful activity' defines a 'thing' only by the intended use of the article. This criminalises the possession of ordinary everyday items and is so broad that it could apply to the possession of a pair of shoes, for example, or a property owner owning a gate, even if they never actually lock it, so long as the circumstances give rise to a reasonable suspicion that they intend to lock it.

We can see the farcical nature of these laws. This is overreach. The police and Western Australian authorities already have laws that can be used in circumstances where they are needed. It is clear that these laws are not needed and that they are an overreach. In fact, they are potentially unconstitutional. The Barnett government should withdraw these laws. They should listen to their community. They should listen to the organisations that have signed on to oppose this legislation. They should withdraw this legislation now and admit they have made a mistake, like they did with the shark cull in Western Australia.

Health Policy

Senator BACK (Western Australia) (13:15): This afternoon, here in the parliament, there will be a briefing to senators, members and staff on antibiotic resistance ahead of the global Antibiotic Awareness Week next week. I want to bring to the attention of the Senate and the community the risk that the world is now facing from antibiotic resistance, not just now but into the future. Firstly, let me present two statistics which I think are absolutely alarming. Health authorities in the United Kingdom predict that, if we do not get on top of the issue of antibiotic resistance, we will have at least 10 million more deaths per year in the world by 2050 and the cost in lost output, productivity and to society will exceed $100 trillion. That is 10 million more deaths. In the United States, the national medical strategy team have said that if we cannot guarantee antibiotic protection into the future it is likely that surgery, organ transplants and chemotherapy may not be able to be performed because of the failure to be able to provide antibiotic protection to those patients. Imagine a world where, now and into the future, we could not do surgery or give organ transplants or chemotherapy. Where would we be?

We are, of course, the architects of our own doom in this. Having been in the veterinary profession, and having been associated with animal production in the past, I can say that we have also been guilty of overuse of antibiotics. I remember, in the early 1970s, drug firm representatives running around the eastern wheat belt of WA saying to farmers, 'If you use low levels of antibiotics in your pig feed, your piggery will become a minimal disease piggery.' Of course, far from that, we learned that over time those animals were becoming resistant to commonly used antibiotics, and we have had instances around the world where
people who had consumed the meat from animals that had been given antibiotics in their feedstuffs also became resistant to antibiotics. This is an issue that is of enormous importance to us in this place. I, for one, urge people to go along and listen this afternoon and participate next week in a series of seminars hosted by the ministers to elevate this problem.

The best example that I can give, and the one closest to Australia, is the now rampant antibiotic resistant tuberculosis. In Africa it is endemic. The worst affected country in the Pacific is our nearest neighbour, Papua New Guinea, where there are 25,000 new cases of TB being diagnosed every year. A very significant proportion of those—in fact, up to a third—are children. More regrettably, the treatment is usually not available because of the distances from villages to where treatment can be applied. Furthermore, for people suffering HIV-AIDS, normally the types of treatments available are not available or effective for them. As if we are not sufficiently concerned by the fact that it is happening in our nearest country, the ease of movement of people from Papua New Guinea through to the north of Australia at Cape York, needless to say, presents this problem for us here in Australia. Countries like Russia, Latvia, Ukraine and South Africa are homes of drug resistant, antibiotic resistant, tuberculosis. In fact, in many instances the deaths due to tuberculosis are probably actually due to HIV-AIDS in people who have tuberculosis and for whom it was sufficient to cause their demise.

On the positive side, I am very proud to record the fact that Australia has led and is leading in the eradication program for poliomyelitis. We are now within the shadows of the post of eradicating this disease. The chamber might be interested to know that there have only ever been two diseases that have been eradicated. The first was smallpox in human beings, eradicated in 1980, and the second was rinderpest, the disease of cloven-hoofed animals that was declared eradicated in 2011. How proud will the world be when we can actually declare, I hope within this decade, the eradication of polio. In Australia, in the 1950s and 1960s, there were between 10,000 and 20,000 cases of polio in this country alone. In 2013 there were 416 cases diagnosed in the world. By last year it was 359, and the number this year is 44.

Sir Clem Renouf, when he became president of Rotary International in 1978, became aware that the last case of smallpox had been diagnosed in 1977. That was the catalyst for him to commit Rotary International to take the lead in the eradication of polio, and he mentioned the comment of one of his successors. When this man was at a clinic watching children being vaccinated, he saw a small boy in calipers saying to one of the staff, 'Thank you for saving my sister, because she will not get what I have got.' Do you know what the cost of the vaccine is? It is 10c. I have pleaded with the Prime Minister and the foreign minister that, when they go to the Commonwealth Heads of Government Meeting next month or early next month in Malta, there be a declaration in the communique that says that the Commonwealth countries of the world want to move to the eradication of that terrible disease.

In the few minutes left to me I would like to talk about the notion of One Health. The forum is being held next week, on 17 November, here in Canberra, and I was proud to learn that it will be presented jointly by the Commonwealth departments of health and agriculture. As Senator Colbeck, who is sitting here, knows well, when we introduced and passed the new biosecurity bill earlier this year—replacing the Quarantine Act 1902—it was in fact a joint submission of government, by health and agriculture, that presented to the Senate committee. Why is this important? Because it needs to be understood that some 65 per cent of all
infectious and parasitic diseases of humans have their origins in animals; 75 per cent of all new and emerging infectious diseases of humans have their origins in animals; and regrettably, for those terrorists who would be looking to the use of infectious agents to precipitate their cruelty on the world, more than 80 per cent of the organisms they are seeking—anthrax et cetera—are of animal origin. So I think it is very important that we are working ever more closely in that particular role.

In 2009 and, I think, 2010, two of my veterinary colleagues in Queensland died of the hendra virus, a virus having its origin in bats. Bats contaminate the feed of horses. In turn, the horses die and the people treating them or associated with their treatment also die. I think it was a wonderful exercise by this parliament and the three ministers at the time—health, agriculture and science; and I think Senator Carr was Minister for Science at the time—to commit sufficient funding to allow the Animal Health Laboratory at Geelong in Victoria to produce the hendra vaccine for horses in advance of it being produced, we hope one day, also for human beings. It is not that the morbidity, the number of cases, has been high; but the mortality, the percentage of those who got it, is 65 per cent—65 per cent of the humans who have contracted hendra virus have died from it.

I want to mention Rotary because I had the privilege of attending a function in Perth the other morning at which Barry Mendelowitz, a distinguished and now retired doctor in Perth, and his colleague Professor Tim Inglis pleaded that when Rotary is successful in leading the eradication of poliomyelitis in this country they not rest on their laurels but actually swing over and take a leading role in the whole question of antibiotic resistance. And the group led by Tim Inglis, Labs Without Walls, is doing enormous, world leading work particularly in the early diagnosis of organisms, the identification of organisms and, indeed, identifications of sensitivity or resistance by antibiotics. I conclude with this statement: antibiotic resistance is an international scourge that we must work on.

Alcohol and Illicit Drugs

Senator O’NEILL (New South Wales) (13:25): I rise today to make some remarks around the area of drug and alcohol addiction. It has been an area of some interest to me over many years. As a teacher teaching year 11 and 12 students I had to change my pedagogy in teaching the higher order thinking and new information skills and shift them from Mondays to Wednesdays because often on a Monday morning my students would still be recovering from lots of bingeing on the weekend—alcohol in particular but also illicit drugs. Right now, the drug of greatest concern is ice. But I want to preface my more formal remarks by indicating that alcohol remains our biggest problem.

That being said, I want to speak to the problem across this nation with regard to access to assistance to get over addiction—whether it is drugs and alcohol or any other conditions. For drugs and alcohol in particular, there is an incredible shortage of places. We know it is all too common—and it is a tragic story—that places that are anxious to help people start again and distance themselves from the scourge of drug and alcohol addiction have to turn people away. Time and time again, we hear the same story. There is huge demand for support and guidance and it is nowhere near matched by the facilities that need to be available to meet this real and pressing public health problem.

The situation on the Central Coast is particularly bad. Labor’s shadow spokesperson for health, Stephen Jones, and I recently visited two facilities. The first one I will speak of is The
Glen drug and alcohol rehabilitation centre. Many people might have seen a video around this. If you are looking for a therapeutic model, I would suggest that people might find great help, hope and information on their website. It is a facility for Indigenous men, predominantly, with alcohol and drug issues and it specialises in the care of that particular community. It is a therapeutic community model. The centre currently has a residential capacity of only 20 beds. Demand is absolutely outstripping their capacity to respond to need. Each year, approximately 200 addicts arrive at The Glen seeking help, and for about 50 per cent of them ice is part of their addiction. Joe Coyte, who runs that institution, said: ‘We aren’t proud of having a long waiting list. Sometimes people say we’ve got a waiting list and it will take you forever to get in here.’ They try to be responsive.

One of the things I did learn in the research I did around drugs and alcohol when I was trying to figure out what was going on with my own students was that those who deliver therapy will say there is a 24- to 48-hour window when a person who is right in the depths of an addiction says they are ready for intervention, they are ready for help—they need it now, in that moment. That is when the best possibility of a proper engagement can happen. Obviously, without places that capacity to respond is simply not there.

Stephen Jones and I also visited Kamira, an alcohol and drug treatment centre providing care options for women on the Central Coast. It is ably led by a remarkable woman, Kate Heywood, who gives her services to the community through this health provision. She spoke so eloquently and really helped me understand in a much richer way than I had before the nature of drug and alcohol addiction treatment for women critically arising from the need to deal with trauma. Going back and dealing with the trauma issues that often underpin some of the self-medicating that can very quickly escalate out of control and end up in addiction is a different kind of model. This is a whole body of work about, particularly, women and trauma, and a model of therapy that is quite different from what is offered at The Glen.

There is not one perfect way of helping people come away from addiction. We need to have a range of ways. We need culturally safe ways. We need appropriate ways that respond to the different needs in communities. We need to attend to the fact of our multicultural community and to gender. We need a much richer set and a much broader set of opportunities for people to access the care that they need. All of this need is happening in a context where this government is absolutely slashing the funding for health. We have an incredible inadequacy of funding and places.

I want to go in some detail to evidence that was received at the select committee last week in Melbourne. I want to particularly acknowledge the excellent reportage of that hearing by Julia Medew, who writes for The Age. She spoke about what actually happened when the Abbott government came to power and tore up a national partnership agreement. People sitting in the gallery would know that there is this blame game about health that goes on between the state and federal governments. Nicola Roxon, to her credit, really resolved that and reached fifty-fifty. I was calling it ‘skin in the game’ for both the federal and state governments to be responsible for health. That agreement was torn up by the Abbott government on arrival. That agreement was absolutely done and dusted and gone when they withdrew $57 billion from the health budget. The outcomes of that are devastating. Indeed, the headline cuts to the chase and says that health cuts in the state of Victoria are equal to
closing two major hospitals. I am endeavouring to get the information about the impact in the
great state of New South Wales. The scale can only be bigger because the population is larger.

Kym Peake, the acting secretary at the Victorian Department of Health and Human
Services, said that up until 2011 Commonwealth funding for Victoria's health system was
growing by about 6.6 per cent, increasing to 7.1 per cent in the 2013-14 year. She said that
this rate of growth was expected to increase to 9.4 per cent per year from 2014, but in that
budget—that horror budget—the federal government said it would no longer honour its
national agreement for health priorities in the states and territories. What does that mean?
That means the planning that was underway for the states across this country, the planning
that was underway because of an agreement with a federal government, was absolutely ripped
out from underneath them, and they are still recovering. They are trying to backfill some of
the greatest needs. With those cuts, and with the complicating factor that has made it harder
for people to get to their doctor by the GP tax by stealth and the freezing of the Medicare
index and the rebate, we have a steady stream of people putting pressure on emergency
departments. We have people who need elective surgery who cannot get that elective surgery
because the money for it has been removed and the waiting lists are growing. The time that
people are sitting on the waiting lists is growing. All of that is going on in the midst of a
context where we have a government that decided to spent $20 million on an ice advertising
campaign.

Let's be clear: they pull $57 billion out of the future budget, they walk away from
agreements with the states and say, 'That's not my responsibility,' they find $20 million to
alarm the nation which is already—believe me—very alert and alarmed about ice addiction.
This is a nation where you cannot get treatment. You cannot get into rehab. That is what is
going on. And they have exacerbated the problem by this withdrawal of funding. I have
spoken about the 2014 budget. If that was not bad enough, they decided to back it in a little
bit further. There are 16 funds that come under the health Flexible Funds program. They have
taken another $800 million out of that. Amongst those which they have decided to take funds
from is the Substance Misuse Prevention and Service Improvement Grants Fund. These are
the very funds that support drug rehab and treatment, and prevention strategies. Clearly, these
are brutal cuts that are going to severely damage the ability of government and non-
government services to deliver care for people who find themselves very unwell from
addiction.

At The Glen, there was a wonderful man who had come through the program. He said, 'Do
know what we do here? We don't make bad people good; we make sick people well.' There
are a lot of sick people. There are families turning up with passion and sadness and sorrow
because they cannot get the help they need. They cannot get into addiction treatment. They
cannot get what they need to make the sick well. This government should be absolutely
ashamed about the intense pressure to push to breaking point the national fabric of our health
services, to break away the state-federal relations, to take away $800 million, to take away
money that should be there for the funding of drug— (Time expired)

Remembrance Day

Senator LAMBIE (Tasmania) (13:36): Today is Remembrance Day, and I would like to
pay tribute to all Australians who have served and sacrificed to ensure that we live in a
beautiful and free democratic country. In relation to Tasmanian war casualties, Parliamentary
Library research shows that 27 Tasmanians were killed in the South African Boer War. In World War I, 2,432 Tasmanians were killed. In World War II, over 1,100 Tasmanians were killed. In the Korean War, 22 Tasmanians were killed. In the Indonesian Confrontation, two Tasmanians were killed. In the Vietnam War, 17 Tasmanians lost their lives. According to biographies provided on the Department of Defence website, of the Australian Defence Forces' 41 casualties who died in the war in Afghanistan, two personnel are identified as having been born in Tasmania—Corporal Richard Atkinson and, of course, Corporal Cameron Baird VC MG, from my home town of Burnie.

As well as reflecting on the casualties of our states and nation, this is a day when we reflect on the sacrifice made worldwide by all who believe democracy, basic human rights, freedoms and liberties are values worth dying for. I am reminded that going into World War I there were only seven free democratic countries in the world—England, Australia, New Zealand, Canada, France, America and Italy—who were prepared to shed blood in a worldwide fight against absolute sin. Then, again, in World War II there were only six democratic countries who were prepared to take on the dark forces of totalitarianism in a life-and-death battle. You will recall Italy had turned fascist between the end of World War I and the beginning of World War II. Today, Freedom House says that in 2014, out of 195 countries in the world, 88 countries, or 45 per cent, were free; 59 countries, or 30 per cent, were partially free; and 48 countries, or 25 per cent, were not free.

It is at this point that I am reminded of the brutal lesson that each generation must learn—and pray it is learned from books, films, the internet or stories of the old warriors—that freedom is not free. History proves that freedom is a delicate flower that demands nourishment from a terrible fertiliser made from the blood and bones of those patriots who love basic democratic human rights and liberties so much that they are prepared to give their own lives in the protection of those values and political systems.

Today I will table a private member's bill which I am convinced will help reduce the suicide, self-harm and homelessness rates of the people that we paid tribute to: servicemen and servicewomen of Australia's armed forces. I ask all senators to seriously consider my private member's bill, which simply expands the range of service personnel who officially qualify free of charge for the health Gold card, which is the best medical treatment that Australia can provide.

An undeniable and unprecedented veterans' suicide and homelessness crisis grips Australia today. This crisis was created because of poor management of Australia's military resources and Defence personnel by successive governments. These governments compounded their error by attempting to cover up the true nature and scale of our veterans' suicide and homelessness crisis. The Veterans' Entitlements Amendment (Expanded Gold Card Access) Bill 2015 that I will table in the Senate today will properly address our nation's shameful veterans' suicide and homelessness crisis. By guaranteeing with this legislation automatic free access to the best possible medical treatment in Australia for the men and women of our ADF and Federal Police who have served their country in war or war-like operations, this parliament will stop the harmful—and all too often deadly—bureaucratic fight our veterans are forced to undertake so that they can obtain a health Gold card.

As described in this legislation's explanatory notes, the purpose of the Veterans' Entitlements Amendment (Expanded Gold Card Access) Bill 2015 is to amend the Veterans'
Entitlements Act 1986 so that all veterans, including peacekeepers and peacemakers or former members of the Australian Defence Force, who have served in war or war-like operations and for related purposes are provided with medical and psychological treatment free of charge as a right of service. They will be provided with the best medical treatment Australia has to offer—that is, health Gold card benefits. At present, there are three categories of repatriation, depending on service and medical needs: (1) the Orange card, which is for pharmaceutical benefits only; (2) the White card, which is for specific conditions; and (3) the Gold card, which is for all clinical health needs.

While repatriation efforts have improved in recent decades, there are still many people who have served Australia whose medical and psychological needs are not addressed, as witnessed by high rates of self-harm and homelessness. The Veterans’ Entitlements Amendment (Expanded Gold Card Access) Bill 2015 is an important first step in ensuring a more effective transition between national service and civilian life. The Veterans’ Entitlements Amendment (Expanded Gold Card Access) Bill 2015 broadens the terms of reference of the Veterans’ Entitlements Act 1986 to ensure everyone who served in war or war-like operations receives vital, necessary and timely medical and psychological treatment, whether or not the condition or injury was caused by war or was contracted during war or war-like operations.

This legislation is a direct result of events that transpired at a meeting of veterans that was organised by Dr Raymond Huntley at Burpengary, Queensland, on Wednesday, 21 May 2014. At the gathering of veterans—consisting of former ADF members, mainly from the Army, who had served in Vietnam and younger veterans who had recently served in Middle East conflicts—Dr Huntley asked all the health Gold card holders to stand. About a dozen people stood. Dr Huntley then asked those who had obtained their Gold card in two years or less to sit. Two veterans sat. Though this process of gradually increasing the number of years it took to obtain a Gold card, questioning and then asking veterans to sit, it became very clear very quickly that most veterans had to wait about five years before they received a health Gold card. Two veterans had to wait over 10 years to access the medical benefits that the coverage of a health Gold card gives.

After Dr Huntley had finished that exercise—which in reality was for my benefit and that of two other Liberal politicians at the time—a former digger who had served in the Middle East spoke to the group. He had a tragic story, like many others. He said a number of his comrades that he had served with in war in the Middle East had taken their own lives. He said that one of the main reasons that had pushed his veteran friends to that terrible decision to kill themselves was the psychological harm that occurred to his mates while they fought the government to obtain a Gold card. The Middle East veteran said that many of his friends would have preferred to fight the Taliban rather than fight the bureaucrats that decided whether our diggers received the best possible medical care that Australia can provide to her wounded warriors.

Then from the floor of the meeting this younger veteran suggested that many lives could be saved if the Australian government automatically gave a health Gold card to all veterans who had served in war or war-like conditions. From that moment, my office has worked hard to present this legislation to the parliament in the unshakable belief that it will lessen the risk of further harm and will help stop our veterans from taking their own lives.
Just over a year ago this government, under the cover of the media generated by the Melbourne Cup, tried to get away with an announcement which effectively meant, taking into account inflation and the CPI, that all members of our Defence Force were to suffer a pay cut. I am happy to say that the Prime Minister responsible for that sneaky, low act has paid the price for his betrayal of members of our Australian Defence Force. Tony Abbott is no longer leader of Australia, and I am convinced that one of the reasons he is no longer in that privileged position is the disgusting, appalling and hypocritical manner in which he treated members of our Australian Defence Force. He was a politician who, by his own behaviour when it came to Defence pay, was shown to live off the Anzac legend and not up to it. I hope Prime Minister Turnbull learns the lessons and grants our ADF the fair pay rise of an extra one per cent that your predecessor so heartlessly denied the men and women of our Australian armed services.

In relation to the Tasmanian Victoria Cross recipients: as identified in the Parliamentary Library research paper 'Index of Victoria Cross recipients by electorate', there are 15 out of the 100 Victoria Cross recipients with a connection to Tasmania. These connections include being born in Tasmania, residing in Tasmania upon enlistment, and having Tasmania as the place of death or burial.

To all those men and women who have served and are currently serving our country, I sincerely thank you.

Queensland: Drought

Senator CANAVAN (Queensland—Nationals Whip in the Senate) (13:45): Today I would like to speak about the continuing severe drought in many parts of Queensland, particularly Western Queensland. Many senators would know that around 80 per cent of Queensland remains drought-declared, and while in recent weeks and months there has been some relieving rainfall in certain areas, there are certainly large parts of Queensland that have remained without significant rainfall for nearly four years now. Many of these areas that have been drought declared have had three wet seasons—or three summers; it is a summer rainfall system in most of Queensland—without any significant rain. That has meant a degrading pasture situated in these areas. It has meant a substantial destocking of cattle and sheep from these areas. Also, over time, it has had a consequent flow-on impact on the towns, communities and small businesses that populate western and northern Queensland.

Just this week we heard that the Townsville abattoir will be closing early this year for Christmas because of the lack of cattle in the area. That is a direct result of this drought. That will impact 500-odd workers in the Townsville meatworks who will have lower pay over the Christmas period.

Last week I travelled to Quilpie, which is a town in Western Queensland, west of the major town of Roma. It remains stricken by drought, and, frustratingly, it has not been able to qualify for some drought funding.

Before I go into detail on Quilpie, I do want to give credit to the government for a range of measures of support that they have implemented in response to the drought. There have been additional concessional loans and grants for certain infrastructure investments for farmers and graziers affected by drought. Some of those have been incredibly popular—especially the
water infrastructure money, which has been taken up in great degree. They have been a great help to the farming sector affected by drought.

Another thing that the Commonwealth government has done in the last few months is to implement the Drought Communities Program, a program targeted at helping the towns and communities and small businesses and not only the farming sector itself. I give credit for what is an innovative program—a unique program, in response to a uniquely severe drought. It is directed at trying to get businesses going again in these towns and communities; it is trying to give them some sustenance to ensure that businesses can survive through this drought so that they are there, ready to rebuild, once it rains. And it is only rain that will help us get back to what was there before, but this funding can help to do some of the work to make us a better future when that rain occurs. The funding is to fund shovel-ready projects in these communities, to provide employment and stimulus to local businesses. Seventeen shires have now been declared as eligible for funding in Australia, not just in Queensland; there are some in western New South Wales as well. Each council will be eligible for up to $1½ million to fund these shovel-ready projects.

Unfortunately, the Quilpie Shire Council has so far failed to receive declaration—notwithstanding that it is almost in the centre of the drought-affected area of Western Queensland. All shires surrounding Quilpie have been declared, but Quilpie itself has missed out, and I will go into a little detail about why it has.

The government has been deciding on funding by using rainfall data, which is perfectly reasonable. They have been using Bureau of Meteorology data to assess whether or not 20 per cent of a council's area has a one-in-20-year rainfall deficiency. Generally speaking, that works well, and I absolutely recognise that there needs to be a rules based approach to public funding. However, in the case of Quilpie there are a number of deficiencies in the data which have meant that they have, unreasonably and unfairly, in my view, missed out.

The data that is used for the Quilpie Shire Council relies on six Bureau of Meteorology stations and rainfall stations. There are more stations in the Quilpie Shire Council, but many of them do not have data or do not have sufficient data over the relevant period to use. One thing I have learned from my trip to Quilpie and from looking at this data is that the data being collected at the moment is not as good as it was back in the 1890s. Many of these sites have very good rainfall data for the late 19th century and right up until the late 20th century, but in the last 10 or 15 years there has been a marked drop-off in the quality, accuracy and consistency of the data collected. The locals put that down to consolidation and to bigger businesses coming in and taking less time to collect data for the bureau.

Be that as it may, we have the data and we have to work with it, and, because it relies on only six stations, it is not a complete record of what is happening in Quilpie, and it particularly fails to pick up some of the areas in the western part of the shire, which are some of the worst affected. This data, like all statistics, can mislead you if you rely on it too much. I have had a look at the data from the six sites. The sites have varying availability themselves, but some of the sites have sufficient data. What seems to have happened is that in February 2014 a storm event occurred in the Quilpie Shire Council's area, in many parts of Quilpie. It delivered around 100 millimetres of rain—around five inches in the old scale. That event alone has meant that Quilpie has not qualified—just one storm has meant that it has failed to
meet the one-in-20-year rainfall deficiency on a number of these graphs. If you take it out they would actually meet the deficiency.

It may seem that the storm delivered rain and therefore they should not qualify. However, a storm like that coming through in a drought situation in fact does more damage than good. It destroys topsoil and it does not help pasture regenerate. It has meant that the situation in Quilpie, from a drought perspective, is just the same as its neighbouring councils, such as Murweh Shire Council.

I think we need to look beyond just the rainfall data. There is nothing specific in the guidelines for this program that make us use rainfall data only. There should be a rules based approach. But I believe in situations like this we need a multi-criteria approach and not an exclusive or dogmatic reliance on just one particular metric, which in this case is deficient, in my view.

With that in mind, over the past couple of weeks I, with my office, have conducted a survey of businesses in Quilpie. We have identified 69 businesses so far. We have received responses by phone from around 40 businesses and we also made a survey available on the internet. Around 90 per cent of those businesses have observed negative impacts because of the drought. It should be said that some businesses actually do have an uptick—a very small number—because of the de-stocking. Transport companies and stock and station agents often benefit from that, although they will face a downturn going forward, given the de-stocked pastures. Around two-thirds of the 90 per cent reported a major impact. While the average impact on turnover has seen 20 to 30 per cent reductions, many businesses also recorded a downturn of more than 50 per cent on their turnover.

Last week I went out to Quilpie, and I just want to read some of the comments that were relayed to me. One lady said, 'I recently attended the Channel Country Ladies Day. I was surprised to see a large number of women suffering depression, because of the drought. Also, many spoke of husbands and families suffering illnesses.' Another said, 'There are other issues, such as the loss of the sheep industry. But the drought has been a major impact. I am not sure why Quilpie is missing out while Barcoo is in.' Another said, 'We have flipped our whole business upside down. When there was de-stocking there was a bit of work, but everything has dried up now. People are not spending any money, especially on contractors. I am doing anything that is available—spraying weeds, labouring and driving dozers, but all of this is out of the shire.'

Finally, I want to pay tribute to and give credit to Quilpie Shire Council, which is doing its best to represent the interests of the shire—particularly Mayor Stuart Mackenzie, who has been down here to Canberra to speak to us about this. He hosted me in Quilpie last week. They have made a detailed submission to the government, as I will make with my survey results, asking them to reconsider. I give credit to the government that they are open to reconsidering the situation, and hopefully that will be done. As I said earlier, it is a very innovative program on behalf of the federal government. I give credit to my colleagues Senator Barry O'Sullivan and the member for Maranoa, Mr Bruce Scott, who have pushed very hard to get this. But it would be an unfortunate miss if Quilpie fails to receive declaration, when it is clearly just as in need of these stimulus projects, these shovel-ready projects, to help the community to get through what has been, in some areas, the most severe drought in Queensland's history.
National Recycling Week

Senator SINGH (Tasmania) (13:55): I rise during this national recycling week to inform the Senate about the great Pacific garbage patch, which is not an island of solid waste but rather a concentration of tiny and microscopic pieces of plastic, the consequence of between 4.8 and 12.7 million tonnes of plastic waste that enters the ocean each year. Between 6,000 and 240,000 metric tonnes of plastic waste is estimated to float on the ocean's surface. The location of the remaining millions of tonnes is unknown.

So it is with a sense of disquiet, but also with a sense of opportunity, that I recognise, on behalf of the Senate, National Recycling Week in Australia, a timely campaign established by Planet Ark some 20 years ago this year. National Recycling Week brings a national focus to the environmental benefits of recycling, by educating and stimulating behaviour change, promoting kerbside, industrial and community recycling initiatives, and giving people the tools to minimise waste and manage material resources responsibly at home, at work and at school.

As we know, recycling reduces and can even eliminate the need to extract raw materials, saving limited natural resources. For example, 75 per cent of all the aluminium ever produced is still in use today because it can be recycled indefinitely. Looking to the future, product stewardship schemes, such as those established by the Labor Party that deal with TVs, computers, batteries and plastic bottles, will help promote the recycling and safe disposal of items that in the past were routinely sent into landfill.

Nonetheless it is extremely important that NGOs like Planet Ark continue, because Australia has been described as being a high producer of waste when it is compared with other OECD countries. Strategic improvement in this country is hindered by the fact that the Australian waste industry is regulated primarily by states and territories, and each has different reporting requirement systems.

Australia divides waste into three streams, which are all handled separately, with different recycling, processing and disposal requirements, which also differ between states. A survey of 115 councils conducted by Planet Ark reported residents mistakenly placing kerbside recyclables into the general waste bin. Food contamination of recyclables was the third most common mistake highlighted by 23 councils.

The waste industry, though, is regulated by states and territories. Therefore, strategies for reduction are somewhat piecemeal. But it is important to acknowledge that both South Australia and the ACT have developed zero-waste strategies, with the goal of full resource recovery and a carbon-neutral waste sector. I also would like to acknowledge those in the corporate sector who are actually inspirational in becoming good corporate citizens, a number of whom are on the recyclingweek.planetark.org website, and who are setting a good example for others.

During this National Recycling Week I would like to thank Planet Ark for their 20 years of recycling service and for all the work they do. I urge our federal government to play a more active role in recycling and in waste policy in this country. I hope that all senators will do the right thing and recycle as much as possible, to reduce our landfill.
MINISTERIAL ARRANGEMENTS

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (13:59): by leave—I inform the Senate that Senator Cormann will be absent from question time today and tomorrow on ministerial business overseas. In Senator Cormann's absence, I will represent the Finance, Treasury and Small Business portfolios, and I will also represent the Special Minister of State. I also advise the Senate that Senator Fifield will be absent from question time today on ministerial business. During Senator Fifield's absence, Senator Birmingham will represent the Communications and Arts portfolios. Senator Birmingham will also represent the Minister Assisting the Prime Minister for Digital Government. Senator Payne will represent the Social Services portfolio.

QUESTIONS WITHOUT NOTICE

Goods and Services Tax

Senator POLLEY (Tasmania) (14:00): My question is to the minister representing the Treasurer, Senator Brandis. I refer to comments by Senator Bernardi, who has said that any increase of the GST to 15 per cent cannot be 'a revenue grab' which gives the revenue to the states. Does the minister agree?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:01): Senator Polley, as you know, we are having a conversation in this country at the moment about options for tax reform. It is an issue, I might say, that was entirely squibbed by the Australian Labor Party when you were in government. Who can forget the Henry tax review? The Henry tax review with its 138 recommendations was kept in a locked box until the last moment. Do you know how many of those 138 recommendations were acted upon by the Rudd government? One out of 138. And do you know what, Senator Polley, it was the worst of them—the MRRT. We have had a master class from your side of politics about how not to do tax reform. What we are doing is encouraging a national conversation about jobs and growth, of which tax policy is a very important feature. Of course different views are going to be expressed about different aspects of tax policy, and one of those things is the GST, and one aspect of that is about the rate of the GST. Different people have expressed different views about the rate of the GST. Most of the people calling for increases in the GST are in a posse of premiers, former and current.

The PRESIDENT: Pause the clock.

Senator Moore: Mr President, I rise on a point of order going to direct relevance. The question was about whether the minister agrees with Senator Bernardi's comments about a revenue grab. I would like to have some reference to that question.

The PRESIDENT: I think the Attorney-General was referencing matters about senators and members having different opinions. He was moving towards discussing that aspect of the question. I call the Attorney-General.

Senator BRANDIS: I will tell you what I agree with Senator Bernardi about, Senator Polley. I agree that Senator Bernardi has a right to contribute to the discussion, just as Premier Jay Weatherill, who is calling for an increase in the rate of the GST, has a right to have his views heard in the course of the discussion. But there is no proposal coming from the Turnbull government to increase the GST.
Senator POLLEY (Tasmania) (14:03): Mr President, I ask a supplementary question. I refer to the Liberal Premier of New South Wales, Mike Baird, who has called for the GST to rise to 15 per cent to fund health spending. Is this the government's position?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:04): No, it is not. Mr Baird is expressing views, and one of those views is that there should be an increase in the GST. We welcome the expression of Mr Baird's view, just as we welcome the expression, as I mentioned a moment ago, of a like view by the Labor Premier of South Australia, Mr Jay Weatherill, who is also calling for an increase in the GST, as we welcome the expression of a like view by the Liberal Premier of Western Australia, who has called for an increase in the rate of the GST, as we welcome the view of the former Labor Premier of Queensland, Mr Peter Beattie, who has called for an increase in the rate of the GST. We welcome the expression of those views, just as we welcome the expression of the view of Senator Bernardi to the contrary effect, because we are having a public discussion. But the Turnbull government is not proposing an increase in the rate of the GST.

Senator Wong: It's all been a chat! We are just having a chat! It's just a big dinner party chat!

The PRESIDENT: Order on my left!

Senator Cameron: Who wants a GST over there? Nobody!

The PRESIDENT: Senator Cameron, you have a colleague on her feet.

Senator POLLEY (Tasmania) (14:05): Mr President, I ask a further supplementary question. What exactly will the Turnbull government's 15 per cent GST pay for? Will it pay for state funding for health and education, tax cuts or compensation? Isn't it true that lower income Australians will have to pay more, whatever the outcome?

Government senators interjecting—

The PRESIDENT: Order on my right!

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:06): I do not think you can have been listening to my answers to your first and second questions. I have just told you and let me say it again: the Turnbull government is not proposing an increase to the rate of the GST. There is no proposal from the Turnbull government to increase the GST to 15 per cent or to any other particular rate, but what we are doing is encouraging a national discussion about this. We believe that the Australian people are smart enough to welcome a serious public discussion about tax policy, something that was never vouchsafed to them when you were in government. We believe that the Australian people are smart enough to have an intelligent discussion about tax rates, something that they never had the opportunity to do when your side of politics was in power. We welcome the music of different views. We welcome the music of a variety of views, but we ourselves are not proposing an increase in the rate of the GST. (Time expired)
DISTINGUISHED VISITORS

The PRESIDENT (14:07): I advise honourable senators that in the President's gallery we have a distinguished group of visitors from the People's Republic of China, from the Australian Political Exchange Council's 23rd Delegation. On behalf of all senators, I welcome them to the parliament and, in particular, to the Senate.

Honourable senators: Hear, hear!

QUESTIONS WITHOUT NOTICE

Defence Procurement

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (14:07): This being Remembrance Day, the day that we pause to remember the 102,000 Australians who have given their lives in service of this nation, my question is to the Minister for Defence, Senator Payne. Back in March 2006, the Howard government committed to AIR 8000 Phase 3, which is the program to purchase the C-17 Globemaster III fleet. Could the minister update the Senate on the progress of that project?

Senator PAYNE (New South Wales—Minister for Defence) (14:08): I thank Senator Fawcett very much, both for his question today and for his career-long interest in matters defence. I also acknowledge that today is the commemoration of Remembrance Day. Mr President, you and the Leader of the Opposition and a number of other members of the Senate and the House of Representatives attended at the War Memorial today for that very special observation with their Royal Highnesses and His Excellency the Governor-General.

I am very pleased to be able to respond to Senator Fawcett and to announce that the eighth and final C-17A Globemaster III was officially accepted into service last week by the Minister for Defence Materiel and Science, Minister Brough, at RAAF Base Amberley. What the arrival of the eighth C-17A will ensure is that our Air Force has sufficient capability to provide vital heavy airlift to a range of global military operations and greatly increase Australia’s capacity to respond and provide disaster relief and humanitarian aid in particular. Senator Fawcett is correct when he identifies that it was the Howard government, under former Minister for Defence, Dr Brendan Nelson, the now director of the War Memorial, in fact, that identified the need for this particular capability and ordered the first four C-17s in 2006. That acquisition has been progressively increased by successive governments. The C-17A has three times the carrying capacity of the Hercules C-30. They are able to carry up to 77 tonnes. That means that they can transport four Bushmaster vehicles at once or three Black Hawk helicopters, which is a very impressive capability.

As well as the two additional C-17s, the coalition has already committed to purchasing the P-8A Poseidon aircraft, the Triton unmanned aerial vehicles and a further 58 joint strike fighters. In 2015-16, the coalition government is investing $7.2 billion in defence equipment—nearly double the amount Labor spent in their disastrous 2012-13 budget, in which they cut defence spending to the lowest level as a percentage of GDP since 1938. (Time expired)

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (14:10): Mr President, I ask a supplementary question. Could the minister advise the Senate how the C-17 specifically has enhanced the capability of the Australian Defence Force?
Senator PAYNE (New South Wales—Minister for Defence) (14:10): I again thank Senator Fawcett. What recent global events have shown us is the importance of these strategic airlift capabilities of moving large quantities of personnel and equipment long distances within what are very tight time frames. The additional aircraft will ensure that the Air Force can better meet the demands of moving personnel and equipment within what are very short time frames involved in emergency situations, such as floods and cyclones. This fleet of eight C-17s ensures that, as a nation, we have heavy strategic airlift which matches our medium and light airlifters, the C-130J Hercules and the C-27J Spartans. The ability of the C-17s to be refuelled midflight really does extend the capability of our Air Force to support troops and to quickly deliver right across the globe. Despite their size and range, they can actually land on unsealed airstrips as short as 3½ thousand feet, providing our Air Force with much increased flexibility. (Time expired)

Senator FAWCETT (South Australia—Deputy Government Whip in the Senate) (14:11): Mr President, I ask a further supplementary question. Could the minister inform the Senate about some of the specific military engagements and humanitarian efforts that this aircraft has contributed to?

Senator PAYNE (New South Wales—Minister for Defence) (14:12): This really does tell the story of the effectiveness of the fleet of C-17s. They have played a very effective role in the ADF's activities during the past nine years. I will give just a couple of examples to indicate that. They were able to assist in the very serious and difficult recovery of the bodies of victims of the MH17 tragedy in the Ukraine. Closer to home, they delivered disaster relief to the victims of the Vanuatu cyclone and, at home, specifically the Queensland floods. That is a process of providing a strategic air bridge, since 2009, between Australia and Afghanistan and, most recently, the C-17 fleet is supporting the ongoing international effort to combat the ISIL terrorist group in Iraq and in Syria. They have also supported a number of humanitarian missions at home and across our region, including the Christchurch earthquake in 2011, when we went to the aid of New Zealand, and the tsunami in Japan. They have flown aid to Fiji and Samoa. They help out across the region. (Time expired)

Workplace Relations

Senator KETTER (Queensland) (14:13): My question is to the Minister for Employment, Senator Cash. Is the Assistant Minister to the Prime Minister, Senator McGrath, right to say: Every weekend in Queensland a mini-cyclone called penalty rates hits our tourism and hospitality ...

Does the minister agree that penalty rates are mini cyclones?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:13): I thank Senator Ketter for his question. Senator Ketter, I have already been asked a question in this place on penalty rates and I responded that the government's position was that penalty rates are set by the Fair Work Commission. That is and remains the government's position. I would, though, now take the opportunity to remind you that the only time that penalty rates have been changed by the Fair Work Commission—and, in fact, reduced—is as a result of a review commissioned by the now Leader of the Opposition, Mr Shorten. In addition to that—and thank you again for giving me the opportunity to remind those listening—the only person with a history in this place of ensuring that the lowest paid workers in this country have their penalty rates not just
reduced but absolutely obliterated, slashed and cut without any compensation at all is, of course, the now Leader of the Opposition, Mr Shorten. This is what happens—

The PRESIDENT: Pause the clock.

Senator Moore: Mr President, I rise on a point of order going to relevance. The question was about comments made by Senator McGrath referring to penalty rates as mini cyclones. Does the minister agree?

The PRESIDENT: The minister has been addressing the issue of penalty rates, but you are correct in that the question was: 'Does the minister consider penalty rates to be mini cyclones?'

Senator CASH: Unlike those on the other side, on this side of politics we actually encourage people to have opinions, because, when you have a discussion and a variety of opinions, you are able to make a good policy. Senator McGrath is entitled to his opinion. I am sure it is based on the fact that he has spoken to people, probably in the hospitality and tourism industries, who would agree with him. There is a reason that the Fair Work Commission did what it did in relation to penalty rates. They reduced the rate of pay on a Sunday to that paid on a Saturday, because they understood that there was an impact on a particular industry—

The PRESIDENT: Pause the clock.

Senator Moore: Mr President, I rise on a point of order going to relevance. Does the minister agree?

The PRESIDENT: I stand to be corrected, but I wrote down: 'Does the minister consider that penalty rates'.

Honourable senators interjecting—

The PRESIDENT: In any event, the minister has been dealing with penalty rates. She has seven seconds in which to complete her answer.

Opposition senators interjecting—

The PRESIDENT: Order on my left. Whether the question contained 'agree' or 'consider', I will leave it up to the minister to determine how she heard the question. Minister, you have seven seconds in which to answer.

Senator CASH: As I said, the only person in this place with a history in relation to penalty rates and ripping off the workers is Mr Shorten. (Time expired)

Senator KETTER (Queensland) (14:17): Mr President, I ask a supplementary question. Does the minister agree with the former Treasurer, Mr Hockey, who believes that penalty rates are 'profit murder'?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:17): As the Minister for Employment in the Turnbull government, our position is very clear. My position is the government's position, and the government's position is that it is for the Fair Work Commission to set penalty rates. The only reason that those on the other side are raising the issue of penalty rates is that they have no plan for employment in this country. We know that because they have spent most of this year playing to the puppet masters in the CFMEU in
relation to the implementation of the China free trade agreement. Those on the other side are beholden to their union masters.

The PRESIDENT: Pause the clock.

Senator Conroy interjecting—

The PRESIDENT: Order, Senator Conroy, you have a colleague on her feet.

Senator Moore: Mr President, I rise on a point of order going to relevance. The only question was: does the minister agree with the former Treasurer, Mr Hockey, who believes penalty rates are profit murder? That was the very straightforward question. I do not believe the minister has come close to that.

The PRESIDENT: I concur on the way the question was structured. Minister, you have 24 seconds in which to answer the question, and I remind you of the question.

Senator CASH: Again, the position of the government—which, as the Minister for Employment, is my position—is that the only body that sets penalty rates in Australia is the Fair Work Commission.

Senator KETTER (Queensland) (14:18): Mr President, I ask a further supplementary question. Can the minister confirm that Australian workers are facing the lowest wages growth in two decades? How much less will Australians have in their pay packets when the Turnbull government also cuts their penalty rates?

Senator CASH (Western Australia—Minister Assisting the Prime Minister for the Public Service, Minister for Employment and Minister for Women) (14:19): In relation to Senator Ketter's proposition that the Turnbull government is going to cut penalty rates, I again confirm for the chamber that we are not. Our position is very clear: it is for the Fair Work Commission to set penalty rates; it is not for the government. But thank you for giving me the opportunity to once again confirm, for the benefit of this place and for the benefit of those listening, that the only person with form in this parliament—

Honourable senators interjecting—

The PRESIDENT: Pause the clock. Order on both sides.

Senator Conroy: I know there are a few beginners over there, Mr President, but—

The PRESIDENT: You are on one side too, Senator Conroy. I said both sides.

Senator Wong interjecting—

The PRESIDENT: Order, Senator Wong, you have your manager on her feet.

Senator Moore: Mr President, I rise on a point of order going to relevance. The minister did come close to the second part of the question, but the first part was clearly: can the minister confirm that Australian workers are facing the lowest wages growth in two decades? I do not believe the minister has gone close to that question.

The PRESIDENT: Yes, the minister was answering the second part. The minister has been relevant, and she has 26 seconds in which to answer the question.

Senator CASH: In relation to those employees of Cleanevent, once Mr Shorten had finished with them their wages were far lower than they would have been if he had not struck a deal, paid the employer 25 grand, and ensured that he was able to add them to his AWU membership list.
Trans-Pacific Partnership Agreement

Senator WHISH-WILSON (Tasmania) (14:21): My question is to the Cabinet Secretary, Senator Sinodinos, representing the Minister for Trade and Investment. George Kahale is chairman of the world’s leading arbitration law firm defending governments being sued under investor state dispute settlement provisions. Mr Kahale has said this week that the supposed safeguards in the investment chapter of the Trans-Pacific Partnership Agreement do not immunise our government and the Australian people from being sued by big corporations using ISDS. Mr Kahale also said that article 9.15, which supposedly provides safeguards, is negated by the phrase ‘unless otherwise consistent with this chapter’. Mr Kahale also said that if the trade minister is saying that Australia is not at risk of being sued for making new or changing existing environmental regulations then the minister is wrong. Senator, do you agree with Mr Kahale’s assessment that claims Australia is protected by supposed new safeguards in the TPP are, in his words, ‘nonsense’? Do you agree that the words ‘unless otherwise consistent with this chapter’ negate these protections?

Senator SINODINOS (New South Wales—Cabinet Secretary) (14:22): I do not agree with the gentleman you have quoted. I have not seen what he has had to say. I have seen other opinions provided by lawyers, in the private sector, who support what the government is saying. I think you will probably find—depending on which barrow is being pushed by which particular group—you will have all sorts of interpretations put upon that chapter. But the interpretation we have taken, based on the best legal advice and the efforts of the trade minister is to ensure that under the investor-state dispute settlement provisions we protect our capacity to legislate in the public interest in sensitive policy areas, which include health, which include the environment. We have carved out our tobacco measures so they cannot be challenged in any way, and there are a number of safeguards around procedure, which will make it easier for groups that may have issues with the way ISDS works to be represented in any proceedings as well.

People seem to forget that this is a reciprocal arrangement. What will happen is that this provides protection to Australian investors in other countries where their legal systems may not be as advanced or sophisticated as ours. This is, very much, a two-way street.

Senator WHISH-WILSON (Tasmania) (14:23): Mr President, I ask a supplementary question. Senator, Mr Kahale also said that most favoured nation-status provisions within the TPP investment chapter provide big corporations with a loophole, which enables them to go treaty shopping and use ISDS clauses with impunity within existing agreements that most suit their claims. Given the high level of public concern over the inclusion of ISDS in the TPP, why did our governments agree and sign up to such dangerous provisions?

Senator SINODINOS (New South Wales—Cabinet Secretary) (14:24): I am happy to arrange a briefing for the senator with people from the office of the trade minister and any legal advisers you want who will verify what I am saying, what Mr Robb, the trade and investment minister, is saying, about the safeguards that have been built into these processes. These safeguards are very important, in terms of public policy areas that I mentioned, like health and the environment. There will be no capacity for whether it is the most favoured nation clause or any other clause to cut across our capacity to legislate in that public interest.

Let me remind you that it was this Prime Minister, Mr Turnbull, and the trade minister, Mr Robb, who stood up to the full force of the US trade representative, the White House and the
President on issues like biologics and got a deal, which reflects our circumstances and guarantees that our pharmaceutical prices, our health related prices, will not go up as a result of doing this deal.

Senator WHISH-WILSON (Tasmania) (14:25): Mr President, I ask a further supplementary question. Senator, given experts are stating ISDS safeguards in TPP are as weak as water, can the government provide a guarantee to the Australian people that we will not be sued by foreign corporations for its tougher climate-change regulation into the future—for example, by legislating a new carbon reduction program or increasing the renewal energy target, by putting moratoriums on coal seam gas or by closing dirty coalmines?

Senator SINODINOS (New South Wales—Cabinet Secretary) (14:25): I may well ask the good senator whether his party will give a guarantee not to use technicalities of the law to stop major job-generating projects in places like Queensland. I find it a bit rich that you seek to attack these provisions and, at the same time, are always telling us and lecturing us about signing up to international conventions, of all sorts, which hobble the capacity of the Australian government to do things that we regard as being in the Australian national interest.

The PRESIDENT: Pause the clock. Order!

Senator Whish-Wilson: Mr President, I rise on a point of order on relevance. I asked if the senator could give a guarantee—a very simple request—that the Australian people will not be sued into the future through the TPP investment chapter provision.

The PRESIDENT: I will remind the Cabinet Secretary of the question and advise him he has 30 seconds in which to answer.

Senator SINODINOS: I am happy to give a guarantee that under the TPP Australia will be a richer and more prosperous country in the decades ahead, and the ISD provisions will work to our advantage.

Northern Australia Investment Forum

Senator IAN MACDONALD (Queensland) (14:26): My question is also to Senator Sinodinos, the Cabinet Secretary, in his role representing the Minister for Trade and Investment, Mr Andrew Robb. It relates to the Northern Australia Investment Forum, which Mr Robb has been hosting along with, I might say, Senator Colbeck and the Northern Australia minister—

Opposition senators interjecting—

The DEPUTY PRESIDENT: Just a moment, Senator Macdonald. Order!

Senator Cameron: You like to dish it out but you can't take it!

The PRESIDENT: Order, Senator Cameron! Senator Macdonald, apart from who the question is addressed to, could you commence your question again.

Senator IAN MACDONALD: In case people did not hear it, I am saying the question relates to the Northern Australia Investment Forum, which Mr Robb and, indeed, Senator Colbeck—

Opposition senators interjecting—

The PRESIDENT: Order, on my left!
Senator Brandis: Mr President, on a point of order: as you have often observed and ruled, interjection is disorderly but this is more than interjection. This is like a football crowd! This question is inaudible to me, sitting as close as I am to Senator Macdonald, because of the football-crowd barracking coming from the other side.

The PRESIDENT: Thank you, Senator Brandis. Senator Wong, on the point of order.

Senator Wong: Mr President, I have another point of order. First, obviously, perhaps the Attorney should stop defaming footy supporters. But, more importantly—

The PRESIDENT: That is not a point of order.

Senator Wong: Sorry, Mr President. The clock was reset. Was that at your direction?

The PRESIDENT: I asked the senator to start the question again. Not only could Senator Brandis not hear Senator Macdonald but also I could not hear Senator Macdonald. I remind all senators—on both sides—that interjections are disorderly and just remind you that you are televised and the people of Australia listen to us through radio. Senator Macdonald, could you start the question again.

Senator IAN MACDONALD: I indicate the question relates to the Northern Australia Investment Forum, which Mr Robb along with Senator Colbeck and the northern Australia minister, recently, hosted in Darwin. I asked the minister if he could explain to senators—particularly those on the other side who, clearly, have no idea and no interest in northern Australia—what the Northern Australia Investment Forum was all about. In doing so, he will be able to assist the members of the Australian public in understanding what an important event the Northern Australia Investment Forum was.

Senator Cameron: You like to dish it out, but you can't take it!

The PRESIDENT: Senator Cameron!

Senator Jacinta Collins: Was it a good event, after all that?

Senator Cameron: You've got a big glass jaw!

The PRESIDENT: On my left!

Senator SINODINOS (New South Wales—Cabinet Secretary) (14:30): I can say candidly: that was a question written by Senator Macdonald! I thank the senator for his question.

Senator Cameron: I raise a point of order, Mr President. The minister should be pulled into line. He should not slap Senator Macdonald down like that.

The PRESIDENT: That is not a point of order, Senator Cameron. There is no point of order.

Senator SINODINOS: It is the only time I have been able to do it. I thank Senator Macdonald for his question. He has been a lion of the north, has Senator Macdonald. He has been a great representative of North Queensland. I know he was there on Sunday to participate in the forum, as was my good friend and colleague Senator Colbeck, as well as Mr Robb. The forum concluded yesterday in Darwin—which we now call the 'gateway to the north'—wrapping up three days of productive discussions about opportunities in Northern Australia, covering the northern part of Western Australia, the Northern Territory and North Queensland. Productive discussions involved the Minister for Trade and Investment, the
Minister for Resources, Energy and Northern Australia—the first minister for northern Australia, I think, since Rex Patterson in the 1970s—and a number of parliamentary colleagues and stakeholders.

It is clear that foreign investment will be key to the future of Northern Australia. Mr President, you will recall the government developed a white paper on Northern Australia, released in June of this year, which set out a generational blueprint for the development of Northern Australia. The forum is one of many steps being taken by the government to foster northern development and deliver our commitments and objectives in the white paper. We have already made infrastructure announcements around roads, critical water management systems and regional aviation. Also, we are now making changes to a number of policy settings across portfolios, including in trade and investment. Other steps include the $5 billion Northern Australia Infrastructure Facility.

Senator IAN MACDONALD (Queensland) (14:32): Mr President, I ask a supplementary question. I thank the Cabinet Secretary for that explanation and I know people of Australia will be very interested in the response given. I ask the minister if he might further elaborate on that answer by telling us: what was the purpose of the investment forum and what are the expected outcomes from that forum?

Senator SINODINOS (New South Wales—Cabinet Secretary) (14:33): The key purpose of the forum was to outline the development road map for the north as a way of encouraging international investors in particular and foreign capital to contribute to the growth of the north. We were showcasing investment-ready projects and asking for investors to match the capital that, potentially, the Commonwealth, through the Northern Australia Infrastructure Facility, can put into projects. Just a few of these included—from your home state, Senator Macdonald—Davco, featuring their concept for an abattoir in Townsville for live and boxed meat exports; the Ella Bay Integrated Resort Development in Innisfail, which no doubt Senator Colbeck will be visiting in due course; IFED, with its integrated agriculture proposals for the Gilbert River in the Gulf Country; and Seafarmers, who are showcasing their sea dragon aquaculture project on the Western Australia-Northern Territory border. I know the Minister for Trade and Investment and the minister for energy and resources—(Time expired)

Senator IAN MACDONALD (Queensland) (14:34): Mr President, I ask a further supplementary question. I again thank the Cabinet Secretary for explaining, particularly to those people opposite, who do not seem to be interested, about what is happening in Northern Australia. I ask the minister: are there any other forums proposed that relate to Northern Australia that the Labor Party might be interested in?—although I suspect they have no interest in Northern Australia whatsoever.

Senator SINODINOS (New South Wales—Cabinet Secretary) (14:34): It will not surprise you that there are further formal and informal discussions to be held with individuals and interest groups from around Australia and around the world. We have, for example, already conducted a beef roads forum in Rockhampton and will be conducting subsequent fora in Darwin and in Kununurra. The $100 million beef roads program was announced in the northern development white paper, and it will dovetail with $600 million worth of priority roads projects and the $8 billion national highways program to create a system of supply chains that will span the breadth of the nation and provide producers and communities with greater certainty and profitability. So the Northern Australia Investment Forum is just the
beginning, Senator Macdonald. It was held in Darwin, as I said, the gateway to the north, and it will build on the free trade agreements, which are opening up big new markets for Australian exports across all sectors of industry.

**Senator Ian Macdonald:** You should get out of Sydney and get up there and see what it's about!

**Senator Cameron:** What a big wuss—a big glass jaw!

**The President:** Senator Macdonald and Senator Cameron!

### Water

**Senator LAZARUS** (Queensland) (14:36): We will stay on the Northern Australia theme. My question, which I am reading on behalf of fellow Queenslander Jake Farrell of Townsville, is to Senator Colbeck, representing the Minister for Infrastructure and Regional Development and the Minister for Agriculture and Water Resources. Townsville is in the depths of one of the driest periods on record and now on level-2 water restrictions, with only 30 per cent of the water left in the town. Queensland has been in severe drought for four years and the situation is worsening. Eighty per cent of my state, of course, is drought declared. The government's agricultural white paper provided for the injection of capital into water infrastructure and research to address the problems being caused by drought. Despite this, nothing appears to be happening. Can you tell me what steps the government is taking to urgently assist the people of Townsville, Queensland and the rest of Australia with the drought and the delivery of water infrastructure solutions?

**Senator COLBECK** (Tasmania—Minister for Tourism and International Education and Minister Assisting the Minister for Trade and Investment) (14:37): I acknowledge Senator Lazarus and the concern he is expressing on behalf of his constituent, and I acknowledge the question. It is an important issue. Obviously with something like 80 per cent of Queensland now declared to be in drought, it is an issue that the government has significant focus on, and I know that Minister Joyce has himself spent a fair bit of time in Queensland and in other areas around the country where we are dealing with issues around drought. And Senator Lazarus is correct: in the white paper we made quite significant contributions towards particularly water infrastructure. That is one of the reasons I know Minister Joyce was very keen to bring the water portfolio back into this particular portfolio, because he wanted to ensure not only that the environment is properly looked after as part of managing our water resources but also that there is a fair resource available for our agricultural sector, given that the intention of the government is to make agriculture one of the five pillars of the economy.

So, the government has in place a group within the Department of Agriculture that is developing the rollout phase of the agricultural white paper. We will be working with the states to determine the priorities that the states will have as well with respect to water infrastructure. And of course part of the conversation we had in Northern Australia over the past few days was the huge importance of the water resource, the infrastructure that is required to take that water resource to the right places and how that might be best used in the development of Northern Australia. So we are quite focused on rolling out our commitments under the white paper. *(Time expired)*

**Senator LAZARUS** (Queensland) (14:39): Mr President, I ask a supplementary question. Queensland farmers are on their knees, as we have just said. Overseas buyers, including
China, are circling our farmers like hawks, buying up our land because our farmers are on their knees due to drought. What is the government doing to protect Australian farmers from predatory behaviour from other countries and international companies?

Senator COLBECK (Tasmania—Minister for Tourism and International Education and Minister Assisting the Minister for Trade and Investment) (14:39): The government has taken action in respect of the management of agricultural land, and we note that the opposition is now opposing the measures we are proposing to put in place with respect to identifying who owns agricultural land in this country but also the thresholds we are putting in place—

Senator Wong: You will have to correct the record; that is not true.

The PRESIDENT: Order on my left.

Senator Wong: We are supporting the register. You are misleading the parliament.

Senator COLBECK: I have not finished my answer yet, Senator Wong.

Senator Wong: You cannot stand up as a minister and say stuff that is not true. Correct the record.

The PRESIDENT: Pause the clock. Order on both sides. This is not a chance to debate across the chamber.

Senator COLBECK: In particular, the Labor Party has decided that it will not support the thresholds we are looking to put in place to protect agricultural land.

Senator Wong: That is right—not the register.

Senator COLBECK: We think that is a sensible measure not only to ensure that we scrutinise what is in the Australian interest with respect to purchase of agricultural assets but also the register will—(Time expired)

Senator LAZARUS (Queensland) (14:41): Mr President, I ask a further supplementary question. The Kidman property, which spans four states and territories, including Queensland, and is Australia's largest private land holding and includes the world's largest cattle station, is up for sale. The Chinese are in negotiations to buy it. Will the government intervene to stop this massive parcel of valuable Australian land being sold off to a foreign country?

Honourable senators interjecting—

The PRESIDENT: Before I call the minister again, I remind all senators that in asking questions the supplementary questions are designed to be formulated from the primary question and also the answers given. I will allow this question to stand, Senator Lazarus, as I did yesterday, but I just advise senators to be cautious with their questions.

Senator COLBECK (Tasmania—Minister for Tourism and International Education and Minister Assisting the Minister for Trade and Investment) (14:42): Senator, you would know, or perhaps should know, that there are processes in place that people who come into this country wanting to invest in our agricultural assets—land—and agricultural businesses have to go through. That is why we want to put in place those protections and the thresholds that will give us proper oversight of that. That is the purpose of what we are doing. The Kidman station would very much fall within the framework of what we are proposing to do as a government. I would hope that you would support the amendments we are proposing to put forward very soon in this place. It is important that we go through a proper process to understand that a purchase is in the national interest, and I think we all understand that that is
an appropriate thing to do, regardless of which side of politics you might be on. You are right: that station is for sale, and there are a number of parties, as I understand it, who are interested in purchasing it. *(Time expired)*

**Overseas Students**

**Senator McKENZIE** (Victoria) (14:43): My question is to the Minister for Tourism and International Education, Senator Colbeck. Will the minister advise the Senate of the importance of international education to Australia?

**Senator COLBECK** (Tasmania—Minister for Tourism and International Education and Minister Assisting the Minister for Trade and Investment) (14:43): I thank Senator McKenzie for her question. We all very well understand her interest in education as an issue within Australia but also international education. International education is a vital part of the Australian economy. It contributes in excess of $18 billion to the Australian economy every year and supports in excess of 130,000 jobs. But it does more than that. It creates important relationships with those who have been here to undertake that international education and also, with the reverse Colombo Plan, provides the opportunity for students to travel to other nations and develop relationships over there. The students, while they are here, make a significant contribution to the Australian economy. In fact, in the context of tourism, there are 2.3 visitations per student per year for tourism purposes that come directly out of the international education offering.

I was in the Cook Islands just a couple of weeks ago conducting negotiations with Pacific island nations around the PACER Plus program. The Prime Minister of the Cook Islands happened to have been educated at the University of Tasmania. It became a very, very easy conversation, to sit down and have a discussion with him about trade negotiations, because of that relationship and the fact that he was an alumnus of the University of Tasmania. The trade minister from Tonga, I think it was, also did his degree at the University of Tasmania. So there are a number of people who have obviously come to Australia for their education, and it makes it very easy for us to conduct those relationships that we are building around the region because of the links that have been built out of international education.

**Senator McKENZIE** (Victoria) (14:45): Mr President, I ask a supplementary question. Will the minister inform the Senate of how the government is working with stakeholders to help increase international education?

**Senator COLBECK** (Tasmania—Minister for Tourism and International Education and Minister Assisting the Minister for Trade and Investment) (14:45): At this point in time the government is developing Australia’s first ever National Strategy for International Education. It is a very important piece of work, involving broad consultation with government and stakeholders across the education sector. We also need to talk to the users of the education system—so students and industry. We want to ensure that the international education sector here in Australia is as innovative as possible. In fact, in Darwin, during the discussions that Senator Macdonald talked about a few moments ago, I talked to someone who was looking at developing the Uber of the education sector. These are the sorts of things that we are working on with industry and the sector to develop so that we can have a dynamic and important industry that is reflective of and is responsive to the needs of students.
Senator McKENZIE (Victoria) (14:46): Mr President, I ask a further supplementary question. Will the minister outline to the Senate what other ways the government is helping to make Australia the destination of choice for more international students?

Senator COLBECK (Tasmania—Minister for Tourism and International Education and Minister Assisting the Minister for Trade and Investment) (14:47): One of the key things that we are doing is opening up new markets for education. Things like the China-Australia Free Trade Agreement, which passed through this parliament only this week, provide enormous opportunities for growth and the development of relationships with new countries in international education. In fact, I think the work that Minister Robb is doing right now on a further free trade agreement with India will further open opportunities for the growth of the international education sector and also make Australia a destination of choice. We have a significant offering here: we have a safe environment, we have a high-quality education system which is recognised in that context globally and we also have in place protections for international students that provide them with securities that they do not have in other jurisdictions. We have the Tuition Protection Service, which provides the most comprehensive protection assurance to students, giving them protection that is not seen in other countries. (Time expired)

Defence Procurement

Senator LEYONHJELM (New South Wales) (14:48): My question is to the Minister for Defence, Senator Payne. Some South Australians, especially their elected representatives, claim our submarines should be built in that state. But the Air Warfare Destroyer saga, which delivered production faults and a huge cost overrun and is still to deliver an actual boat, suggests that South Australia should not be trusted to build a canoe. Since their claim is mostly due to the number of marginal seats in South Australia, my question is this: rather than assign responsibility for our submarines to a state with such a dodgy record, why can't we build submarines in Western Sydney, where there are numerous marginal seats, the water is fresh and the people are less parochial?

Honourable senators interjecting—

The PRESIDENT: Order on both sides! Thank you, Senator Leyonhjelm. You have raised the mob again.

Senator PAYNE (New South Wales—Minister for Defence) (14:49): I thank Senator Leyonhjelm for his question and also for the speech he has given on this particular subject in the chamber. I have to note that some of my best friends are South Australian. I think it is fair to say that parochialism is relative. I am not sure whether South Australians are any better or worse at that than any other state. I say that from the superior position, of course, of representing the premier state of New South Wales, as do you, Senator Leyonhjelm.

As far as Western Sydney is concerned, Senator Leyonhjelm, you raise a very interesting point. I can, indeed, attest to both the innovation and the agility of our businesses and our business leaders in Western Sydney. They can do anything they turn their minds to. But, with respect to submarines, I think they may lack one key enabler, and that is access to water.

That said, though, I can assure the Senate and the senator that the government is determined to get the best capability and the best value for money through a competitive evaluation process for the Future Submarine. That CEP is looking at the greatest possible
involvement of Australian industry in the Future Submarine program without compromising capability, cost, schedule or risk. There are three participants in that process: DCNS of France, TKMS of Germany and the government of Japan. All of those have engaged with Australian industry across the nation and have not confined their activities to South Australia only. Each participant will present proposals for a build-overseas, a build-in-Australia or a hybrid approach. The government is expecting to receive those proposals at the close of the submission process on 30 November, and that will include plans for Australian industry involvement from wherever it comes. (Time expired)

Senator LEYONHJELM (New South Wales) (14:51): Mr President, I ask a supplementary question. A Western Sydney bidder could build nuclear submarines using expertise from Lucas Heights in southern Sydney. They would not have the exhaust problems of diesel submarines or need to surface so often, and they could be painted in the wondrous colours of red and black. While the colour option will appeal to you as a New South Wales senator, would this nuclear option help a bid from Western Sydney?

Senator PAYNE (New South Wales—Minister for Defence) (14:52): My consultant Senator Fawcett advises me the answer is no! It is fair to say that a nuclear option is not under consideration, as you would know, for Australia's future submarines; we are more seeking proposals for conventional submarines, through the competitive evaluation process. I have also been advised, quite sternly, by those in the know that our submariners prefer their submarines in black livery only, which, given that a fairly important capability is camouflage and stealth, is quite understandable.

Senator LEYONHJELM (New South Wales) (14:52): Mr President, I ask a further supplementary question. With an election next year can the minister explain why it would not be a good job creation project to build canals through the marginal seats of Western Sydney—from the Liberal held seat of Reid to the Liberal held seat of Lindsay—to aid in future submarine building projects, including getting them to the sea and providing the kids with somewhere to race their jet skis?

Senator PAYNE (New South Wales—Minister for Defence) (14:53): I think I thank Senator Leyonhjelm for the supplementary question! It is fair to say that I think the building of canals would probably encounter some significant opposition and environmental challenges from our friend and New South Wales colleague Senator Rhiannon and the other Greens. I can actually suggest two venues for water activities—Cables Wake Park, at Penrith, and certain parts of the Nepean River. As a senator who lives and works in Western Sydney, I am very proud to be part of a government that is the best friend Western Sydney has ever had. We are strongly committed to Western Sydney, which is Australia's third largest economy. We are making record investments in infrastructure projects, including the Western Sydney Airport, WestConnex and the Western Sydney Infrastructure Plan. In that process we will be adding $24 billion to the Australian economy; and 60,000 direct and indirect jobs in Western Sydney will be created just as a result of the government's decision to construct the Western Sydney Airport. The airport and the associated $3.6 billion Western Sydney Infrastructure Plan will create 7,600 jobs in construction. (Time expired)

Research and Development

Senator KIM CARR (Victoria) (14:54): My question is to the Minister representing the Prime Minister, Senator Brandis. Today's Australian Financial Review quotes the President of
the Business Council, Catherine Livingstone, warning that the debate on innovation has gone from the sublime to the ridiculous. Does the minister agree with Mr Livingstone's proposition that innovation is about transforming the economy rather than slogans and political gamesmanship such as we have seen over the funding of NCRIS?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:55): I absolutely agree that innovation is about transforming the economy. That is precisely what the Turnbull government intends to do and has set about doing in its early days with conspicuous success. Senator Carr, let me refer you to the Westpac-Melbourne Institute index of consumer sentiment which was published only this morning. It tells us that consumer sentiment rose by 3.9 per cent in November, from 97.8 in October. This is one of the most significant monthly increases in consumer sentiment. And Westpac's Chief Economist, Mr Bill Evans, said 'this is a cracking result'. Apart from the brief surge we saw following last May's budget this is the highest point for the index since January. The index is now 8.3 per cent higher than in September immediately preceding the change leadership in the government. It marks only the third month out of the last 21 that optimists have outnumbered pessimists.

So of course we believe in the transformation of the economy. That is why we are encouraging the kinds of debates about growth, jobs, innovation and the tax system which have been criticised only by the Australian Labor Party. They have been well received by every serious economic commentator in Australia. They have been well received by every serious editorial writer in Australia—whether News Limited, Fairfax or other publications. They have been well received by the Australian people. Senator Carr, unlike you people in the Labor Party, we have confidence in the creativity and enterprise of the Australian people.

Senator KIM CARR (Victoria) (14:57): Mr President, I ask a supplementary question. Given that answer, in its forthcoming innovation statement will the government restore the more than $3 billion it has cut from science, research and innovation over the last two years?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:57): In 2015-16 this government will be investing some $9.7 billion in science, research and innovation. The reason we are spending so much money on science, research and innovation, and also the reason we have put science research and innovation at the very centre of the government's priorities, is that we agree with Catherine Livingstone that innovation is at the heart of the transformation of the Australian economy that we are bringing about. I think most Australians would have a lot more confidence in a man like Malcolm Turnbull to achieve the transformation of the Australian economy than in a preacher of the trade union movement like Bill Shorten.

Senator KIM CARR (Victoria) (14:58): Mr President, I ask a further supplementary question. If the minister agrees with Catherine Livingstone, in its forthcoming innovation statement will the government acknowledge its mistake in cutting $1.1 billion from R&D tax incentives? Will the government withdraw its bill that is currently on the Notice Paper which would further cut R&D tax incentives by $620 million?

Senator BRANDIS (Queensland—Attorney-General, Vice-President of the Executive Council and Leader of the Government in the Senate) (14:59): Senator Carr, with all due respect, it is a bit rich being lectured by you on this when the Labor government, of which you were a member and in an area for which you had portfolio responsibility, announced cuts
of $6.6 billion from higher education and research between 2011 and 2013. So don't come into this chamber and lecture us about cuts to the innovation budget when this is a government that has invested $9.7 billion this year in innovation, science and research and, just as importantly, has put innovation front and centre of the economic transformation of the country. I think the Australian people will understand that that transformation can be driven by Malcolm Turnbull and Scott Morrison but it would never be driven by Bill Shorten or you.

(Time expired)

Indigenous Employment

Senator WILLIAMS (New South Wales) (15:00): My question is to the Minister for Indigenous Affairs, Senator Scullion. Will the minister update the Senate on what the government is doing to get more Aboriginal and Torres Strait Islander people into jobs?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (15:00): I thank Senator Williams for that question. Across the country, we are starting to see a transformation about how we engage our First Australians in employment. For too long, it has been considered a bit hard—across governments, I have to say. Forty-six per cent of Aboriginal and Torres Strait Islander Australians of working age are in work—only 46 per cent. That is 30 percentage points below the non-Indigenous rate. Unfortunately, the participation rate has widened by almost seven percentage points since 2008, so by 2018 we need to get another 188,000 Aboriginal and Torres Strait Islanders into jobs, just to reach parity with the remainder of Australia.

What we have done is focus on delivering real jobs for Aboriginal and Torres Strait Islander Australians—not a job that is endlessly in training and not a job that someone only holds for a couple of weeks. We have reformed employment programs in the bush and we will be making some announcements and bringing some legislation to this place in that regard. I would like to acknowledge the efforts of the member for Blair and the member for Lingiari in assisting in the formulation of that policy. We are partnering with the largest employers to increase their Indigenous workforce, to increase the number of Indigenous workers in the real economy. We are changing the way that government does business to require that Indigenous businesses get access to opportunities. This is already yielding results. Since September 2013, despite significant headwinds in the economy, job programs in my portfolio have resulted in 33,700 employment placements for Aboriginal and Torres Strait Islander Australians. We take this issue very, very seriously, because we recognise that when you get a job you get confidence and independence and then you have access to the opportunities that the rest of Australia take for granted.

Senator WILLIAMS (New South Wales) (15:02): Mr President, I ask a supplementary question. Will the minister advise the Senate why it is important that the government works in partnership with the private sector to deliver better job outcomes for Indigenous Australians?

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (15:02): This government recognises that, whilst we are showing significant improvement in those trends, we are not really going to put a significant dent in the Indigenous employment task without private partnerships and the private sector. We are leading by example; we have committed to a three per cent employment target across the Commonwealth by 2018. This will increase Aboriginal and Torres Strait Islander employment to over 9,000 people. I was very pleased to launch this strategy with Minister
Cash this morning, but we cannot do it without the private sector. We need the private sector to pull its weight. We have introduced the Employment Parity Initiative to get some of the largest employers to support an additional 20,000 Indigenous Australians into real jobs by 2020. We have seven companies already signed up and 4,365 jobs with Accor, Compass Group, ISS Facility Services Group, Spotless, Hutchison, Crown and Sodexo. *(Time expired)*

**Senator WILLIAMS** (New South Wales) (15:03): Mr President, I ask a further supplementary question. Will the minister update the Senate on other reforms that the government has progressed to support Aboriginal and Torres Strait Islander employment and business development?

**Senator SCULLION** (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (15:03): It is really important that we place the priority of supporting employment at the heart of any policy. We have a new Indigenous procurement policy and it is doing just that. It is about how we leverage procurement for the better outcome. We need to harness some $39 billion worth of purchases. We are committing to a target of three per cent by 2020. I think it was $6.2 million in 2012-13. That was in the entire year. I am very pleased to report to the Senate that in our very first quarter, from 1 July this year, we have achieved $34 million worth of contracts. So this is a government that is getting on with the business of delivering jobs and opportunities to our First Australians.

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

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

**Answers to Questions**

**Senator McALLISTER** (New South Wales) (15:05): I move:

That the Senate take note of the answers given by ministers to questions without notice asked by Opposition senators today.

I will confine my remarks, primarily, to the contribution from Senator Brandis about the question of innovation. I think everyone here understands that we are in a period of transformation in the Australian economy. I hope that some people here reflect on the occasional naivety during the long period of the mining boom, where there were those who asserted that this boom would go on forever, that it would never end and that it should be the only thing that underpinned the Australian economy.

That was not the understanding of people on this side of the chamber, and in government we relentlessly pursued a process of establishing the architecture for an ongoing, sustainable, serious, transformative innovation investment that would leverage the abilities in the public sector and the private sector to achieve a great transformation for Australian business and Australian industry. We did that with the confidence that Australia possesses some of the great researchers globally. We possess some of the great research institutions. We possess great innovative and entrepreneurial people who are keen to participate in private enterprise and to use the achievements in the private sector to build an economy that all of us can be proud of and that all of us can benefit from.

It is disappointing to hear in the answers provided today that not a single element of Senator Brandis's answer related, in any way, to the issues that I have been speaking about. They did not really speak to innovation, structure, collaboration, universities and research
institutions. Instead, they addressed questions like consumer confidence and the government's overweening confidence in the abilities of the Prime Minister. It is nice that they are confident, but I think that what we would like to see is some actual action in relation to these questions, because, in the Abbott-Turnbull government, there has been an enormous gap between the rhetoric that has been presented in recent weeks and the reality of their period in government.

They are the government that, in their 2014 and 2015 budgets, ripped out investment in science, research and innovation to the tune of $3 billion. Indeed, the Prime Minister, as the Minister for Communications, oversaw the demise of NICTA, a world-class research facility focused on information and communications. They voted for cuts to the R&D tax incentive. They backed the abolition of Commercialisation Australia, an entity which had supported 500 ventures that each raised $2 for every $1 invested by the government. They supported cuts to university research, to CSIRO and to ANSTO. They supported $107 million in cuts to the Cooperative Research Centres program. They are a government that are in no way interested in leveraging the power of the public sector to support the private sector in innovation, and it is a very great shame, because what we know is that when we see firms that undertake innovation it almost doubles the productivity of those firms.

We know that firms that collaborate with public sector research entities, with CSIRO or with a university are 2.5 times more likely to report an increase in their own productivity. We know that all of our international competitors—the people that we seek to emulate in building a spatially and sectorally diverse economy—invest themselves most significantly in public sector research, yet every action for this government has been about dismantling the comprehensive system of structures that we put in place in government to support activities of exactly this kind.

I want to say to people who are listening to this debate that, in government, Labor will place innovation at the centre of our approach. We will build on our record. We will build on an approach which sought to establish positive relationships and collaborative relationships between the private sector and the public sector. We will not be involved in a race to the bottom. We will not be involved in a naive reliance on commodities alone. We see a future for Australia that builds on all of our talents, and that is something that I am very proud to support.

Senator BERNARDI (South Australia) (15:10): It gives me great pleasure to follow Senator McAllister, who was very determined to talk about Labor's track record in innovation. Labor's history of innovation, of course, lies within the union movement: when they want to innovate and when they want to rejuvenate the union movement, they take the tired old union workhorses and shuffle them off into the Senate, where they can mouth the latest platitudes in order to assuage the Australian people, use some buzzwords, use plenty of acronyms and, hopefully, establish that they are somehow innovate people. During her speech, I challenged Senator McAllister to outline exactly what NICTA stands for. She was unable and unwilling to do so. What about the acronym ANSTO? Could she please elaborate on what that stood for? She was unable and unwilling to do so. The shallow rhetoric of those opposite is apparent for all Australians to see. If you want to go through their buzzwords, we have seen them: 'spatially' and 'collaboratively', and they have all been used because they are meant to make people feel good.
But let us have a look at the track record of those opposite. For Senator Carr, in his innovation ministry, the highlight to me was when he decided that he would have a program and a policy of sending text messages into outer space in the hope of getting a response from some alien being! For the atheists on that side of the chamber, they were hoping for divine innovation, but they were simply sending things into outer space in the hope of some innovative enlightenment from above. It was nonsense then; it is nonsense now. They have no substance. They are shallow and full of poppycock.

What this country needs is reform. It needs genuine innovation, and that does not come from sending 180 characters to Mars! It comes from corporate reform. It comes from a very agile, diligent and adaptive corporate sector. It comes from taxation reform that does not take away the incentives for people to work harder, to go out and get a job and to help themselves move from a welfare to a work mentality. It comes from reform that is going to encourage people to get into business. It takes industrial relations reform where people are encouraged to employ people, without the fear of being stuck in difficult circumstances or unable to pay their bills. It requires flexibility. It requires a truly innovative approach, not the tired old rhetoric and not the same ham-fisted centralised government initiatives and the ridiculous positions and policies that have been pursued previously. It also requires government reform. Government itself needs to be more agile. It needs to accept the fact that the central command planned economy that has been so loved by the socialists on the other side—particularly the former minister for innovation, Senator Carr—is yesterday's failure. It is no longer the way for a modern country to adapt, grow and prosper. We need to empower individuals. We need to empower individuals to innovate, to take risks, to build businesses, to employ, to grow our economy and to generate wealth. It is not government that does that. Government is an impediment to that, and it needs to get out of the way.

If you want true innovation in this country, you also need to have educational reform, not slogans like, 'I give a Gonski,' or anything like that. You actually need to give people educations that generate value in the community. You need to equip people with skills that are of financial value to others in the community, because, that way, they are always going to get a job and they are always going to have a chance to get ahead. We need to make sure, as I said, that people are encouraged to pursue the riskier options, if you will, of entrepreneurship, where they can say 'I'm going to have a go at this and maybe it will work and if it doesn't work I'll pick myself up again and I'll have another go and another go and another go.' That is the culture that we need to foster in this country, not this central command and bureaucracy. We do not need the bigger taxes that have been advocated by the other side; we do not need the corporate impediments that limit the job growth and the technological growth that can promote our prosperity into the future.

Senator CAROL BROWN (Tasmania) (15:15): Senator Bernardi let the cat out of the bag when he talked about Gonski just being a slogan. That is not the case. Before the last election the then opposition was saying that they were on a unity ticket on education funding. Of course Senator Bernardi does not seem to be on anyone's unity ticket—he has been on the losing side so many times he just does not know how to win. I want to take issue with Senator Brandis's response to the very first question asked by the opposition, which was on the GST. As usual we do not get a straight answer from the government when it comes to the GST. They talk about being innovative, agile or creative but they do not want to talk about what
their real plans are. They talk about having a conversation with the community, but it is not about that—it is about hiding what they are intending to do. We know and the community knows that they said they were not going to increase the GST. I can talk about the other broken promises that they have carried out since the very beginning of the Abbott government. Now we have Mr Turnbull, who is supporting another broken promise—the promise not to increase the GST. The community knows what they intend to do.

Senator Ian Macdonald: How can you say he is supporting it when the minister clearly said he wasn't?

Senator CAROL BROWN: Senator Macdonald may want to inject, as he often does, but we know that increasing the GST is in the coalition's DNA. They made the promise that they would not increase the GST.

Government senators interjecting—

Senator CAROL BROWN: All you have to do is rule it out. You did prior to the election. You know that this is exactly what you want to do. You are trying to blame the states; you are pushing the states into a position by blaming them for having the discussion on the GST. You ripped billions of dollars out of the states' health budgets and their education budgets. You told the community a number of things prior to the last election and you broke nearly every single promise that you made. You broke your promises to the pensioners, you broke your promises to parents and families, you broke your promises to the premiers of the day. You did that as soon as you came in. An increase in the GST in Tasmania would have a massive impact.

Senator Conroy: Disastrous.

Senator CAROL BROWN: It would be absolutely disastrous. Tascoss CEO Kim Goodes has already highlighted the impact that any rise in the GST would have on Tasmania, pointing of course to the GST modelling that showed that higher income households would pay less tax as a proportion of their income if the GST rose to 15 per cent than families on lower incomes. This conversation is going on with most of the coalition backbench—most of them not named—being concerned about increasing the GST not because they are concerned about their constituents but because they are concerned about their seats. And they should be, because this is another broken promise by this government to the Australian community. Tasmania has received some of the worst impacts from these broken promises. There has been a massive impact on education and on our health system as well. We even had the Liberal Treasurer in Tasmania talking about the $2.1 billion cuts, saying 'Where is the money? Show me the money.'

Senator Bushby: You're misleading parliament.

Senator CAROL BROWN: This is your own state Liberal Treasurer who said 'Give us our money back.' This is what happened. (Time expired)

Senator IAN MACDONALD (Queensland) (15:21): Dear, oh dear—how the Labor Party has fallen! No wonder their polls are at such a low level, and no wonder the union movement, which they represent in this parliament, has fallen to 11 per cent of workers in the private sector. When you hear the questions asked today, you understand why people have lost interest in the Labor Party.

Senator Conroy: Well we all heard your question.
Senator IAN MACDONALD: Senator Conroy, you did not hear my question because it was about Northern Australia, which none of you on that side are interested in. I can understand your sensitivity, since you have dumped the only northern senator you have had in this chamber for a long period and replaced her with a male from Brisbane. That means that you have absolutely no interest in Northern Australia, and I can well understand why you attempted to drown out my question on Northern Australia to such an extent that the President, for the first time that I can remember in my long term in the Senate, had to ask that the question be repeated three times because the Labor Party clearly did not want to hear what the coalition is doing about developing Northern Australia.

Not sufficiently satisfied with that, the Labor Party then make up a story: the coalition is going to increase the GST by 15 per cent. I have never heard any coalition senator or member or minister say that once. I have never seen it reported. But does that stop the Labor Party—and the ABC, I might say, and the Fairfax press—headlining that the Turnbull government is going to increase the GST by 15 per cent? It has never been raised in the party room. I am not in cabinet, but I suspect it has never been raised there either. Yet that does not stop the Labor Party making up a story and then running a campaign on the story they have made up. Senator Bullock, I can understand why you have left your faction in Western Australia; the way the Labor Party is going, I am surprised that you do not leave the Labor Party as well. I do not think anyone would blame you. I know you will not. But I cannot understand why you stay with such a mob of ignoramuses who cannot have a policy, and so they make up a policy that the coalition might have.

Similarly, there was a question from the Labor Party about penalty rates and, as the minister answering the question pointed out, the only one that has ever reduced penalty rates in Australia is none other than Mr Bill Shorten, the current leader of the Australian Labor Party in this parliament. Penalty rates are normally a matter for the Fair Work Commission. But in Mr Shorten's case, he did a deal with the bosses—you know, at the top end of town—to take away penalty rates. And we hear a bit of silence for the first time from the opposition when the truth comes out.

I do not know what is wrong with the comprehension of Labor Party senators. Senator Brandis was asked about the GST and he said that a 15 per cent increase in the GST is not a proposal of the Turnbull government. Is that what you said, Senator Brandis?

Senator Brandis: Correct.

Senator IAN MACDONALD: That is very, very clear. And yet the Labor senators come here and, in spite of that very clear and direct answer by the Leader of the Government in the Senate, they still try and pretend it is around there. Now, methinks that the Labor state premiers have got onto the Labor Party and said, 'hey fellas, how about an increase in the GST?' It seems to me this might almost be a subterranean plot by Labor to get more money for their mates in the state governments. The Labor Party have—

Senator Conroy: You are becoming the Bill Heffernan of Queensland!

The DEPUTY PRESIDENT: Order!

Senator IAN MACDONALD: Well, I would be proud of that description; Senator Heffernan has done more for Australia, Senator Conroy, than you could ever contemplate doing. He is a fine man who has made a real contribution to parliamentary debate here. But
contrast that with the Labor Party, who simply do not have any policy—so they make up policy for the coalition. They talk about penalty rates, where the only one that has reduced penalty rates is the current leader of the Labor Party. What a sad decline for a once great party. (Time expired)

Senator BULLOCK (Western Australia) (15:26): Back in the 1940s, there was an organiser working for the SDA in Western Australia called Backshall. He organised hairdressers. Backshall went out on his own with his hairdresser members and registered the Hairdressers & Wigmakers Industrial Union of Workers. When Backshall retired, he passed on the union to his son, Ron.

Senator Ian Macdonald: You can't do that, can you?

Senator BULLOCK: Frank Belan did! Over the following decades, the union ran down. Ron found winning wage rises for hairdressers difficult, and by 1990 a four-year-trained tradesperson hairdresser was earning less than a shop assistant. I had a few discussions with Ron, and somehow found myself secretary of the hairdressers' union. I immediately engaged in negotiations with the master ladies' and master gentlemen's hairdressers' associations, and managed to persuade them to increase wages by $150 a week—not bad shooting in 1990. One of the issues which concerned employers was the penalty rates payable for work on the one late night and on Saturday. In the course of negotiations, we valued these penalties at 10 per cent of the total wage costs, and I traded these penalties for a 10 per cent across-the-board wage rise plus a provision in the award—which as far as I know is unique—under which, if there were any future national wage case increases awarded in flat dollar terms rather than a percentage—unusual in those days—the increase awarded to hairdressers would be increased by 10 per cent to preserve the value of the 10 per cent buyout.

It is fair to say that the employer associations were extraordinarily pleased with this outcome. Nevertheless, as soon as the award was varied, employers came out of the woodwork to complain. 'We do not trade on Thursday night; why should we pay?' 'We do not trade on Saturday; why should we pay?' 'We have some employees who only work Monday to Friday; why should we pay them a loaded rate?' These employers were effectively arguing for the penalty rate system—rewarding workers engaged during unsociable hours for the work performed during those hours. Even though the employer associations taking a macro view were satisfied that, across the industry, a 10 per cent across-the-board wage increase was required to ensure cost neutrality, at a micro level there were some employers who were disadvantaged by the buyout as well as some employees, while some employees were being compensated for hours of work which they did not perform. If penalty rates are to be bought out, there is no avoiding these problems.

In the enterprise bargaining era, my union—the SDA—has worked with employers to improve efficiency in the retail industry and to improve wages for members. Implementing simpler pay scales which absorb some penalties into higher base rates has been part of these negotiations. In the 1990s, agreements struck under the no-disadvantage test facilitated these arrangements, as 'no disadvantage' was assessed on an on-balance basis across the affected workforce. Today, the better-off-overall test provides a different challenge because it is, arguably, applied to each individual worker. Take Coles, for example: if a Coles shop assistant was employed under the award, their gross would be $721.50 a week. Our agreement pays such a worker $821 a week—an hundred extra dollars a week; locked into the base,
flowing into overtime payments, superannuation contributions and leave payments. Such an increase makes a huge difference to a low-paid worker. They are unquestionably better off. Yet it could be possible to find a worker, perhaps a casual who is engaged only to work at what would be penalty times under the award such as on Sundays for example—such an employee could be worse off. All of this demonstrates how hard it is to properly and fairly compensate workers when moving away from penalties. It also highlights how much value there is for a worker in the penalty system for those who regularly work at unsociable hours.

A few years ago I had a chat with the Premier who raised the issue of penalty rates and suggested that he might like to personally be involved in reducing penalty rates. He said that he wanted to be fair and not cut workers’ pay but offer some compensating increase in base rates. I explained to him some of the complexities that this involved. After some reflection, he said that perhaps he did not want to be personally involved with it at all. And here is the problem: compensation arrangements are hard to effect; they can be globally cost neutral but are likely to be disadvantageous to some employers and employees, and this is unavoidable. What businesses and most politicians who are advocating reducing penalty rates mean is cost cutting. They are not interested in grappling with the issue of compensation. Yet penalty rates comprise a significant proportion of the take-home pay of those workers who work at unsociable hours, the majority of whom are already low paid. Labor’s view is that imposing wage cuts on the low paid workers is simply unthinkable. (Time expired)

Question agreed to.

Trans-Pacific Partnership Agreement

Senator WHISH-WILSON (Tasmania) (15:31): I move:

That the Senate take note of the answer given by the Cabinet Secretary (Senator Sinodinos) to a question without notice asked by Senator Whish-Wilson today relating to the Trans-Pacific Partnership Agreement.

The first question that I really wanted to ask today regarding the Trans-Pacific Partnership Agreement was why we have seen no Dorothy Dixers on the deal that was signed last week while we were out of parliament. Remember when the China-Australia Free Trade Agreement was signed, we had three weeks of nauseating Dixer after Dixer—three weeks of it and no other questions were asked. Yet we have not seen a single question on the TPP that took five years to negotiate. I think I know why. Another person who probably knows why is Senator Sinodinos. Senator Sinodinos was in the unusual position of being Prime Minister John Howard’s chief of staff at the time of the US Free Trade Agreement, when the Howard government—and I am very glad that they did—cleverly avoided including an investor-state dispute settlement clause in that free trade deal. We avoided having a situation where US corporations could sue us here in Australia. Unfortunately, they have anyway, through an obscure deal in Hong Kong. Philip Morris has found a way to sue us over public health policy. Senator Sinodinos did the right thing back then, as did Prime Minister John Howard.

But now we have signed up to a deal with 12 countries, which includes an investor-state dispute settlement clause. The key question I get from people is: why would we give special rights to corporations, in this day and age, to sue our government for simply legislating in the public interest, whether it is health, whether it is environment or whether it is workers’ rights and labour standards? Why would we give corporations special rights to sue us and put pressure on us as legislators? That is why they do it: they do it to chill out regulation; they do
it to chill out legislation and get what they want. We have seen this all around the world. Incidentally, before the US-Australia free trade deal, Canada signed a deal with the US—the North American free trade deal—and guess what? They have been sued 36 times by US corporations since they signed that deal. Sadly, most of it has been around environmental regulation that the Canadian government has tried to enact.

As Senator Sinodinos clearly pointed out to me today, the issue is lawyers. These things are subject to legal interpretations. One of the world's experts, who has worked more on ISDS than anyone, said on radio this morning that the exceptions and carve-outs, the so-called safeguards, in a TPP will not work. We knew this anyway from the Greens bill to ban ISDS and the evidence we heard that the safeguards do not work. Senator Sinodinos today said that he had different legal advice. This is the problem: it is subject to interpretation. That gives big corporations with deep pockets the ability to take strategic litigation against governments when they disagree with government policies because it may potentially harm their profits or their investments.

I want to finish off by saying that I think this issue perhaps is not highly political yet, even though it has been signed, because it is not going to come to parliament for some months. No doubt we are going to hear a lot more about it. We need to have a look at the detail now. We need to actually have this debate as soon as possible so that this parliament can vote against the Trans-Pacific Partnership Agreement when it comes before it. I think it is appropriate to finish on a quote, because this agreement was written by Wall Street on behalf of large corporations. The quote from Gordon Gekko is that this agreement is 'a dog with fleas'. It is a dangerous dog and I think it is going to come back to bite us on the arse if we do not remove investor-state dispute clauses from this deal—and we need to vote the whole deal down if that is not possible.

Question agreed to.

The PRESIDENT: Senator Day, we have about 40 seconds left.

Defence Procurement

Senator DAY (South Australia) (15:36): I move:

That the Senate take note of the answer given by the Minister for Defence (Senator Payne) to a question without notice asked by Senator Leyonhjelm today relating to defence manufacturing in Australia.

Senator Leyonhjelm asked the question, perhaps with his tongue firmly in his cheek, about building submarines in Western Sydney. Clearly, the state with the track record on submarine construction is my home state of South Australia. The minister responded lauding the benefits of Western Sydney and their capability, I do not doubt that. The minister mentioned her good friends in South Australia and rightly acknowledged that, comparatively, South Australia does have the capacity to build submarines. In fact, they are the only state that has been doing so up until now. The extent of the submarine build and the successful bidder—

The PRESIDENT: The time for the debate has expired.

Question agreed to.
NOTICES

Presentation

Senator WILLIAMS (New South Wales) (15:37): I give notice of my intention, at the giving of notices on the next sitting day, to withdraw business of the Senate notice of motion No. 2 standing in my name for 1 December 2015 for the disallowance of the Taxation Administration Act 1953 PAYG Withholding Variation: Allowances—Legislative Instrument.

Senators Abetz, Day, Leyonhjelm, Madigan and Wang to move:

That the Senate, while not expressing a view on the contents of the booklet issued by the Australian Catholic Bishops Conference entitled Don’t mess with Marriage, fully supports the rights of members of the Catholic Church, including Archbishop Julian Porteous, to distribute it.

Senator Bilyk to move:

That the following matters be referred to the Legal and Constitutional Affairs References Committee for inquiry and report by 25 February 2016:

(a) the phenomenon colloquially referred to as ‘revenge porn’, which involves sharing private sexual images and recordings of a person without their consent, with the intention to cause that person harm;
(b) the impact this has on the targets of revenge porn, and in the Australian community more broadly;
(c) potential policy responses to this emerging problem, including civil and criminal remedies;
(d) the response to revenge porn taken by Parliaments in other Australian jurisdictions and comparable overseas jurisdictions; and
(e) any other related matters.

Senator Carr to move:

That the time for the presentation of the report of the Education and Employment Legislation Committee on the provisions of the Education Services for Overseas Students Amendment (Streamlining Regulation) Bill 2015 and a related bill be extended to 2 February 2016.


That the Senate—

(a) notes that:

(i) the week 8 November to 14 November 2015 is National Adoption Awareness Week,
(ii) the number of children adopted in Australia is at an all-time low, declining 76 per cent over 25 years,
(iii) the number of children in the out of home care system continues to increase,
(iv) in 2013-14 there were over 50 000 children in out of home care arrangements, including kinship care, foster care and guardianship,
(v) there are 15 000 children in Australia who have been in out of home care for over 2 years and are not living with relatives or kin,
(vi) only 203 Australian children were adopted in this country in 2014, and
(vii) long-tem out of home care arrangements lack stability with an average child experiencing 6 different placements during their time in out of home care; and
(b) calls on the Federal Government to use its leadership of the Council of Australian Governments to work with the states and territories on a national strategy to significantly increase the number of local adoptions in Australia.

**Senator Brandis** to move:

That the following bill be introduced: A Bill for an Act to amend the law relating to counter-terrorism, and for related purposes. *Counter-Terrorism Legislation Amendment Bill (No. 1) 2015*.

**Senator Xenophon** to move:

That the following bill be introduced: A Bill for an Act to amend the *Interactive Gambling Act 2001*, and for related purposes. *Interactive Gambling Amendment (Sports Betting Reform) Bill 2015*.

**Senator Ludlam** to move:

That there be laid on the table by the Minister representing the Minister for Infrastructure and Regional Development, no later than 5 pm on Monday, 23 November 2015, the following documents that underpin the Perth Freight Link project but are not publicly available:

(a) any figures, modelling and forecasts on freight movements to and from the Fremantle Port, including current and projected figures, provided by the Western Australian Government for the Perth Freight Link project;

(b) any evaluation of freight figures or modelling to underpin the Perth Freight Link by the Minister’s department or Infrastructure Australia;

(c) any peer review undertaken of freight figures provided for the Perth Freight Link;

(d) any modelling of air quality, diesel particulates and truck congestion on roads and communities in the vicinity of the Perth Freight Link; and

(e) the modelling for future traffic congestion on Perth metropolitan roads for 2011, 2016 and 2021 that was completed as part of the Western Australian Auditor General’s report of March 2015 using the new version of the Regional Operations Model [ROM].

**Senator Waters** to move:

That the Senate—

(a) notes:

(i) the fact that coal-fired power stations exacerbate global warming and pollute local air and water,

(ii) the fact that subsidies from the Organisation for Economic Co-operation and Development (OECD) export credit agencies to coal-fired power stations in developing nations constitute an obstacle to the transition to clean energy in those nations, and

(iii) reports that the Turnbull Government is set to block a proposal from the United States of America (US) and Japan to remove OECD export credit subsidies for the dirtiest coal-fired power stations in developing nations; and

(b) calls on the Turnbull Government to support the proposal from the US and Japan to exclude the dirtiest coal-fired power stations from receiving OECD export credit subsidies.

**Senator Siewert** to move:

That the Senate—

(a) notes:

(i) 85 per cent of all eye and vision conditions are preventable with regular eye checks, and

(ii) the Medicare rebate for optometry consultations was reduced by 5 per cent from 1 January 2015;
(b) acknowledges:
   (i) Aboriginal and Torres Strait Islander peoples are disproportionately affected by the cuts due to the combination of geographical and social disadvantages, and
   (ii) small investments in preventative, first line eye health will reduce the cost of vision loss to the Australian economy and improve the quality of life of Australia’s most vulnerable; and
(c) urges the Government to:
   (i) review the impacts of cuts on services to eye health in Aboriginal communities, and
   (ii) take measures to address the effect of the cuts on Aboriginal and Torres Strait Islander peoples.

Senator Lazarus to move:
(1) That a select committee, to be known as the Select Committee on Unconventional Gas Mining, be established to inquire into and report on or before 30 June 2016, on the following matter:

The adequacy of Australia’s legislative, regulatory and policy framework for unconventional gas mining including coal seam gas (CSG) and shale gas mining, with reference to:

(a) a national approach to the conduct of unconventional gas mining in Australia;
(b) the health, social, business, agricultural, environmental, landholder and economic impacts of unconventional gas mining;
(c) government and non-Government services and assistance for those affected;
(d) compensation and insurance arrangements;
(e) compliance and penalty arrangements;
(f) harmonisation of federal and state/territory government legislation, regulations and policies;
(g) legislative and regulatory frameworks for unconventional gas mining in comparable overseas jurisdictions;
(h) the unconventional gas industry in Australia as an energy provider; and
(i) any related matter.
(2) That the committee consist of 5 senators, 1 nominated by the Leader of the Government in the Senate, 2 nominated by the Leader of the Opposition in the Senate, 1 nominated by the Leader of the Australian Greens, and Senator Lazarus.
(3) That:
   (a) participating members may be appointed to the committee on the nomination of the Leader of the Government in the Senate, the Leader of the Opposition in the Senate or any minority groups or independent senators;
   (b) participating members may participate in hearings of evidence and deliberations of the committee, and have all the rights of members of the committee, but may not vote on any questions before the committee; and
   (c) a participating member shall be taken to be a member of the committee for the purpose of forming a quorum of the committee if a majority of members of the committee is not present.
(4) That every nomination of a member of the committee be notified in writing to the President of the Senate.
(5) That the committee may proceed to the dispatch of business notwithstanding that not all members have been duly nominated and appointed and notwithstanding any vacancy.
(6) That Senator Lazarus is appointed chair.
(7) That the committee elect a member as its deputy chair, who shall act as chair when the chair is absent from a meeting of the committee or the position of chair is temporarily vacant.
(8) That the chair, or the deputy chair when acting as chair, may appoint another member of the committee to act as chair during the temporary absence of both the chair and deputy chair at a meeting of the committee.

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

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

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

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

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

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

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

(16) That the committee be empowered to print from day to day such papers and evidence as may be ordered by it, and a daily Hansard be published of such proceedings as take place in public.

Senator Lines
to move:

That the Senate—

(a) notes, with grave concern, the Western Australian Corruption and Crime Commission report entitled Report on Operation Aviemore: Major Crime Squad investigation into the unlawful killing of Mr Joshua Warneke;

(b) urges the relevant agencies to implement, as a matter of urgency, the recommendations made in the report by the Honourable John McKechnie QC; and

(c) calls on the Government to address the high rates of engagement of Aboriginal and Torres Strait Islander people with the criminal justice system by supporting justice reinvestment and the development of a justice target under the ‘Closing the Gap’ framework to ensure coordinated action, accountability and progress to reduce the disproportionate incarceration rates of Aboriginal and Torres Strait Islander people.

Senators Madigan, Wang, Leyonhjelm and Day
to move:

That the following matter be referred to the Community Affairs References Committee for inquiry and report by 20 June 2016:

The growing evidence of an emerging tick-borne disease that causes a Lyme-like illness for many Australian patients, with particular reference to:

(a) the prevalence and geographic distribution of Lyme-like illness in Australia;

(b) methods to reduce the stigma associated with Lyme-like illness for patients, doctors and researchers;

(c) the process for diagnosis of patients with a Lyme-like illness, with a specific focus on the laboratory testing procedures and associated quality assurance processes, including recognition of accredited international laboratory testing;
(d) evidence of investments in contemporary research into Australian pathogens specifically acquired through the bite of a tick and including other potential vectors;
(e) potential investment into research to discover unique local causative agents causing a growing number of Australians debilitating illness;
(f) the signs and symptoms Australians with Lyme-like illness are enduring, and the treatment they receive from medical professionals; and
(g) any other related matters.

Senator Rice to move:
That the Senate—
(a) notes:
   (i) the Federal Government committed $38 million of Commonwealth funds to the Port Rail Shuttle project in Victoria,
   (ii) the Port Rail Shuttle project would create a rail connection between the Port of Melbourne and three inland ports, reducing diesel use and pollution from Victorian containerised freight movements and removing up to 3 500 trucks from residential streets in Melbourne’s west every day,
   (iii) the Victorian Government has put this project on indefinite hold citing delays due to potential privatisation of the port, and
   (iv) that the Port of Melbourne Authority, together with the Victorian Government, are well placed, and have the relevant expertise and independent advice, to progress the Port Rail Shuttle project without delay; and
(b) calls on the Government to urgently seek action from the Victorian Government to proceed with implementing the Port Rail Shuttle project, regardless of the status of the Port of Melbourne ownership or lease arrangements.

BUSINESS
Leave of Absence
Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (15:38): I move:
That Senator Cormann be granted leave of absence for 11 November and 12 November 2015, on account of parliamentary business.
Question agreed to.

Leave of Absence
Senator URQUHART (Tasmania—Deputy Opposition Whip in the Senate) (15:38): I move:
That Senator O’Neill be granted leave of absence for 12 November 2015, on account of personal reasons.
Question agreed to.

NOTICES
Postponement
The following items of business were postponed:
General business notice of motion no. 929 standing in the name of Senator Siewert for today, relating to the New South Wales Custody Notification Service, postponed till 23 November 2015.
COMMITTEES
Community Affairs References Committee

Reporting Date

The Clerk: Notifications of extensions of time for committees to report have been lodged in respect of the following:
Community Affairs References Committee—Treatment of people with disability in institutional and residential settings—extended from 11 November to 25 November 2015.

The PRESIDENT (15:39): Does any senator wish to have that question put? There being none, we will move on.

BILLS
Veterans' Entitlements Amendment (Expanded Gold Card Access) Bill 2015

First Reading

Senator LAMBIE (Tasmania) (15:39): I move:
That the following bill be introduced: A Bill for an Act to amend the Veterans' Entitlements Act 1986 to provide medical and other treatment for all Defence Force members who have served in war or war-like operations, and for related purposes.

Question agreed to.

Senator LAMBIE: I present the bill and move:
That this bill may proceed without formalities and be now read a first time.

Question agreed to.

Bill read a first time.

Second Reading

Senator LAMBIE (Tasmania) (15:40): I table an explanatory memorandum and 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—

VETERANS' ENTITLEMENTS AMENDMENT (EXPANDED GOLD CARD ACCESS) BILL 2015

Mr President,
An unprecedented veterans' suicide and homelessness crisis grips Australia today.
This crisis was created because of poor management of Australia's military resources and defence personnel - by successive governments.
These governments compounded their error by attempting to cover up the true nature and scale of our veterans' suicide and homelessness crisis.
The Veterans' Entitlements Amendment (Expanded Gold Card Access) Bill 2015 I present to the Senate today will properly address our nation's shameful veterans' suicide and homelessness crisis.

By guaranteeing with this legislation, automatic free access to the best possible medical treatment in Australia, for the men and women of our ADF and Federal Police, who have served their country in war
or war-like operations this Parliament will stop the harmful and all too often—deadly, bureaucratic fight our veterans are forced to undertake so they can obtain a health Gold Card.

**General Outline**

As described in this Legislation's Explanatory Memorandum:

1. The purpose of the Veterans' Entitlements Amendment (Expanded Gold Card Access) Bill 2015 is to amend the *Veterans' Entitlements Act 1986* (Cth) so that all veterans, including peacekeepers and peacemakers or former members of Australia's Defence Force, who have served in war or war-like operations, (and for related purposes) are provided medical and psychological treatment free-of-charge—as a right of service - the best medical treatment Australia has to offer i.e. Health Gold Card benefits.

2. At present, there are three categories of repatriation, depending on service and medical needs:
   1. Orange Card (pharmaceutical only);
   2. White Card (specific conditions); and a
   3. Gold Card (all clinical health needs).

3. While repatriation efforts have improved in recent decades, as witnessed by high rates of self-harm and homelessness - there are still many people who have served Australia whose medical and psychological needs are not addressed.

4. The Veterans' Entitlements Amendment (Expanded Gold Card Access) Bill 2015 is an important first step in ensuring a more effective transition between national service and civilian life.

5. The Veterans' Entitlements Amendment (Expanded Gold Card Access) Bill 2015 broadens the terms of reference of the *Veterans' Entitlements Act 1986* to ensure everyone who served in war or war-like operations receive vital, necessary and timely medical and psychological treatment—whether or not the condition or injury was caused by war or contracted during war or war-like operations.

**History**

This legislation is a direct result of events that transpired at a meeting of veterans that was organized Dr Raymond Huntley at Burpengary, Queensland on Wednesday the 21st of May 2014.

At the gathering of veterans - consisting of former ADF members mainly from the Army, who had served in Vietnam and younger veterans who had recently served in Middle East conflicts—Dr Huntley asked all the Health Gold Card holders to stand.

About a dozen people stood. Dr Huntley then asked those who had obtained their gold cards in 2 years or less to sit. 2 veterans sat.

Through this process of gradually increasing the number of years it takes to obtain Gold Cards, questioning, and then asking veterans to sit—it became clear very quickly, that most veterans had to wait about 5 years before they received a health gold card.

Two veterans had to wait over ten years to access the medical benefits that the coverage of a Health Gold card gives. After Dr Huntley had finished that exercise - which in reality was for the benefit of myself and two other Liberal politicians, a former digger who had served in the Middle East spoke to the group.

He had a tragic story. He said a number of his comrades that he'd served with in war in the Middle East had taken their own lives. And one of the main reasons, he said - which had pushed his Veteran friends to take that terrible decision to kill themselves—was the psychological harm that occurred to his mates while they fought the Government to obtain a Gold Card.

He said words that must hurt some public servants who are very dedicated to their jobs and take pride in their work—but nonetheless must be spoken in the debate.
The Middle East veteran said that many of his friends would have preferred to fight the Taliban, rather than fight the bureaucrats who decided whether our Diggers received the best possible medical care that Australia can provide to her wounded warriors.

Then from the floor of the meeting this younger veteran suggested that many lives could be saved - if the Australian government automatically gave a Health Gold Card to all veterans who have served in war or war-like conditions.

By making access to a Gold Card a tick and flick exercise - or a simple bureaucratic process, for those members of the ADF who had served in a war or war-like conditions—it will allow vulnerable and often damaged people to bypass a traumatic and further damaging administrative process and immediately receive the medical care they need to get well.

This was the light bulb moment for my team and I. And from that moment my office has worked hard to present this legislation to the parliament, in the unshakable belief that it will lessen the risk of further harm and help stop our veterans from taking their own lives.

From that day, Wednesday of May 2014—my team and I have had thousands of conversations with veterans of all conflicts, which confirm the observations of that young veteran who had served in the Middle East.

Some veterans reacted in a hostile manner when I said that we should make it much easier for all veterans who have served in war or war-like conditions to access the speedy and quality medical treatment guaranteed by a Gold Card.

They had a mindset which strangely supported the hard and convoluted bureaucratic process in place though the Department of Veterans' Affairs for their clients to access the benefits of a Gold Card.

To those few individuals, a Gold Card became a status symbol, which gave holders, a greater sense of self-esteem and self-worth.

When it was pointed out to these rare individuals that it was the bureaucratic fight for a Health Gold Card that was significantly contributing to the suicides of our veterans—then most doubters of this new policy accepted the obvious truth of the matter—and became supporters.

The passage of this legislation, which enables the automatic issuing of a health Gold Card entitling free treatment, is an effective early intervention action, which will save hundreds of Australian lives, billions of dollars and a million heartaches.

It will take steps to repair the wound that Australia inflicts on the hearts and minds of those who are prepared to take great risks and sacrifice all.

When our warriors come home hurt under the current system - their country, instead of welcoming them with warm handshakes, hugs, kisses and the recognition of being special citizens - turns its back on our wounded heroes and makes them fight to access proper medical care.

A major cause of Australia's obscene veterans' suicide rate (apart from systemic under-resourcing and over-commitment to international operations) is the unnecessary psychological damage caused during our veterans' bureaucratic fight for Gold Card guaranteed medical treatment.

Gold Card Cost

When the issue of cost is raised - the saying that comes immediately to mind is: if we can't afford to properly care for our wounded veterans when they come back from war-like and war service—then we shouldn't send them in the first place.

Australia has a moral as well as a legal duty to give our veterans access to the best medical care our country can offer.

And under the current broken DVA system we—the politicians who make the decision to send our sons and daughters into harm's way, have failed to live up to the example those young people have set.
Veterans' Suicide Rate

Today we have a Prime Minister, Minister for Defence and Minister for Veterans' Affairs who cannot tell the people of Australia how many of the 70,000 contemporary cohort of veterans, have taken their own lives - or are forced to live rough among our homeless.

Our veterans' suicide rate - intentionally kept secret by all major political parties and senior military commanders to protect their reputations, is a national disgrace and shame.

A major cause of Australia's obscene veterans' suicide rate (apart from systemic under-resourcing and over-commitment to international operations) is the unnecessary psychological damage caused during our veterans' bureaucratic fight for Gold Card guaranteed medical treatment.

JLN believes that when properly considered, the automatic grant of Health Gold Cards to Australia's veterans will be cost neutral after the extremely high expense of doctors, lawyers and suicides are removed from the assessment process - and taken into account.

Closing

I close my speech as I opened. An unprecedented veterans' suicide and homelessness crisis grips Australia today.

This crisis was created because of poor management of Australia's military resources and defence personnel - by successive governments.

These governments compounded their error by attempting to cover up the true nature and scale of our veterans' suicide and homelessness crisis.

The Veterans' Entitlements Amendment (Expanded Gold Card Access) Bill 2015 I present to the Senate today will properly address our nation's shameful veterans' suicide and homelessness crisis.

Indeed Mr President—this Bill is the first legislative step to solving these terrible problems and I urge all Senators to support this Bill.

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

Leave granted; debate adjourned.

COMMITTEES

Treaties Committee

Meeting

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (15:41): At the request of Senator Fawcett, I move:

That the Joint Standing Committee on Treaties be authorised to hold public meetings during the sittings of the Senate from 11 am to 1 pm, as follows:

(a) Monday, 22 February 2016; and
(b) Monday, 29 February 2016.

Question agreed to.

MOTIONS

Domestic and Family Violence

Senator MOORE (Queensland) (15:41): I, and also on behalf of Senators Cash and Waters, move:
That the Senate—

(a) welcomes the release of *Change the Story: A shared framework for the primary prevention of violence against women and their children in Australia*, jointly produced by VicHealth, Our Watch and Anrows;

(b) notes the commitment by governments and communities to a shared response to the horror of family violence, and the need for a deep and lasting cultural change;

(c) acknowledges that 'Change the Story' details a national approach to preventing violence against women and children through:

(i) identifying what drives and contributes to violence against women,

(ii) providing evidence-based guidance to government and communities on how to strategically and effectively lead, coordinate, resource and support prevention efforts across Australia, and

(iii) informing and supporting the development of policy and legislation, prevention strategies, programming and advocacy that targets and seeks to reduce the drivers of violence against women;

(d) recognises the need for effective independent evaluation to achieve the best possible results in the reduction of violence and harm of violence against women and children; and

(e) acknowledges the need for a cross-party approach to enforcing a long-term strategy for ending the scourge of family and domestic violence.

Question agreed to.

**Dismissal**

**Senator WONG** (South Australia—Leader of the Opposition in the Senate) (15:42): I move:

That the Senate—

(a) notes that Wednesday, 11 November 2015, marks 40 years since the dismissal of the Whitlam Government by the Governor-General, Sir John Kerr;

(b) recognises the significant contribution made by the Whitlam Government to the creation of modern Australia, inspiring and transforming the nation, including through:

(i) ending conscription,

(ii) establishing universal healthcare through Medibank, the precursor to Medicare,

(iii) implementing education reforms like needs-based funding for schools and free vocational and university education, and introducing the Tertiary Education Assistance Scheme,

(iv) ending the last legal vestiges of White Australia,

(v) slashing tariff barriers by 25 per cent,

(vi) establishing diplomatic and trade relations with the People's Republic of China,

(vii) replacing Australia's adversarial divorce laws with a new, no-fault system,

(viii) introducing Australia's first federal legislation on human rights, the environment and heritage,

(ix) introducing sweeping electoral reforms—the vote for 18-year-olds, Senate representation for the territories, and 'one vote, one value',

(x) establishing the Australian National Parks and Wildlife Service, the Law Reform Commission, the Australian Film Commission, the Australian Heritage Commission, the Technical and Further Education Commission, a national employment and training program;

(xi) launching construction of the National Gallery of Australia, making the Australia Council a statutory authority, and vigorously promoting the arts,
(xii) improving the position of women and our Indigenous population through reforms such as laws
banning discrimination of the grounds of race and sex, equal pay for women in the Public Service and
the creation of a separate ministry responsible for Aboriginal affairs and instituting Indigenous land
rights,

(xiii) creating a single Department of Defence rather than separate departments for Army, Navy and
Air Force,

(xiv) establishing the Royal Commission on Human Relationships,

(xv) changing the national anthem to Advance Australia Fair,

(xvi) replacing the British Honours system with the Order of Australia,

(xvii) abolishing appeals to the Privy Council,

(xviii) replacing the Postmaster-General's Department with Telecom and Australia Post, and

(xix) establishing the Legal Aid Office, the National Film and Television School, the Australian
Development Assistance Agency, the Prices Justification Tribunal and the Trade Practices Commission;

(c) affirms the principle that the Senate should not withhold supply;

(d) supports the view of the Prime Minister that letters between Sir John Kerr and Her Majesty The
Queen concerning the dismissal are official records written by the Governor-General in discharge of his
duty and should be released under the existing 30-year disclosure rule applying to such records; and

(e) calls on the Government to act to facilitate the release of the correspondence.

Question agreed to.

Government Departments: Recycled Paper

Senator RICE (Victoria) (15:43): I, and also on behalf of Senator Muir, move:

That the Senate—

(a) notes that:

(i) in July 2015, the Government withdrew from a longstanding commitment to supply 100 per cent
Australian recycled paper to government departments, as outlined in the Australian Government ICT
Sustainability Plan 2010–2015,

(ii) industry and environment groups, including the Victorian Association of Forest Industries, the
Australian Forest Products Association, the Construction, Forestry, Mining and Energy Union and the
Wilderness Society, support the commitment of government purchase of 100 per cent recycled paper.

(iii) Australian Paper opened a new $90 million recycling plant in Maryvale in May 2015, which was
supported with a $9.5 million grant from the Federal Government, and which was positioned to supply
recycled paper to federal government departments, and

(iv) using Australian recycled paper will boost the Australian manufacturing sector, reduce
expensive and unnecessary imports, and reduce the Government's ecological footprint, carbon
emissions and resource waste; and

(b) calls on the Government to immediately reinstate an ongoing commitment to procuring 100 per cent
recycled paper.

Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister
for Communications, Minister for the Arts and Minister Assisting the Prime Minister for

The PRESIDENT: Leave is granted for one minute.

Senator FIFIELD: The government has a strong commitment to recycling, waste
minimisation and the transition to digital record keeping. The ICT Sustainability Plan 2010-
2015 did not mandate the use of Australian-made recycled paper. It was a guidance document to Australian government departments and agencies only. The finance department's Commonwealth Procurement Rules ensure environmental sustainability is part of the consideration in achieving the cost-effective use of resources in procurement decisions. All Australian government agencies must minimise waste by complying with the Australian government's National Waste Policy—Less Waste, More Resources. The Department of the Environment only buys 100 per cent recycled copy paper, and Minister Hunt has written to all ministers to ask that, wherever possible, agencies use 100 per cent recycled paper.

Question agreed to.

**Vocational Education and Training**

**Senator RHIANNON** (New South Wales) (15:45): I move:

That the Senate—

(a) notes that:

(i) Crows Nest TAFE is to be closed down and the Cammeraygal High School is to be expanded onto the site,

(ii) the New South Wales Government is planning to sell or partially sell 27 campuses in addition to Crows Nest TAFE,

(iii) increasing privatisation of technical and further education (TAFE) funding and the consequent increase in fees has been linked to a substantial drop in enrolments,

(iv) the closure of Crows Nest TAFE is a consequence of how the New South Wales Government has implemented the 2012 National Agreement for Skills and Workforce Development, and

(v) while the development of new high school capacity in North Sydney is urgently needed and the creation of a new school campus welcome, it is not in the interests of the North Sydney community to trade off education sectors against each other; and

(b) calls on:

(i) the Federal and New South Wales governments to restore secure funding for TAFEs in New South Wales,

(ii) the New South Wales Government to reopen a TAFE institution in the Crows Nest area, and

(iii) the Turnbull Government and the Labor Opposition to revisit the 2012 National Agreement for Skills and Workforce Development to ensure that public institutions remain the core of education in Australia.

**Senator FIFIELD** (Victoria—Manager of Government Business in the Senate, Minister for Communications, Minister for the Arts and Minister Assisting the Prime Minister for Digital Government) (15:45): I seek leave to make a short statement.

**The PRESIDENT:** Leave is granted for one minute.

**Senator FIFIELD:** This year, the Australian government will provide around $6 billion to support vocational education and training. This includes $1.8 billion to the states and territories, of which New South Wales receives $585 million to fund its training systems, including TAFE. The operation of TAFEs, including where TAFEs are located, is a matter for the relevant state or territory governments. I am advised by the New South Wales government that this motion refers to a leaked New South Wales document that identifies 27 TAFE assets for potential sale. Eighteen of these assets are not campuses; they are vacant surplus land and
buildings. It would not be responsible of any government to hold onto unused vacant assets when they could otherwise be put to use on behalf of the community.

The transfer of Crows Nest TAFE to the New South Wales Department of Education is a direct response to the need for a new school in the Northern Sydney area. There has been little opposition to the Crows Nest TAFE transfer from the people of the region. They, I understand, welcome the news that they have a new school to send their kids to.

Question agreed to.

Legal System

Senator CANAVAN (Queensland—Nationals Whip in the Senate) (15:47): I move:

That the Senate—

(a) notes:

(i) the importance of a robust and clear legal system that allows for timely judicial review and certainty for investors and the community alike,

(ii) that the latest legal challenge brought by the Melbourne-based Australian Conservation Foundation to the development of the Galilee Basin is another cynical attempt to abuse due process,

(iii) that ongoing green law-fare is holding Queensland families to ransom, and jeopardising Australia's reputation as a place to do business, and

(iv) that rather than protecting the environment, the replacement of the Galilee Basin's lower-emission coal by higher-emission coal from other countries could instead cause an increase in global emissions; and

(b) calls on the Australian Labor Party to support legislative amendments to close legal loopholes being exploited by green groups.


The PRESIDENT: Leave is granted for one minute.

Senator WATERS: This is another embarrassing attempt by Senator Canavan, who seems to have neglected to realise that Minister Hunt has made yet another error in applying the environmental laws that he, as the environment minister, really should be better familiar with. He is now seeking to demonise mums and dads, community members and, in this instance, the Australian Conservation Foundation. It has stood up, gone to the court and said, 'Actually, the minister really shouldn't forget about the climate change impacts on the Great Barrier Reef when he is approving the Southern Hemisphere's largest coal mine.' I am really thrilled and pleased that the ACF has taken this stance. Senator Canavan's notion seems to be that you are only allowed to care about the Great Barrier Reef if you live next door to it. Well, I have news for him: Australians are very proud of our Great Barrier Reef and the 60,000 jobs that it provides, and they want laws to protect it upheld and not ignored by the minister at the behest of the mining industry.


The PRESIDENT: Leave is granted for one minute.

Senator CANAVAN: In the time I have available, rather than speak from my own point of view and potentially misrepresent some of the mums and dads, as Senator Waters just
mentioned, I might just read a comment from a mum and dad, Carolyn and George Plaisted, who emailed me today. They said, ‘Hello Matt. We live in the Galilee Basin and are thoroughly sick of the court hold-ups pertaining to the mines in our area. GVK Hancock have had years of litigation to deal with what has held up the commencement of their mines. The small communities are in limbo. We certainly believe in the right for people to have their say, but for the challenges to be ongoing for years is totally ridiculous. The local figurehead for one of the groups objecting does not even have property in GVK’s tenement. Hopefully, both state and federal governments can put a halt to this continuing misuse of our courts, and the development of jobs can begin to become a reality.’

This motion is about these people. It is about supporting people like Carolyn and George Plaisted in their communities to help them get ahead and to have jobs and development, like the opportunities that all of us in this place have.

The PRESIDENT: The question is that notice of motion No. 921, moved by Senator Canavan, be agreed to.

The Senate divided. [15:54]

(The President—Senator Parry)

Ayes ...................... 29
Noes ...................... 31
Majority ............... 2

AYES

Abetz, E
Bernardi, C
Bushby, DC (teller)
Cash, MC
Day, RJ
Fawcett, DJ
Fifield, MP
Johnston, D
Lindgren, JM
McGrath, J
Parry, S
Reynolds, L
Ruston, A
Sinodinos, A
Williams, JR

NOES

Brown, CL
Cameron, DN
Collins, JMA
Dastyari, S
Gallacher, AM
Hanson-Young, SC
Lambie, J
Lines, S
Marshall, GM
McKim, NJ

Bullock, JW
Carr, KJ
Conroy, SM
Di Natale, R
Gallagher, KR
Ketter, CR
Lazarus, GP
Ludwig, JW
McAllister, J
Moore, CM
I seek leave to amend general business notice of motion No. 919 standing in my name relating to free-to-air TV in the terms circulated in the chamber. Leave granted.

Senator WANG: I move the motion as amended:

That the Senate notes that:

(a) free-to-air television (FTA TV) provides a vital service to regional communities;
(b) access to nationally significant sporting events on FTA TV is important to the community;
(c) FTA TV provides local news content and community announcements essential to the fabric of regional communities; and
(d) existing media rules are being made redundant by disruptive technologies.

Question agreed to.

Free-to-air Television

Senator SIMMS (South Australia) (15:57): I move:

That the Senate—

(a) notes that the Legal and Constitutional Affairs References Committee has found that:

(i) the Parliament has the authority to amend the Marriage Act 1961 without recourse to a plebiscite or referendum,

(ii) a plebiscite has the potential to facilitate and justify homophobic and transphobic hate speech, and

(iii) a plebiscite would cost an estimated $158.4 million if held outside of a general election; and

(b) calls on the Prime Minister (Mr Turnbull) to allow a free vote on marriage equality before the end of 2015.

Question agreed to.
PETITIONS

Gender Pay Equity

Senator WATERS (Queensland—Co-Deputy Leader of the Australian Greens) (15:58): by leave—I table a non-conforming petition, relating to transparency around pay equity. It is by Cosmopolitan, who have launched a petition calling for the closure of the gender pay gap.

Petition received.

DOCUMENTS

Consideration

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

COMMITTEES

Scrutiny of Bills Committee

Report


Ordered that the report be printed.

Regulations and Ordinances Committee

Report

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (16:00): On behalf of the chair, Senator Williams, I present delegated legislation monitor No. 14 of 2015 of the Standing Committee on Regulations and Ordinances.

Ordered that the report be printed.

Parliamentary Joint Committee on Human Rights

Report

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (16:00): On behalf of the Chair of the Parliamentary Joint Committee on Human Rights, I present the 30th report of the 44th Parliament, Human rights scrutiny report.

Ordered that the report be printed.

Senator BUSHBY: I move:

That the Senate take note of the report.

I seek leave to have the tabling statement incorporated into Hansard.

Leave granted.

The statement read as follows—

PARLIAMENTARY JOINT COMMITTEE ON HUMAN RIGHTS
DEPUTY CHAIR’S TABLING STATEMENT
Tuesday 10 November 2015

I rise to speak to the tabling of the Parliamentary Joint Committee on Human Rights’ Thirtieth Report of the 44th Parliament.
The committee's report examines the compatibility of bills and legislative instruments with Australia's human rights obligations. This report considers bills introduced into the Parliament from 12 to 22 October 2015 and legislative instruments received from 18 September to 1 October 2015. The report also includes the committee's consideration of five responses to matters raised in previous reports.

Nine new bills are assessed as not raising human rights concerns and the committee will seek a response from the legislation proponents in relation to six bills and four legislative instruments. The committee has concluded its examination of two bills and four instruments.

One of the bills considered in the report is the private member's bill titled Marriage Legislation Amendment Bill 2015. The bill would introduce same-sex marriage. While I note that some members chose to provide a dissenting report on this bill, the majority of the committee were of the view that the bill was compatible with the right to equality and non-discrimination, the right to family and the rights of children. These conclusions are based on a lengthy legal analysis which I encourage members to consult in detail.

The bill also engages the right to freedom of religion. The bill preserves the existing right of ministers of religion not to solemnise a marriage for any reason, including if this is contrary to their religious beliefs. In contrast, under the bill civil celebrants (who are not ministers of religion) would be prohibited from refusing to solemnise same-sex marriages. Accordingly, the bill would limit the right of civil celebrants to exercise their religious beliefs and refuse to solemnise a same-sex marriage.

The committee was divided as to whether this limitation was justified. A number of committee members were of the view that the bill is compatible with the right to freedom of religion, as the limit it imposes on the right is proportionate to the objective of promoting equality and non-discrimination.

However, a number of committee members considered that this limitation is not justified as the bill does not provide civil celebrants with the option to refuse to solemnise marriages that are contrary to their religious beliefs.

This report also includes the committee's consideration of a further response from the Attorney-General in relation to the Counter-Terrorism Legislation Amendment (Foreign Fighters) Bill 2014. The committee previously sought further information as to whether the operation of the counter-terrorism laws will, in practice, be compatible with the rights to equality and non-discrimination.

The Attorney-General has provided a fulsome response to the committee outlining the training provided for law enforcement officers. On the basis of the Attorney-General's assurance that such powers are used by officers trained to be impartial and non-discriminatory, the committee has concluded that, while the operation of counter-terrorism laws engage and may limit the right to equality and non-discrimination, particularly in relation to profiling and targeting of individuals, the powers may be justified.

The Attorney-General's response also covered the amendments in the bill allowing for the cancellation of social security payments following the suspension or cancellation of a person's passport on national security grounds. In relation to these powers, the committee stressed that the prevention of the use of social security to fund terrorism-related activities is a legitimate objective for the purposes of international human rights law.

However, the committee has also sought to make constructive recommendations to improve the bill's compatibility with the right to social security and right to equality and non-discrimination. The committee has therefore suggesting that the Attorney-General adopt regulations and guidelines that provide objective criteria and safeguards for the cancellation of welfare payments, including that there must be a link between the social security payment and the funding of terrorism.

As always, I encourage my fellow members and others to examine the committee's report to better inform their understanding of the committee's deliberations.
With these comments, I commend the committee's Thirtieth Report of the 44th Parliament to the House.

Question agreed to.

**Joint Standing Committee on Treaties**

**Government Response to Report**

Senator McGrath (Queensland—Assistant Minister to the Prime Minister) (16:01): I present two government responses to reports of the Joint Standing Committee on Treaties: Report No. 149—Treaty tabled on 10 February 2015, and Report No. 151—Treaty tabled on 28 October 2014. 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 Treaties report: Report 149**

Treaty tabled on 10 February 2015:

**Amendments to Appendices I and II to the Convention on the Conservation of Migratory Species of Wild Animals (Bonn, 23 June 1979) (Quito, 9 November 2014)**

November 2015

**Government Response to Report 149 of the Joint Standing Committee on Treaties:**

Convention on the Conservation of Migratory Species of Wild Animals

The Government thanks the Committee for its consideration of the Amendments to Appendices I and II to the Convention on the Conservation of Migratory Species of Wild Animals, done at Quito on 9 November 2014, and tabled on 10 February 2015. The Government appreciates the Committee's support for the amendments to the Appendices, and the recognition that it was necessary for the Government to seek a reservation in relation to five shark species.

However, five members of the Committee did not support the Australian Government lodging a reservation and provided a dissenting report. The Government is pleased to provide the following response to the dissenting report.

The report states that lodging the reservation is detrimental to Australia's reputation as a world leader in marine conservation, and that the better approach would be for Australia to amend its domestic legislation to accommodate local requirements or administrative complications. The report also notes that some non-government organisations considered there was inadequate notification or consultation with respect to the Government's decision to lodge the reservation.

As stated in the National Interest Analysis (NIA) tabled in Parliament on 10 February 2015, the Convention on the Conservation of Migratory Species of Wild Animals (CMS) has two Appendices that carry different obligations:

- **Appendix I** lists migratory species which are in danger of extinction throughout all or a significant proportion of their range. Once a species is listed on Appendix I, Parties are obliged to endeavour to conserve and restore habitats, remove barriers to migration, control factors that are endangering the species and prohibit the taking of the species; and

- **Appendix II** lists migratory species which are not endangered but have an "unfavourable conservation status", and which require international agreements for their management, and species with a conservation status that would benefit from international cooperation. Once listed on
Appendix II, Parties are obliged to endeavour to conclude agreements where these would benefit the species.

Once listed on either Appendix of the Convention, the *Environment Protection and Biodiversity Conservation Act 1999* (the EPBC Act) obliges the Minister to include that species on the list of migratory species established under the Act. It is important to note that the EPBC Act does not distinguish between species listed on Appendix I and Appendix II of the Convention. Once listed as a migratory species under the Act, irrespective of whether it is listed on Appendix I or II of the Convention, it becomes an offence under the Act to kill, injure, take or move the species in Commonwealth waters.

Accordingly, Australia's domestic measures go well beyond that required by the Convention for Appendix II listed species. Under the Convention, once a species is included in Appendix II, Range States are merely required to endeavour to enter into agreements. In contrast, under the EPBC Act, a listing on Appendix II enlivens the prohibition of killing, injuring, taking or moving the species.

Whilst the Government submitted a reservation with regard to five species of shark that were added to Appendix II of the CMS in November 2014, Australia continues to fulfil CMS requirements under Appendix II, namely the obligation to endeavour to conclude agreements where these would benefit the species. Australia is a signatory to the CMS Memorandum of Understanding on the Conservation of Migratory Sharks, and the recent shark additions to the Convention Appendices will be forwarded to this MOU for consideration for inclusion under its auspices. Australia will be supportive of their inclusion under this instrument to facilitate information exchange and cooperative research work. However, due to the restrictive domestic management arrangements that would have been required if these species were included on the migratory species list under the Act, entering a reservation for these particular listed species allows Australia to reflect our international obligations accurately and not be bound to the consequential, stricter domestic measures required by current legislation.

With regard to the consideration by some non-governmental organisations of inadequate notification or consultation with respect to the Government's decision to enter a reservation, it should be noted that the Government undertook extensive stakeholder consultation in the lead-up to the CMS Conference of Parties in November 2014. As outlined in the NIA, the Department of the Environment conducted consultation with relevant Commonwealth Government departments, State and Territory environment and primary industries counterpart agencies, 12 environmental non-government organisations and ten commercial and recreational fishing stakeholders. This consultation occurred over a five month period and provided the Government with comprehensive stakeholder views on the potential listings under the CMS Appendices, as well as stakeholder positions with regard to management options considered following the listings.


**November 2015**

**Government Response to Report 151 of the Joint Standing Committee on Treaties:**

**Australia-India Nuclear Cooperation Agreement**

The Government thanks the Committee for its consideration of the *Agreement between the Government of Australia and the Government of India on Cooperation in the Peaceful Uses of Nuclear Energy*, done at New Delhi on 5 September 2014 ("the Nuclear Cooperation Agreement"), which was tabled on 28 October 2014, and gives the following responses to the Committee's recommendations.
Recommendation 1

The Committee urges the Australian Government to commit significant diplomatic resources to encouraging India to become a party to the Comprehensive Test Ban Treaty, and to negotiate a fissile material cut-off treaty.

The Australian Government has consistently supported diplomatic and other practical efforts to promote entry into force of the Comprehensive Nuclear-Test-Ban Treaty (CTBT) and negotiation of a fissile material cut-off treaty (FMCT), and will continue to do so. India has been a key focus of these efforts, including through the annual senior officials-level Australia-India Non-Proliferation and Disarmament Dialogue, the next of which is scheduled for November 2015.

Australia makes frequent use of international forums to urge signature and ratification of the CTBT by countries which have yet to do so and highlights the importance of that call for countries whose ratification is required for the CTBT to enter into force, including India. On 29 September 2015 Foreign Minister Bishop spoke at the CTBT Article XIV Conference at the UN in New York, encouraging entry into force. Every two years Australia, with Japan and the Netherlands, hosts the "Friends of the Comprehensive Nuclear-Test-Ban Treaty (CTBT)" ministerial meeting in the margins of the United Nations General Assembly, aimed at building political momentum in support of bringing the Treaty into force.

Australia actively promotes efforts in the Conference on Disarmament (CD) to initiate negotiations on the FMCT, to verifiably ban the production of fissile material for use in nuclear weapons. India supports the same objective and officials coordinate regularly on this issue. While the CD has been unable so far to agree to the commencement of FMCT negotiations, both Australia and India continue to support additional efforts to promote work on a treaty.

Recommendation 2

The Committee recommends the Australian Government considers facilitating the negotiation of a nuclear arms limitation treaty for the Indian subcontinent region. Such a treaty could feasibly have an initial goal of preventing the development of thermonuclear weapons by India and Pakistan, and prevent the deployment of such weapons to the region by China.

Australia and India have established an annual dialogue on Non-Proliferation and Disarmament, at which we discuss issues including nuclear non-proliferation and disarmament, nuclear doctrine and confidence building measures to reduce the risk of nuclear conflict in the region. Shared interests in nuclear safety and security are also part of this dialogue. These talks at senior officials' level are an important means for Australia to promote disarmament and non-proliferation on the subcontinent, thereby contributing to greater peace and security.

Only the states involved can decide to negotiate an arms limitation agreement, but Australia and other concerned states assign priority and diplomatic resources to encouraging reduction of tensions in South Asia, and for a rethink of approaches to nuclear arms, including through reducing the significance of nuclear weapons in military doctrines, and increased transparency as a confidence building measure. The CTBT and, prior to its entry into force, the continuation of moratoria on nuclear testing (including by India) helps to prevent the proliferation of thermonuclear weapons because the development of such weapons relies on explosive nuclear testing to prove and refine weapon design.

As a leading member of the Non-Proliferation and Disarmament Initiative (NPDI), Australia is also active in encouraging NPT nuclear weapon states, including China, to reduce their nuclear arsenals and prevent the proliferation (horizontal and vertical) of nuclear weapons to other regions.
Recommendation 3
Committee recommends that, should the Agreement between the Government of Australia and the Government of India on Cooperation in the Peaceful Uses of Nuclear Energy be ratified, uranium sales to India only commence when the following conditions are met:

- India has achieved the full separation of civil and military nuclear facilities as verified by the IAEA;
- India has established an independent nuclear regulatory authority under law;
- the Indian nuclear regulator's existing policies and arrangements have been reviewed to ensure its independence;
- the frequency, quality and comprehensiveness of onsite inspections at nuclear facilities have been verified by the IAEA as being best practice standard; and
- the lack of sufficient planning for the decommissioning of nuclear facilities has been rectified.

The Government concurs with the Committee on the importance of the matters raised in this recommendation. The Nuclear Cooperation Agreement with India includes provisions that address the separation of India's civilian and military nuclear facilities and programmes, as well as commitments to achieve the highest standards of radiation and nuclear safety. Article II of the Agreement offers a basis for Australia and India to develop cooperation in areas related to peaceful uses of nuclear energy, including regulatory and technological advancements for the safe, secure, sustainable and safeguarded use of civil nuclear energy. Ahead of implementing the Agreement, Australia and India are discussing the establishment of such cooperation.

Separation of civil and military nuclear facilities
India agreed with the United States in 2006 to separate its civil and strategic nuclear programs. A clear demarcation between civilian and strategic facilities was a key objective for the United States when negotiating the plan with India, to ensure compliance with its obligation under Article I of the NPT to not assist, encourage, or induce nuclear weapons development, production, or proliferation. The 2006 separation plan specifies that facilities that are subject to safeguards in India are those that, "after separation, will no longer be engaged in activities of strategic significance".

India's separation plan is contained in IAEA document INFCIRC/731. It stipulates 22 nuclear facilities to be designated as civil and brought under IAEA safeguards. India has said that all newly constructed civil nuclear facilities will also be brought promptly under IAEA safeguards. India's commitment to the separation plan forms part of the decision of the Nuclear Suppliers Group (NSG) in 2008 that provides a framework for countries such as Australia to develop nuclear cooperation with India. India has met, and continues to act in accordance with, commitments made in connection with the NSG decision.

The 2006 plan is the only agreed definition for separation for India's civil and military nuclear activities. The IAEA has confirmed in its document INFCIRC/754/Add.7, dated 5 February 2015, that India has now designated all 22 civil facilities for the application of safeguards. On this basis, the Government is satisfied that the first element of the Committee's recommendation is met.

Regulation of nuclear safety in India
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Regulation of nuclear safety in India
India is already working to implement enhancements in its regulation in the area of nuclear safety based on recommendations from its own reviews and those made by the IAEA.

The second to fifth elements of the Committee's recommendation are in alignment with recommendations made by an Integrated Regulatory Review Service (IRRS) mission conducted by the IAEA in March 2015 at India's invitation. The IRRS mission provided an in-depth review of India's performance against IAEA safety requirements. The international team of experts that conducted the IRRS mission concluded that there is a strong commitment to safety in India. The leader of the team commented also that India "continues to enhance its regulatory programme to face the current and
future challenges in regulating nuclear safety, such as reinforcing the safety of existing nuclear
cal facilities, monitoring ageing and decommissioning, as well as providing oversight of the construction,
commissioning and operation of new nuclear power plants.” Following each IRRS mission, the IAEA
and the host country develop an action plan for IRRS recommendations to be addressed, including
potential timeframes. The Chairman of India’s Atomic Energy Regulatory Board has highlighted that
organisation's commitment to pursuing improvements suggested by the IRRS mission.

In a statement to the Australian Parliament on 28 October 2014, the Minister for Foreign Affairs said:
"Australia expects India will follow international best practice to ensure safety in its nuclear industry.”
The Government stresses the importance of ongoing review and improvement of nuclear safety.
However this does not warrant delaying, and potentially lessening, the benefits offered by nuclear
cooperation. Accordingly, the Government does not accept the Committee's recommendation that
exports of uranium to India should be deferred.

Recommendation 4

The Committee recommends that the Australian Government outline the legal advice it has received
regarding the consent to enrichment provisions in Article VI of the proposed Agreement between the
Government of Australia and the Government of India on Cooperation in the Peaceful Uses of
Nuclear Energy.

The text of the Nuclear Cooperation Agreement was reviewed by DFAT legal advisers during its
negotiation; however the Government did not seek or receive specific legal advice regarding the consent
to enrichment provisions in Article VI of the Agreement. The Government is satisfied that the consent
to enrichment provisions in Article VI of the Agreement are consistent with Australia's longstanding
uranium export policies.

In response to the fourth recommendation by The Hon Melissa Parke MP and Senator Sue Lines, an
exchange of correspondence between Australian and Indian officials that negotiated the Nuclear
Cooperation Agreement has reconfirmed mutual understandings in the following joint statement:
"The prior consent of the Supplier Party will be required if nuclear material subject to the Agreement is
to be enriched to 20 percent or higher in the isotope U-235."

Recommendation 5

The Committee recommends that the Australian Government outline the legal advice it has received
concerning whether the proposed Agreement between the Government of Australia and the
Government of India on Cooperation in the Peaceful Uses of Nuclear Energy breaches Australia's
obligations under the South Pacific Nuclear Weapons Free Zone Treaty.

In evidence to JSCOT, DFAT noted that multiple legal advices have been sought and obtained on this
issue. It is not the practice of the Australian Government to disclose its legal advice.

Recommendation 6

Subject to the above recommendations, the Committee supports the Agreement between the
Government of Australia and the Government of India on Cooperation in the Peaceful Uses of
Nuclear Energy and recommends that binding treaty action be taken.

The Government welcomes the support of the Committee for binding treaty action and will take such
action at an early opportunity.

Response to additional recommendations from The Hon Melissa Parke MP and Senator Sue
Lines:

The Government is satisfied that the provisions of the Nuclear Cooperation Agreement meet Australia's
requirements and does not accept proposals to amend the Agreement. Clarification in relation to
individual recommendations is set out below.
1. That the NCA not be ratified in its present form, but be amended, either directly or through an exchange of letters, to expressly state that Australia may require the return of AONM supplied under the NCA should India be found in breach of the NCA or its broader non-proliferation undertakings with respect to India's Nuclear Suppliers Group exemption.

Among the various nuclear cooperation agreements that India has negotiated, only that with the US includes provision for return of nuclear material, and only if the agreement is terminated. US law requires such a provision. In order to obtain the right of return, the US had to agree to the provision of substantial compensation, covering not just the value of the fuel, but also the costs incurred as a consequence of the removal of fuel. The Director General of ASNO outlined additional considerations on this matter in submissions and evidence to the Committee.

2. That the NCA not be ratified in its present form, but be amended, either directly or through an exchange of letters, to expressly state that AONM can be used only in facilities that are under permanent IAEA safeguards, that is, facilities that are listed in the Annex to the IAEA agreement.

The use of AONM in India in facilities other than those under permanent IAEA safeguards is unlikely for a number of practical and technical reasons. Scenarios mentioned in evidence to JSCOT by non-government witnesses, where India might use AONM at a temporarily safeguarded facility in a manner that would assist its nuclear weapons program, would be contrary to the fundamental provisions of the Nuclear Cooperation Agreement, as well as India's safeguards agreement with the IAEA.

3. If the NCA is not amended in accordance with Recommendation 1, that supply of AONM for India be approved only for uranium that is enriched and fabricated into fuel assemblies in the United States and transferred to India under the US-India nuclear cooperation agreement.

The Government does not accept this recommendation, as an important intention of the nuclear cooperation agreement is to enable the use of Australian uranium in India's own fuel fabrication facilities.

4. That the NCA not be ratified in its present form without addressing concerns about the ambiguity of the consent provisions. Preferably this would be through amending the text, but at the least India should be asked to join in a clarifying statement to put beyond doubt that the two parties do share a common understanding of the meaning of the text.

As mentioned in response to Recommendation 4 in the majority report of JSCOT, the Government is satisfied that Article VI (5) in the Nuclear Cooperation Agreement is consistent with Australia's longstanding uranium export policies.

In response to this recommendation, an exchange of correspondence between Australian and Indian officials that negotiated the Nuclear Cooperation Agreement has reconfirmed mutual understandings in the following joint statement:

"The prior consent of the Supplier Party will be required if nuclear material subject to the Agreement is to be enriched to 20 percent or higher in the isotope U-235."

5. That the NCA be amended, directly or through an exchange of letters, to provide for Australian-obligated plutonium to be used only in accordance with a fuel cycle program mutually determined by India and Australia.

The tracking of AONM as it moves through India's nuclear fuel cycle, together with consultation processes under the Nuclear Cooperation Agreement, would be ways through which ASNO can gain assurance that the material is being used in accordance with the peaceful use requirements, as well as the specific commitment of India to use Australian obligated plutonium "only for the purpose of producing nuclear fuel for facilities in India under Agency safeguards to implement India's planned nuclear energy programme" (Article VI, para 2(c) of the Nuclear Cooperation Agreement).

6. That AONM not be supplied directly to India until Indian officials are following established international practice with regard to accounting for and tracking AONM.
7. Meanwhile, until Indian officials are following established international practice with regard to accounting for and tracking AONM, that supply of AONM for India be approved only for uranium that is enriched and fabricated into fuel assemblies in the US in accordance with Recommendation 2. Arrangements to meet Australia's requirements for tracking of AONM have been negotiated by ASNO and India's Department of Atomic Energy as part of the Administrative Arrangement to the Nuclear Cooperation Agreement. The arrangements will allow the Director General of ASNO to determine the disposition of Australian obligated nuclear material in India and fulfil reporting obligations under the Nuclear Non-Proliferation (Safeguards) Act 1987.

Accordingly, the Government sees no reason to accept recommendations 6 and 7 above.

8. That JSCOT Committee members be provided with access to the administrative arrangements in order to satisfy the legitimate public interest concerns around the adequacy of the accounting and monitoring mechanisms prior to any Treaty ratification.

It is Australian Government policy not to release less-than-treaty-status instruments that are confidential to the signatories.

9. That the NCA be amended, directly or through an exchange of letters, to give Australia the right to request the IAEA's safeguards findings or conclusions for India as they relate to AONM.

ASNO will monitor India's safeguards compliance through the accountancy provisions in the Administrative Arrangement and through direct engagement with India and the IAEA. For example, ASNO would have access to any standard or special reporting on safeguards compliance the IAEA provides to its Board of Governors.

10. That prior to effect being given to the NCA, clarification is received from India as to its willingness to comply with non-proliferation norms and the exercising of nuclear restraint. A positive example would be for India to sign the Comprehensive Nuclear-Test-Ban Treaty, with confirmation it will ratify soon after the United States and/or China. This does not place restrictions on India's nuclear weapons program unilaterally, while still providing assurance to Australia and the world that India will respond reciprocally to steps taken by other nuclear-armed states.

The commitments that India made in connection with the development of nuclear cooperation with the United States, as well as the 2008 decision of the Nuclear Suppliers Group to provide an exemption for civil nuclear cooperation with and transfers to India, have served to draw it more fully into the non-proliferation mainstream and are an important part of the framework under which Australia will export uranium to India. These commitments include the continuation of India's moratorium on nuclear testing. The Government makes frequent use of international forums to urge signature and ratification of the CTBT by countries which have yet to do so and highlights the importance of that call for countries whose ratification is required for the CTBT to enter into force, including India. Accordingly, the Government sees no reason to defer exports of uranium pending further commitments by India.

Response to additional recommendations from the Australian Greens:

Recommendation 1:

The Australia-India Nuclear Energy Cooperation Agreement not proceed.

The Government does not accept this recommendation.

Recommendation 2:

The Australian Government should make public in full its legal advice on the compliance of the Agreement with obligations under the Treaty of Rarotonga.

As mentioned in response to Recommendation 5 in the majority report of JSCOT, it is not the practice of the Australian Government to disclose its legal advice.
The JSCOT Secretariat informed DFAT on 18 September 2015 that the text of Recommendation 4 (as tabled on 8 September) contains an error, and that the recommendation relates to consent for enrichment, not reprocessing.

**Education and Employment References Committee**

**Membership**

The **ACTING DEPUTY PRESIDENT (Senator Williams)** (16:02): The President has received a letter requesting changes in the membership of the Education and Employment References Committee.

**Senator McGrath** (Queensland—Assistant Minister to the Prime Minister) (16:02): by leave—I move:

That Senator Rice replace Senator Simms on the Education and Employment References Committee for the committee’s inquiry into long service standards, and Senator Simms be appointed as a participating member.

Question agreed to.

**BILLS**

**Migration Amendment (Charging for a Migration Outcome) Bill 2015**

**Migration and Maritime Powers Amendment Bill (No. 1) 2015**

**First Reading**

Bills received from the House of Representatives.

**Senator McGrath** (Queensland—Assistant Minister to the Prime Minister) (16:03):

These bills are being introduced together. After debate on the motion for the second reading has been adjourned, I shall move a motion to have the bills listed separately on the Notice Paper. I move:

That these bills may proceed without formalities, may be taken together and be now read a first time.

Question agreed to.

Bills read a first time.

**Second Reading**

**Senator McGrath** (Queensland—Assistant Minister to the Prime Minister) (16:04): I move:

That these bills be now read a second time.

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

Leave granted.

*The speeches read as follows—*

**MIGRATION AMENDMENT (CHARGING FOR A MIGRATION OUTCOME) BILL 2015**

The Migration Amendment (Charging for a Migration Outcome) Bill 2015 amends the *Migration Act 1958* ("the Act") to introduce a new criminal and civil penalty regime that will make it unlawful for a person to ask for, receive, offer or provide payment or other benefits in return for a range of sponsorship-related events. The Bill also allows visa cancellation to be considered where the visa holder has engaged in such conduct, referred to as 'Payment for Visas' conduct.
This Bill will implement a key integrity recommendation of the Independent Review into Integrity in the Subclass 457 Programme: that it be made unlawful for a sponsor to be paid by visa applicants for a migration outcome and that this be reinforced by a robust penalty and conviction framework.

This Bill will apply to a range of temporary sponsored work visas and skilled permanent employer sponsored visas, including the 457 visa.

'Payment for Visas' conduct is not currently unlawful. This conduct is unacceptable to the Government and the Australian people because it undermines the genuine purposes for which visas are intended to be granted. This Bill will strengthen the integrity of Australia's migration programme by allowing action to be taken where 'Payment for Visas' conduct has occurred.

'Payment for Visas' conduct may occur through an employer offering to sponsor a visa applicant in return for a payment or benefit. It may occur before the applicant applies for a visa or during the visa holder's stay in Australia. Evidence obtained through monitoring sponsors indicates that the sponsor and applicant are complicit in the majority of 'Payment for Visas' activity. Employers may also exploit an employee by requiring payment in return for ongoing sponsorship.

A strong response is required to ensure that this practice does not continue.

The Bill will amend the Act to make it a criminal offence for a sponsor or other third party to ask for or receive a benefit in relation to a sponsorship-related event. The offence will be punishable by a maximum of two years' imprisonment or a fine of up to 360 penalty units. This currently equates to $64,800 for an individual person or five times higher - $324,000 - for a body corporate.

The Bill introduces civil penalties applicable to a sponsor, visa applicant or any other third party who asks for or receives, or provides or offers a benefit, in relation to a sponsorship-related event. The maximum pecuniary penalty is 240 penalty units, which currently equates to $43,200 for an individual person or five times higher - $216,000 - for a body corporate.

The maximum penalties reflect the high upper limit of amounts paid in 'Payment for Visas' cases.

The Bill defines "benefit" in wide terms to include any payment or deduction, and any kind of real or personal property, advantage, service or gift. It does not include payments of reasonable amounts for the provision of a professional service such as by a migration or recruitment agent.

The Bill includes a definition of "sponsor-related event" to capture the types of conduct between a sponsor and a visa applicant or visa holder to which the offence will apply.

The Bill defines "sponsorship-related event" to capture 'Payment for Visas' conduct that occurs at any point in the visa application process or throughout the duration of the visa.

The Bill provides for further types of "sponsorship-related events" to be prescribed in the future, ensuring the legislation will be flexible to respond to emerging 'Payment for Visas' conduct. The Bill also provides for a criminal or civil penalty to be imposed on an executive officer of a body corporate, which has been found to be involved in 'Payment for Visas' activity.

The criminal and civil penalty framework will have extended extraterritorial application, so that the offence and penalties apply to conduct by an Australian citizen or body corporate outside Australia, or to an Australian resident outside Australia if there is an equivalent offence in the law of the local jurisdiction.

The Bill will also allow existing inspector, investigation, search warrant and notice to produce powers, which are currently used to investigate work-related offences, to be used in relation to 'Payment for Visas' activity.

Finally, the Bill will introduce a new discretionary power to consider visa cancellation where any person engages in 'Payment for Visas' conduct.

Visas granted at any time may be considered for cancellation, where conduct occurred on or after the commencement date of this Bill.

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Consistent with other cancellation powers in the Act, the visa holder would be afforded procedural fairness during the cancellation process. Where a decision to cancel a visa is made, consequential cancellation of the same visas held by family members would automatically apply. A person whose visa is cancelled would have the ability to seek merits or judicial review of that decision.

It is my intention to later expand the 'Payment for Visas' provisions to family and other visas where there is the potential for this conduct to occur. The Bill ensures that the Department is able to take appropriate action against unscrupulous people who have engaged in 'Payment for Visas' conduct.

I commend this Bill to the Senate.

MIGRATION AND MARITIME POWERS AMENDMENT BILL (NO. 1) 2015

The Migration and Maritime Powers Amendment Bill (No.1) 2015 contains a number of amendments to the Migration Act and a separate amendment to the Maritime Powers Act. These amendments will strengthen and clarify the legal framework in those Acts, ensuring they will be interpreted consistently with original policy intention and operate effectively as intended.

Specifically, the Bill will:

- ensure that when an unlawful non-citizen is in the process of being removed to another country and before they enter the other country the person is returned to Australia, then that person has a lawful basis to return to Australia without a visa;
- ensure that when such a person does return to Australia without a visa, the visa application bars in sections 48 and 48A of the Migration Act will continue to apply as if they never left Australia;
- make a technical amendment to ensure that the prohibition against the making of further protection visa applications in section 48A of the Migration Act operates as intended under policy;
- ensure that the Administrative Appeals Tribunal can review certain character or security based decisions to refuse to grant a protection visa to a fast track applicant;
- ensure that the visa ceasing provisions in sections 82, 173 and 174 of the Migration Act operate as intended under policy;
- make a number of amendments to give full effect to the substantive amendments made by the Migration Amendment (Character and General Visa Cancellation) Act 2014;
- make a minor technical amendment to address an incorrect referencing error in section 38B of the Migration Act, relating to maritime crew visas; and
- confirm that the powers in the Maritime Powers Act are able to be exercised in the course of passage through or above the waters of another country in a manner that is consistent with the 1982 United Nations Convention on the Law of the Sea.

The proposed amendments in Schedule 1 ensure that when an attempt is made to remove an unlawful non-citizen from Australia, but that non-citizen does not enter the destination country and is instead returned to Australia, the non-citizen can be returned to Australia without a visa. In addition, they will be treated as if they had never left Australia for the purposes of the visa application bars imposed by sections 48 and 48A of the Migration Act.

Currently the Migration Act allows an unlawful non-citizen who was been removed from Australia to return without a visa if the unlawful non-citizen was refused entry into the destination country. It does not currently allow for the return without a visa of a non-citizen who we have attempted to remove from Australia in other circumstances where it may be necessary. For example, there is no facility to return a person to Australia without a visa if a transit country refuses to allow the removed person to transit, or if the United Nations Human Rights Committee makes an interim measures request that the removal not be completed. The amendments in Schedule 1 will address this inconsistency.
Similarly, the current law provides that when a non-citizen is returned to Australia without a visa because they were refused entry to their destination country then the bars on making further applications imposed by sections 48 and 48A of the Migration Act will continue to apply as if they had never left Australia. The amendments will ensure that the same rule applies to a non-citizen who is returned to Australia without a visa in any circumstance covered by these amendments.

The amendments in Schedule 2 of this Bill are required to give full effect to the substantive amendments made to the Migration Act last year by the Migration Amendment (Character and General Visa Cancellation) Act 2014. The Character and General Visa Cancellation Act significantly strengthened the character and general visa cancellation provisions in the Migration Act to ensure that non-citizens who commit crimes in Australia, pose a risk to the Australian community or represent an integrity concern are appropriately considered for visa refusal or cancellation.

The Character and General Visa Cancellation Act also introduced mandatory cancellation of visas held by non-citizens in prison who do not pass certain limbs of the character test, a revocation power specifically for mandatory cancellation decisions, and a new power for the Minister to personally set aside, in the national interest, a decision made by his or her delegate or the AAT to revoke a mandatory visa cancellation decision.

The consequential amendments set out in Schedule 2 of this Bill will ensure that the mandatory cancellation-related powers are reflected comprehensively throughout the Migration Act, according to the original intent of the changes made last year. This will ensure that the Government has the capability to proactively and robustly address character and integrity concerns.

In particular, Schedule 2 of the Bill will ensure criminal intelligence and related information which is critical to the making of all character-related decisions can be protected from disclosure under section 503A of the Migration Act. This Bill will also give full effect to the policy of mandatory cancellation, by putting beyond doubt that a non-citizen who is the subject of a mandatory character cancellation decision is available for removal from Australia if they do not seek revocation within the relevant time period, or are unsuccessful in having their visa reinstated.

Further, Schedule 2 of the Bill seeks to strengthen my department's ability to identify non-citizens suspected of being of character concern by aligning the definition of 'character concern' in the Act with the strengthened 'character test' in section 501. Consistent with the original intent of the Character and Cancellation Act, this will facilitate the lawful disclosure of non-citizens' identifying information where a non-citizen is suspected of being of character concern.

Part 1 of Schedule 3 of the Bill makes an amendment to subsection 48A(1C) of the Migration Act to clarify that a person who has previously been refused a protection visa application that was made on their behalf (for example because they were a minor at the time), cannot make a further protection visa application, irrespective of the ground on which the further protection visa application would be made or the criteria which the person would claim to satisfy, and irrespective of the grounds on which the previous protection visa application was made. This amendment is a technical amendment to ensure that the bar on further protection visa applications in section 48A of the Migration Act operates as originally intended.

Part 2 of Schedule 3 of the Bill includes a number of separate amendments to the Migration Act:

The first of these are amendments to give full effect to the amendments made to the Migration Act last year by the Migration and Maritime Powers Legislation Amendment (Resolving the Asylum Legacy Caseload) Act 2014 (the Legacy Act), which introduced the Fast Track process for certain protection visa applicants who are defined in the Migration Act as a fast track applicant. The applicant cohort to which this process applies are unauthorised maritime arrivals in Australia who came on or after 13 August 2012, but before 1 January 2014, and any other person, or class of persons, specified by the Minister as a fast track applicant by legislative instrument.
This Government’s intention during the development of the Legacy Act was always that a fast track applicant, whose protection visa application is refused on certain character or security grounds, should be able to make an application for review of that decision to the Administrative Appeals Tribunal (the AAT) under the existing provisions in the Migration Act. These amendments implement this intention, and clarify the types of fast track decisions that can be reviewed by the Immigration Assessment Authority which is established within the Migration and Refugee Division of the AAT.

Certain character or security decisions relating to protection visa applications are often evidentially and legally complex. The Government is providing a consistent and rigorous, but fair and expert process by ensuring that the AAT’s current jurisdiction to review these types of character or security based decisions will also apply where the applicant is a fast track applicant.

Consistent with the rest of this Bill, these items demonstrate this Government’s clear and continuing commitment to ensuring that non-citizens who pose a risk to the Australian community are dealt with effectively, efficiently and comprehensively.

The second group of amendments in Schedule 3 of the Bill clarify the ways that visas can cease under the Migration Act. As the Act currently provides for visas to be extinguished by “ceasing to be in effect”, it has created room for possible argument that a visa which is dormant, i.e. not in effect, cannot cease to be in effect even if a relevant ceasing provision applies to it.

To ensure that the visa ceasing provisions under the Act are interpreted consistently with policy, amendments in Schedule 3 to this Bill clarify the operation of the visa ceasing provisions. That is, a visa will always cease or be extinguished if a relevant ceasing provision applies to it, even if the visa is not in effect at the relevant time, except in one expressly carved out circumstance.

Schedule 3 of the Bill also makes a minor technical amendment to subsection 38B(5) of the Migration Act to fix an incorrect referencing error.

Finally, the amendments proposed in Schedule 4 of the Bill are intended to confirm the Government's clear intent that powers under the Maritime Powers Act are able to be exercised in the course of passage through or above the waters of another country in a manner consistent with the United Nations Convention on the Law of the Sea (the Convention).

Section 8 of the Maritime Powers Act defines a ‘country’ to include the territorial sea and archipelagic waters of the country. Section 40 prevents the exercise of powers under the Maritime Powers Act at a place in another country except in defined circumstances. Section 40 could be interpreted as preventing the exercise of powers under the Maritime Powers Act in waters within another ‘country’ in circumstances where, under the Convention, it would be permissible to exercise those powers, for example when a vessel is in the course of ‘transit passage’ through an international strait.

Schedule 4 to the Bill amends section 40 to confirm the ability to exercise powers under the Maritime Powers Act in circumstances where vessels or aircraft are permitted or entitled under the Convention to exercise rights of passage through or above those waters. Under the amendments, the exercise of the maritime powers in these circumstances can occur when three criteria are met.

First, the exercise of the powers is to be part of a continuous exercise of powers that commenced in accordance with the existing framework for the exercise of powers. Secondly, the exercise of the powers occurs in the course of passage of a vessel or aircraft through or above waters that are part of a country (which includes the territorial sea, archipelagic waters and international straits). Finally, a relevant maritime officer (including a commander of a vessel, as well as more senior maritime officers who have knowledge, involvement in, or command over the operation) or the Minister, considers that the passage is in accordance with the Convention.
Schedule 4 demonstrates this Government's clear intent to ensure that the powers exercised under the Maritime Powers Act are consistent with the Convention.

I commend the Bill to the Senate.

Debate adjourned.

Ordered that the resumption of the debate be made an order of the day for a later hour.

Ordered that the bills be listed on the Notice Paper as separate orders of the day.

Social Services Legislation Amendment (No Jab, No Pay) Bill 2015

Report of Legislation Committee

Senator CANAVAN (Queensland—Nationals Whip in the Senate) (16:05): On behalf of the chair of the Community Affairs Legislation Committee, Senator Seselja, I present the report of the committee on the provisions of the Social Services Legislation Amendment (No Jab, No Pay) Bill 2015, together with the Hansard record of proceedings and documents presented to the committee.

Ordered that the report be printed.

COMMITTEES

Procedure Committee

Report

Senator URQUHART (Tasmania—Deputy Opposition Whip in the Senate) (16:05): On behalf of the Deputy President, I move:

That the Senate adopt the recommendations of the Procedures Committee's third report of 2015.

Question agreed to.

BILLS

Tax Laws Amendment (Combating Multinational Tax Avoidance) Bill 2015

In Committee

Debate resumed.

Senator DASTYARI (New South Wales) (16:06): Minister, I think you are the fourth or fifth minister who has been asked questions about this. Perhaps we will be able to get some answers from you that we have been unable so far to get from others. Why is this not a bill that can be improved or should be improved through potential amendments designed to increase the amount of disclosure? So far, the debate we have been having and the questions we have been asking have centred around why different information has or has not been provided and why different reasoning has been provided. I want to ask a more specific and direct question: does the government believe that this bill can be improved through the supporting of amendments?

Senator McGrath (Queensland—Assistant Minister to the Prime Minister) (16:07): Thank you for the question. We believe that we have the balance right in terms of the provisions of the bill, and it is in accordance with the OECD.

Senator DASTYARI (New South Wales) (16:08): I want to reiterate the position of those of us on this side of politics. I believe—and Senator Cash made a point of referring to earlier remarks I had made in this chamber—that this is a good bill. I believe this bill warrants
support. I believe this bill goes a long way towards making sure that there is a greater level of transparency and that there are stronger rules around multinational tax avoidance. I believe that former Treasurer Mr Joe Hockey should be commended for the work he has done on this bill. But I also believe that this is not a perfect bill. I also believe that this bill, while it is a good bill and is better than the current situation and circumstances, is one that could actually do with improvement. It is a bill that could do with some changes.

I want to draw your attention to potential changes around the area of making sure there is greater disclosure for private Australian companies that have over $100 million in revenue in any given year. I know this is slightly unfair on the minister, because some of us in this chamber have been part of this debate for the past day and are coming into this with a lot more information. I note that the minister is acting in the capacity at the moment. Minister Cormann, who is perhaps the person who would normally have carriage of this, is at the moment on very important government business in Turkey. So, acknowledging that there is perhaps a limited level of information you may have available to you, Minister, I do believe there is an opportunity.

We heard from Senator Xenophon today about his concerns for the releasing of information about companies of over $100 million. The concern that Senator Xenophon had was one of ensuring that businesses that released this information were not taken advantage of in the chain of responsibility, and also by other companies. The concern would be this. If I were a company, a family business, I may have quite significant revenue—let us say it is $100 million, $120 million or $150 million. I may have a concern that the publication of that information would materially hurt my business in its negotiations with some larger suppliers, a classic example being your Coles or your Woolworths, who are well-known for being quite aggressive in some of their techniques and in how they drive these things.

I do not believe those concerns are right. The reason I do not believe that Senator Xenophon is right in this is that the information made available is available elsewhere. In fact, you can get all of that information, and more, by paying $38 to ASIC. ASIC will provide you with a more detailed series of that type of information, simply with the payment of $38. I believe there is the potential, however, to allow the exclusion of those types of companies by giving the tax office the opportunity to remove them. Would the government consider supporting an amendment that would actually address the concerns raised by Senator Xenophon but would nonetheless address those issues?

Senator McGrath (Queensland—Assistant Minister to the Prime Minister) (16:12): The short answer is no.

Senator Dastyari (New South Wales) (16:12): I want to begin by thanking the minister. We have had lots of attempts at answers previously, and I would have to say that that was probably the most frank and honest one. Your reputation precedes you! Why won't you consider supporting it?

Senator McGrath (Queensland—Assistant Minister to the Prime Minister) (16:12): As you have said, this is a good bill. It brings in greater levels of transparency. You have commended former Treasury Hockey for his work on it. We believe the bill has the right balance.
Senator DASTYARI (New South Wales) (16:12): Is the minister then saying that he believes the enhancement of transparency by including this information—even if we are going to give an opt-out for certain businesses—is going too far? Is that the position of the government?

Senator McGrath (Queensland—Assistant Minister to the Prime Minister) (16:13): We believe the bill has the right balance. We believe that those additional changes that you talk about would actually impose greater red tape on business.

Senator WHISH-WILSON (Tasmania) (16:13): Senator McGrath, welcome to the chamber—the chamber of horrors for you guys, no doubt, given that I think you are the fifth person we have had on the front bench dealing with this bill and the proposed amendments. You referred to greater red tape. Could you be more precise about that, given that the financial information these companies have to give to ASIC is already lodged, and it is a lot more extensive than what we are asking for. To make it clear for you, the disclosure requirements we are seeking to include are: the ABN and name of the company or individual; the total income for the income year; the taxable or net income, if any, for the income year; and, income tax payable, if any, for the financial year.

We are asking for four things which are nowhere near as substantial as what has been lodged at ASIC. In fact, Senator Xenophon showed me an ASIC request, which he had done this morning, I presume, for another South Australian company. I looked at it very briefly and it was full of consolidated accounts and information. So where does the red-tape argument come from if we are simply asking for four things to be taken out of that and added to a register for around 1,000 companies? Perhaps that is the last piece of information. We estimate that around 1,000 companies would be captured by this register.

Senator McGrath (Queensland—Assistant Minister to the Prime Minister) (16:15): I will address the fact that I am the fifth minister to speak here. Perhaps because of the filibustering of certain parties in this chamber, I think, we are going around in circles at the moment.

Senator Canavan: Circle work.

Senator McGrath: There has been lots of circle work. That is perhaps why this has taken a lot longer than was expected, because of certain activities of other parties here. In relation to red tape, we believe that the bill has the right balance and that any additional proposals will increase the red tape on business. The ATO and ASIC have suitable powers, presently, to seek the information they require.

Senator WHISH-WILSON (Tasmania) (16:16): In relation to the filibuster, we will continue to ask questions until we get decent answers. They have not been forthcoming. Our job in committee is to thrash out these things and to make sure that legislation, counter proposals and these kinds of things are thoroughly assessed by the committee. That is our job. We are a house of review and I do not need to tell you that. I have asked a number of what I thought were perfectly reasonable questions that I have not received proper answers to. Let me try another tack where I do want information. Your government was talking in the budget this year about a voluntary corporate disclosure code. Could you explain to the committee why you have moved from a voluntary to a mandatory code in the legislation that we were
debating for multinationals with a turnover of more than $1 billion? What made you decide that you needed a mandatory code of disclosure?

Senator McGrath (Queensland—Assistant Minister to the Prime Minister) (16:17): Sorry, Senator, could you ask that again please?

Senator Whish-Wilson (Tasmania) (16:18): We often have this debate between mandatory and voluntary codes, or regulations, let’s say. In this budget the previous Treasurer, Joe Hockey, introduced an idea to have a voluntary corporate disclosure code where the Treasurer was very clear about the need for disclosure by corporations in paying their fair share of tax, and he even said that it will discourage companies from engaging in aggressive tax avoidance. This is the idea of disclosure, and I presume that is behind the bill that you originally brought in that we are about to move an amendment to.

I think that, clearly, we are on the same page with the government, the LNP, and I suppose I should include the Nationals in that. The Greens, Labor and the crossbenchers all think that disclosure is a good thing, which is the whole basis of your bill. The Treasurer made it very clear that disclosure was important and said:

It will also discourage companies from engaging in aggressive tax avoidance.

He then said:
The Government would like more companies, particularly large multinationals … to publicly disclose their tax affairs.

That is what we are asking for. You are saying that it is for $1 billion or more. I am asking: why, firstly, did you move from the idea of a voluntary code to a mandatory code—hence the legislation—and, secondly, why you did not go with the $100 million as the threshold, because that was the previous legislation? Why $1 billion?

Senator McGrath (Queensland—Assistant Minister to the Prime Minister) (16:19): This is nothing to do with the bill before the committee at the moment. I am afraid that, in terms of the information provided, I would prefer to be answering questions relevant to the bill before the committee.

Senator Dastyari (New South Wales) (16:20): I note that I have been provided with sheet 7796, which appears to be a potential amendment in the name of Senator Whish-Wilson. In light of that, I would like to inform the chamber that I will not be proceeding with amendments on sheets 7794 and 7795 that have been circulated in my name on behalf of the opposition.

The Temporary Chairman (Senator Williams): That has been noted.

Senator Whish-Wilson (Tasmania) (16:20): Perhaps, to make it easier for Senator McGrath, I will move the Australian Greens amendments on sheet 7796, which is an omnibus that includes the various compilations of what we have seen today.

The Temporary Chairman: You will need seek leave to move (1) and (2) together.

Senator Whish-Wilson: by leave—I move Australian Greens amendments (1) and (2) on sheet 7796 together:

(1) Page 2, clause 2 (table item 1), omit the table item, substitute:
1. Sections 1 to 3 and anything in this Act not elsewhere covered by this table The day this Act receives the Royal Assent.
2. Schedules 1 to 4 The day after this Act receives the Royal Assent.
4. Schedule 5, Part 3 The day after this Act receives the Royal Assent.

(2) Page 17 (after line 3), at the end of the Bill, add:

Schedule 5—Reporting of information about corporate tax entities

Part 1—Repeal of Act

Tax and Superannuation Laws Amendment (Better Targeting the Income Tax Transparency Laws) Act 2015

1 The whole of the Act

Repeal the Act.

Part 2—Application

2 Application

(1) This item applies if the Tax and Superannuation Laws Amendment (Better Targeting the Income Tax Transparency Laws) Act 2015 receives the Royal Assent before this Schedule commences.

(2) Despite section 7 of the Acts Interpretation Act 1901, the Taxation Administration Act 1953 as in force immediately before that Royal Assent continues to apply, by force of this item, as if the amendments made by the Tax and Superannuation Laws Amendment (Better Targeting the Income Tax Transparency Laws) Act 2015 had never been made.

Part 3—Reporting of information

Taxation Administration Act 1953

3 Subsection 3C(2)

Omit "The Commissioner", substitute "Subject to subsection (2A), the Commissioner."

4 After subsection 3C(2)

Insert:

(2A) If:

(a) an entity applies to the Commissioner in writing; and

(b) at the end of the income year the entity is an Australian resident that is a private company for the income year that neither:

(i) is a member of a wholly-owned group that has a foreign resident ultimate holding company; or

(ii) has a foreign shareholding percentage of 50% or greater; and

(c) the Commissioner is satisfied that to make the information publicly available may be significantly prejudicial to any of the entity's current or future commercial negotiations;

the Commissioner may determine that subsection (2) does not apply in relation to the entity. An expression used in this subsection that is also used in the Income Tax Assessment Act 1997 has the same meaning as in that Act.

(2B) A determination under subsection (2A) is not a legislative instrument.
5 After subsection 3C(3)

Insert:

(3A) The Commissioner must ensure that the information made publicly available under subsection (2) includes:

(a) a statement to the effect that:
   (i) the information may not reflect the full financial position of the entity; and
   (ii) more comprehensive information may be available from the Australian Securities and Investment Commission; and

(b) the address for the part of the Australian Securities and Investment Commission’s website via which the information referred to in subparagraph (a)(ii) may be found.

6 Application of amendments

The amendments made by this Schedule apply in relation to an entity for the 2013-14 income year and each later income year unless the Commissioner has, before the commencement of this Schedule, made publicly available information about the entity for the income year under subsection 3C(2) of the Taxation Administration Act 1953.

This amendment before us is a slightly amended version of the amendment that the Greens put up last night, which had not been put through the committee. We had circulated it but it was not moved. I thank the ALP for doing some hard work in the last 24 hours to improve the amendment, and thank some of the Independents who have given us feedback on the amendment.

The amendment that I have just moved relates to the repeal of the Tax and Superannuation Laws Amendment (Better Targeting the Income Tax Transparency Laws) Act 2015, which we have discussed for well over a day, but there is additional information which Senator Xenophon will no doubt want to talk to. We have included a clause, part 3, clause 4, after subsection 3C(2), where we have inserted, under 2A:

If:

(a) an entity applies to the Commissioner in writing; and
(b) at the end of the income year the entity is an Australian resident that is a private company for the income year that neither:
   (i) is a member of a wholly owned group that has a foreign resident ultimate holding company; or
   (ii) has a foreign shareholding percentage of 50% or greater; and
(c) the Commissioner—

that is obviously the Tax Commissioner—
is satisfied that to make the information publicly available may be significantly prejudicial to any of the entity's current or future commercial negotiations;
the Commissioner may determine that subsection (2) does not apply in relation to the entity. An expression used in this subsection that is also used in the Income Tax Assessment Act 1997 has the same meaning as in that Act.

This is to allay concerns that some senators, including Senator Xenophon, have received from companies that somehow the disclosure of their information may be prejudicial, so we wanted to be very cognisant of the fact that, if that is the case and there is a basis for that, those
companies can actually receive a judgement from the commissioner on the particular circumstance that relates to their commercial considerations.

We have also inserted in clause 5:

After subsection 3C(3)

Insert:

(3A) The Commissioner must ensure that the information made publicly available under subsection (2) includes:

(a) a statement to the effect that:

(i) the information may not reflect the full financial position of the entity; and

(ii) more comprehensive information may be available from the Australian Securities and Investment Commission;

and

(b) the address for the part of the Australian Securities and Investment Commission's website via which the information referred to in subparagraph (a)(ii) may be found.

We have put in a really simple clause that makes a lot of sense. We are putting it up-front that, if you are going to make judgements about, say, people's tax avoidance from the register, or tax evasion or tax minimisation or tax paid, look at the detail first. In other words, go to ASIC, go to the website, and get the information before you make a judgement. Let's make it clear: that is a very important piece of information. If you are worried that the tabloid press might use this to beat up on rich people or whatever, there is a very clear sign that there is more detailed information available on the ASIC website and that you should not draw those conclusions.

Nevertheless, this information will increase transparency and the disclosure will help raise awareness and educate the public on the importance of avoidance of tax and tax minimisation. Let's be honest: the government has been happy to keep these regulations on foreign companies with over $100 million. Foreign companies have to put this information on a register, but you seem to have a reason for not explaining why Australian companies with over $100 million have been exempted. Now both foreign and domestic companies will be required to put this information on a register. That is what we have been asking for.

As I very importantly pointed out, Senator McGrath, this is what the Treasurer was talking about in his budget statement this year. I will read you his words again. He was talking about a voluntary code, but this is a mandatory code and it will highlight companies that are paying their fair share of tax. It could be a good thing for companies that are paying their fair share of tax and it will put to bed any potential issues that people may have. It will also discourage companies from engaging in aggressive tax avoidance. So it rewards the companies that are doing the right thing and it may be a disincentive, through reputational risk or otherwise, for companies that are doing the wrong thing.

The Treasurer then said:
The government would like more companies—

we estimate 1,000 domestic companies will have to comply with this legislation or the ATO will have to provide their details—

particularly large multinationals operating in Australia, to publicly disclose their tax affairs.
That is it. That is from your own government. That is what we are doing here tonight, but we are not shielding Australian companies with over $100 million or wealthy Australians from disclosure of their tax affairs. The whole point is to have that disclosure up-front and put it in the public domain, and raise education, awareness and debate around issues on tax avoidance, which is what a broad range of stakeholders has been asking for. The Greens—and I think Labor and hopefully others in this chamber—believe this is good legislation and that you will support it and make sure that we have a good set of laws in this country relating to disclosure of tax affairs.

Senator DASTYARI (New South Wales) (16:27): This is a good amendment. It improves the existing laws and Labor will be supporting this amendment.

Senator XENOPHON (South Australia) (16:28): I indicate that I will be supporting this amendment for these reasons. I want to set them out and I want to put this in appropriate context. A few weeks ago, the government's bill exempting companies with more than $100 million in revenue, not in profits, from publishing some basic headline details—essentially of revenue, taxable income and tax payable—was passed. I reluctantly supported that legislation because the argument that was put to me, which I thought had some credibility at the time, was that there could be companies, particularly food processors that may have turnover of $100 million a year or more in their commercial dealings with, say, Coles or Woolworths, that would be prejudiced by the publication of this information. I apologise to the Senate because I did not do my due diligence as I ought to have in relation to that piece of legislation. If you look at what is currently available, if you are a company with a turnover of $25 million a year or more—not $100 million but $25 million a year or more—you are required to provide to the Australian Securities and Investment Commission, ASIC, a copy of financial statements and reports.

Today, I spent $38 and got a copy of Teys Australia Pty Ltd—not because I am picking on them, but because they are referred to in the Senate inquiry report on this and they were a company that were good enough to express concerns about that transparency measure. If you look at that, the information given is very comprehensive. It gives statements of profit or loss and other comprehensive income at page 5. It gives statements of financial position at page 6, including current tax liability, and at page 24, in the notes for the financial statement, it actually talks about the level of income tax paid. So it is not as though Coles and Woolies would not have this information if they wanted to find it. I think it is stretching it to say that those companies would be prejudiced in their commercial dealings with Coles and Woolies, because there is, in any event, a requirement to publish this information with a much lower threshold of $25 million.

But I will support these amendments because they take into account that, if there were, in exceptional circumstances, a case where the publication of this headline information of revenue, taxable income and tax paid would in any way be prejudicial to a company, you could seek an exemption from the commissioner. That is why I supported the government's bill in the first place. I do not accept that there is unreasonable red tape with these amendments, for the simple reason that these companies, once they hit a threshold of $25 million—not $100 million—have to provide this information to ASIC in any event. But you need to pay $38 for that. That is the case. I am very happy for the assistant minister to correct
me on that if that is not the case, but that is my clear understanding, based on the evidence that has been provided to me.

I will support these amendments. They still keep the integrity of what the government passed several weeks ago intact, in that, if there were any suggestion that a company would be prejudiced by the release of headline information in their commercial dealings with a much larger company in any negotiations, they would still be protected from that—although, for the cost of $38 you can get a hell of a lot of information by going on the ASIC site. I think it is appropriate to pass these amendments. I see these amendments as being within the context of the very good intent of this bill introduced by the government as a result of the very hard work done in relation to this by former Treasurer the Hon. Joe Hockey. I support these amendments. I know the government's position is that this is not relevant, like the general purpose reporting amendment that was passed last night—the amendment that I moved, which was supported by a majority of the Senate—but I say it is relevant because it is all about having a level of transparency, encouraging public debate on the issue of multinational tax avoidance, and making sure that people pay their fair share of tax. I see these amendments within that broader context.

So, for those reasons, I support these amendments. They provide a very important protection in the very unlikely event that there could be any risk to any food processors—for instance, any agricultural company—in their dealings with a much bigger company. And I am thinking of Coles and Woolworths—not that I would suggest that they would behave unfairly with any suppliers, but those allegations have been made. These amendments provide that protection. So, for those reasons, I support the amendments.

Senator McGrath (Queensland—Assistant Minister to the Prime Minister) (16:33): The government does not support the amendments. I notice, Senator Xenophon, that the Senate Economics Legislation Committee, of which you are a member, recommended that there be no amendments to this bill and recommended that it be passed. At the moment in the chamber we are going around in circles, and we are delaying the passage of important legislation that will ensure multinationals pay their fair share of tax in Australia.

The Chairman: The question is that the amendments moved by Senator Whish-Wilson on sheet 7796 be agreed to.

The committee divided. [16:38]
(Chairman—Senator Marshall)

| Ayes | 32 |
| Noes | 29 |
| Majority | 3 |

AYES

- Bilyk, CL
- Bullock, JW
- Collins, JMA
- Dastyari, S
- Gallacher, AM
- Hanson-Young, SC
- Lambie, J
- Lines, S
- Marshall, GM
- Brown, CL
- Cameron, DN
- Conroy, SM
- Di Natale, R
- Gallagher, KR
- Ketter, CR
- Lazarus, GP
- Ludwig, JW
- McAllister, J
Question agreed to.

The CHAIRMAN: There are some amendments that have not been dealt with, but I suspect they are not going to be proceeded with. Do any senators want to proceed with any further amendments? If not, the question now is that the bill as amended be agreed to.

Bill, as amended, agreed to.

Bill reported with amendments; report adopted

Third Reading

Senator McGrath (Queensland—Assistant Minister to the Prime Minister) (16:42): I move:

That this bill be read a third time.

Question agreed to.

Bill read a third time.
Foreign Acquisitions and Takeovers Legislation Amendment Bill 2015
Foreign Acquisitions and Takeovers Fees Imposition Bill 2015
Register of Foreign Ownership of Agricultural Land Bill 2015

Second Reading

Debate resumed on the motion:
That these bills be now read a second time.

Senator WONG (South Australia—Leader of the Opposition in the Senate) (16:42): I rise to speak on the government's package of bills dealing with Australia's foreign investment framework. This is a package of three bills: the Foreign Acquisitions and Takeovers Legislation Amendment Bill 2015, the Foreign Acquisitions and Takeovers Fees Imposition Bill 2015 and the Register of Foreign Ownership of Agricultural Land Bill 2015.

These bills modernise the legislative framework that underpins Australia's foreign investment regime. That is a framework laid out in the Foreign Acquisitions and Takeovers Act 1975. The Foreign Acquisitions and Takeovers Act regulates foreign investment and provides the basis for investments to be assessed to ensure they are not contrary to Australia's national interests.

The first of the bills before the Senate, the Foreign Acquisitions and Takeovers Legislation Amendment Bill 2015, which I will describe as the amendment bill, makes extensive amendments to this act. Most of these amendments modernise the act to ensure it reflects contemporary practice and provides a clear framework for regulating foreign investment. The opposition supports these aspects of the amendment bill because they will provide greater certainty around the operation of Australia's foreign investment regulations and policies. However, the bill also implements government policies that Labor opposes, because they would impose layers of red tape on proposed investments in Australia's agricultural, agribusiness and food-manufacturing industries. Labor will seek to amend these aspects of the amendment bill to ensure Australia remains an attractive destination for the investment we need to build our economy. First, let me deal, briefly, with the other two bills in this package.

The Foreign Acquisitions and Takeovers Fees Imposition Bill 2015 imposes fees on investors lodging applications with the Foreign Investment Review Board. The government's rationale for imposing substantial new application fees on investors is cost recovery. The opposition supports these aspects of the amendment bill because they will provide greater certainty around the operation of Australia's foreign investment regulations and policies. However, the bill also implements government policies that Labor opposes, because they would impose layers of red tape on proposed investments in Australia's agricultural, agribusiness and food-manufacturing industries. Labor will seek to amend these aspects of the amendment bill to ensure Australia remains an attractive destination for the investment we need to build our economy. First, let me deal, briefly, with the other two bills in this package.

The Foreign Acquisitions and Takeovers Fees Imposition Bill 2015 imposes fees on investors lodging applications with the Foreign Investment Review Board. The government's rationale for imposing substantial new application fees on investors is cost recovery. The opposition supports these aspects of the amendment bill because they will provide greater certainty around the operation of Australia's foreign investment regulations and policies. However, the bill also implements government policies that Labor opposes, because they would impose layers of red tape on proposed investments in Australia's agricultural, agribusiness and food-manufacturing industries. Labor will seek to amend these aspects of the amendment bill to ensure Australia remains an attractive destination for the investment we need to build our economy. First, let me deal, briefly, with the other two bills in this package.

The third bill in this package, the Register of Foreign Ownership of Agricultural Land Bill 2015, establishes a register of foreign ownership of agricultural land to be operated by the Australian Taxation Office. Foreign persons will be required to register information about their existing landholdings and subsequent acquisitions and disposals of agricultural land. Labor supports the register of foreign ownership bill. We do so because it will provide for greater transparency around levels of foreign ownership of Australian agricultural land. I note that today Minister Colbeck, in question time—and I look forward to him correcting the
record—misled the Senate about Labor's position. Perhaps ministers on that side ought be a little more careful about making sure that, when they say things in this parliament, they are in fact true. However, what we would say in respect of the register is that the government should ensure that it achieves the goal of transparency without imposing unnecessary costs or unintended consequences on investors, particularly on collective investment vehicles.

I want to turn now to have a discussion about the importance of investment. Investment plays a central role in any economy—investment in new plant, equipment and buildings, investment in new technology, investment in infrastructure like roads, ports or communications networks, and investment in starting up new businesses and expanding existing businesses. Investment is critical for an innovative, dynamic, growing economy which can provide good jobs and decent living standards. Investment has to be funded by savings, either by domestic savings or by savings sourced from other countries. Since European arrival, Australia has always relied on foreign as well as domestic savings to fund its investment needs and to build its economy. This has been overwhelmingly positive. It has only been by tapping into foreign sources of capital that we have been able to build the modern Australian economy of today. We will need to continue to attract foreign investment if we are to build the economy of tomorrow—an Australian economy that will provide the jobs, sustain the living standards and ensure the prosperity of future generations of Australians. There are strong links between cross-border investment and trade, and I have said previously that trade and investment are two sides of the same coin. Australia will have tremendous trade opportunities in coming years from our proximity to and our presence in the Asian region. To take advantage of these new export markets, Australia will need to scale up production at home—and, to scale up production, we will need investment, including foreign investment. That is why we need to be very careful about introducing policies which impose barriers against foreign investment.

This is especially the case in the agriculture and food-processing sectors because they are going to need large-scale investment in coming years. Agriculture and food are two sectors of our economy that stand to gain the most from the opportunities of international trade and international investment. The National Farmers' Federation has estimated that, for Australian agriculture to reach the capacity which will be needed to meet rising demand, it will require investment of between $1.2 trillion and $1.5 trillion over the next 35 years—that is $1.2 trillion to $1.5 trillion over the next 35 years. That is a very significant requirement and it will require a substantial contribution from foreign capital. It is inconceivable, regardless of the extent of our domestic savings—and I am from a party that introduced compulsory superannuation, which obviously added substantially to the Australian savings pool—that this level of investment can be funded entirely from domestic sources.

Unfortunately, the Abbott-Turnbull government has adopted a retrograde stance on investment in agriculture. The rot started early this term with the proposed acquisition of GrainCorp by ADM. The government took a highly political approach to this proposed $3.4 billion investment. Certainty about Australia's foreign investment policy and transparency in communicating reasons for decisions are important for investor confidence. The government's capricious handling of the proposed ADM investment damaged Australia's reputation as an investment destination. Since then, the Abbott-Turnbull government—

Senator Heffernan: They're the biggest tax dodgers on the planet.
Senator WONG: Since then, the Abbott-Turnbull government—

Senator Canavan: I thought they were serious about tax avoidance.

The ACTING DEPUTY PRESIDENT (Senator Bernardi): Order!

Senator WONG: I look forward to Senator Canavan and Senator Heffernan making their contributions, and I look forward to Senator McGrath perhaps telling us what he really thinks about the policy.

Senator Heffernan: I have a point of order, Mr Acting Deputy President. If Senator Wong could just define investment between corporate and sovereign—

The ACTING DEPUTY PRESIDENT: Senator Heffernan, that is not a point of order.

Senator Heffernan: Penny, sovereign law hasn't caught up with—

The ACTING DEPUTY PRESIDENT: No, Senator Heffernan, resume your seat. There are two points in this. Firstly, spurious points of order should not be taken. Secondly, you should refer to senators, even when interjecting upon them, by their appropriate titles.

Senator WONG: Since then, the Abbott-Turnbull government has been busily imposing new regulatory barriers, new layers of red tape and new costs on foreign investment in Australian agriculture and agribusiness. The government has already implemented new barriers on investment in agricultural land by way of policy, and now it is seeking to impose further restrictions on investment in agribusiness through provisions contained in the first of the bills we are debating today, the Foreign Acquisitions and Takeovers Legislation Amendment Bill, and through associated regulations which have been issued in exposure draft form. These changes introduce a complex regime of differential and discriminatory thresholds for Foreign Investment Review Board screening of proposed inward investments in Australia.

Let us first take agricultural land. The government has reduced the investment screening threshold for agricultural land to $15 million for investors from China, Korea and Japan but not for investors from the United States or New Zealand. Furthermore, the new $15 million threshold on investment in agricultural land even applies where an existing investor seeks to make improvements to their property. So, buying a small adjoining parcel of land, perhaps to facilitate significant investment in improved farm infrastructure, triggers a FIRB review if it takes the cumulative value of the investment above $15 million. What is the public policy rationale for that?

The new rules are not just a deterrent to new investors. They also create disincentives for existing investors to improve their operations. The red tape and restrictions on investment do not stop at agricultural land. The government is also proposing a whole new foreign investment regime for what it calls agribusiness. It wants to introduce a FIRB screening threshold of $55 million for investments in agribusiness. Through the amendment bill and the associated regulations, the government is seeking to define agribusiness so broadly that it would include all of Australia's agriculture, forestry and fishing industries and about half of the food product manufacturing sector. The definition of agribusiness will include abattoirs, seafood processors, dairy product manufacturers, fruit and vegetable processing, oil and fat manufacturing and cake, pastry and biscuit makers.
Adding to the complexity, if just a quarter of a business is engaged in agribusiness the whole business is caught by the new test. Can you imagine if a Labor government sought to introduce such ridiculous propositions into this chamber? These new screening thresholds and red tape come on top of the new FIRB application fees I have already mentioned—fees that will collect some $735 in revenue over four years, making Australia one of the few countries in the world to impose a tax on inward investment. These policies will make it harder for Australia to attract an investment. They will make it harder for farmers and food manufacturers to raise capital, and they will put downward pressure on the values of farm assets. Australia has always required foreign capital to build our economy. If we are serious about growing our food exports to the growing markets of our regions we will need foreign as well as domestic investment in our agricultural sector and in agribusiness. Placing hurdles in the way of this investment only jeopardises the growth of our primary production industries and jeopardises Australian jobs.

The government's changes in respect of agricultural land and agribusiness have been the subject of widespread criticism from the business community. The new barriers to foreign investment have been criticised by the Business Council of Australia, the Australian Food and Grocery Council, the Queensland Farmers Federation, the Western Australian Chamber of Commerce and Industry and a range of other business and farm groups. The Queensland Farmers Federation—I hope Senator Canavan is listening—has said that the $15 million threshold for agricultural land puts barriers in the way of foreign investment and sends the wrong message to overseas investors who see value in investing in Australian agriculture. QFF's CEO went on to say:

Foreign investment is a crucial part of the investment landscape and vital to growth and productivity. Our sector has relied on it. We must resist basic calls that tread too close to fear without evidence, as this sends a negative message that the process for investment in Australian agriculture is too complicated and risky.

Mr Brent Finlay, from the NFF, has said that the $15 million threshold could 'choke' foreign investment in the farm sector. And the Western Australian Chamber of Commerce and Industry has said:

Reducing the Foreign Investment Review Board screening threshold for private investors from $252 million to $15 million will make it more difficult for the sector to access much needed capital for expansion, by introducing an additional layer of regulation, another step in approval process, and additional costs for foreign investors embarking on projects.

The government's changes to the FIRB screening thresholds will make Australia less attractive as a destination for foreign investment. At the very time when our agriculture and food processing industries are looking to expand to take advantage of export opportunities, the government is introducing restrictions that make it harder for these industries to secure new investment.

Labor supports a more open investment regime, and we foreshadow that we will move amendments to the bill in the committee stage to remove the most egregious of these new measures. And a future Labor government will consider further reductions to barriers to inward investment. Labor's amendments to the bill would remove the government's proposed requirements for FIRB screening of investments in agribusiness worth more than $55 million. There is no policy rationale for imposing these barriers to investment in agribusiness. The
The government's legislation creates the truly bizarre position that the threshold for foreign investment in genuinely sensitive sectors like uranium extraction and defence industries would be nearly five times higher than for food manufacturing. What is the rationale for that? How is it possible that we regard investment in agribusiness, in food processing and in abattoirs as somehow more sensitive to the national interest than investment in uranium extraction or our defence industries? A foreign investor buying a stake in a uranium mine in Australia faces a screening threshold of $252 million. A foreign investor looking to buy a stake in a food manufacturing plant faces a screening threshold of $55 million. This threshold of $55 million will apply to investment in a very large number of businesses in this country, because, as I said earlier, the government is defining agribusiness so broadly that it will cover around half of all food processors and manufacturers in Australia.

The Australian Food and Grocery Council has rejected the government's proposals. In its submission to the inquiry of the Senate Standing Committee on Economics into these bills, the council warned that they would have a 'chilling effect' on foreign investment. The submission went on to say:

This is particularly relevant to high-growth, often mid-tier food manufacturers seeking access to foreign investment to fund rapid expansion, including to meet export growth potential.

The council said that the government's barriers to investment in agribusiness will discourage investment, are not based on a clear public policy objective, are not an appropriate response to competition concerns, are inconsistent with the government's efforts to attract foreign investment and undermine efforts to build stronger economic relationships through trade agreements. That is a comprehensive critique of this government's proposals.

Labor has listened to industry. We are seeking to encourage foreign investment, not to deter it. Accordingly, our amendments would remove the separate treatment of agribusiness in this bill and will ensure that agribusiness is treated in the same way as other non-sensitive sectors of the economy when it comes to foreign investment, rather than being singled out for restrictive new barriers and onerous layers of red tape.

In the committee stage, we will also move amendments dealing with agricultural land. Our amendments would increase the FIRB screening threshold for investment in agricultural land from $15 million on a cumulative basis, which has been proposed by the government, to $50 million on a non-cumulative basis. This is the level required under the FTAs former Prime Minister Howard negotiated with Singapore and Thailand. Increasing the threshold to this level would reduce the discriminatory treatment of our North Asian trading partners under the government's policy. The government have not explained why they believe John Howard got it wrong and why the threshold had to be radically cut from that which he and Mr Vaile agreed to.

Labor remains to be convinced that there is a sound policy basis for separate treatment of agricultural land. Accordingly, a Labor government would consider whether to retain the carve-outs in respect of agricultural land introduced by this government. In the meantime, our amendments would set the threshold at $50 million, consistent with the approach taken by the former Howard government in the free trade agreements it negotiated with Singapore and Thailand.

Labor's amendments have been supported by the Business Council of Australia and by the Australian Food and Grocery Council because our position favours investment. It is not too
late for those in the government who know better to come to their senses and to join Labor in a pro-investment stance. It is an open secret in Canberra that the former Prime Minister pushed through these new investment restrictions despite opposition from his trade and investment minister and his Treasurer. The challenge for the Liberal Party under the new leader, Mr Turnbull, is whether it will stand up for an open economy by supporting Labor's amendments to this bill or whether it will simply rubber-stamp the anti-investment barriers concocted by Mr Abbott and Mr Joyce. Will the Liberal Party in this place vote for an open, outward-looking investment regime, or are they simply going to tap the mat and take the protectionist path, voting for more red tape and more barriers against people investing in this country, building businesses and creating jobs? The government's position has no public policy rationale.

Senator Heffernan: Mr Acting Deputy President—

The ACTING DEPUTY PRESIDENT (Senator Bernardi): Senator Heffernan, you are not on my call sheet. Was it something relevant?

Senator Heffernan: I just want to make some corrections.

The ACTING DEPUTY PRESIDENT: No, Senator Heffernan, I am not going to give you the call. I am going to go back to my call sheet.

Senator Heffernan interjecting—

The ACTING DEPUTY PRESIDENT: Order! Resume your seat, Senator Heffernan.

Senator WHISH-WILSON (Tasmania) (17:02): I rise today on behalf of the Greens to put our views forward on the government business in front of us. The three separate bills before us are the Foreign Acquisitions and Takeovers Legislation Amendment Bill 2015—known as the acquisitions bill; the Foreign Acquisitions and Takeovers Fees Imposition Bill 2015—known as the fees bill; and the Register of Foreign Ownership of Agricultural Land Bill 2015—known as the register bill. These bills essentially change the thresholds that determine when foreign investment needs to be reviewed; increase the penalties for noncompliance; establish application fees for foreign investment; and establish a register of foreign investment in agricultural land.

The Greens support, and have always supported, measures to ensure that foreign investment is subject to rigorous assessment to ensure that it is in the national interest. We have also always supported the view that the public has a right to know the level of foreign ownership of agricultural land and water rights. This is perhaps where the Greens would differ from Labor on this issue. We cannot have good policies without data. When we look at the very serious issues that not just Australia but also other nations around the world are confronting around food security and water shortages, if you do not have the data to be able to quantify how can you have good policies? Data is essential for good policies.

I think a register of agricultural land is exactly what we need in this country. I have been asking questions about this for three years, and I know that Senator Milne was asking these questions for a decade before me. I know that the ABS have looked at this. Back in 2010 they were tasked to look at levels of land ownership. They looked at water resource ownership. This process kicked off a long time ago, but we have never actually got good policy in place that we can use to help us make decisions. Based on the Greens' policy aims—that is, to increase the transparency and accountability of the Foreign Investment Review Board in
making its decisions against the national interest test—I would say that the national interest test should be strengthened to incorporate the national ecological and social objectives that the Greens hold dear to their hearts. We went to the last election with a policy to legislate to strengthen the national interest test to look at what I suppose have become known as triple-bottom-line objectives. So, from our point of view, it is an absolute no-brainer to collect more data, and the best way to do that is to put resources into it by establishing a register of foreign ownership of agricultural land.

Furthermore, we believe that investment that meets certain threshold tests should be referred to the Treasurer for review. The Treasurer can reject, approve conditionally or approve unconditionally applications for foreign investment. We think that is a very reasonable thing given the importance of the national interest, although I have to say that I am not quite sure how the national interest is determined exactly. I have looked at this several times over the years, and it seems that these decisions are pretty political. Perhaps this can help with the politics as well.

We think the national implications of foreign investment are a lot broader than just looking at trickle-down economics and listening to the big end of town with their views on this particular set of bills that we are debating here today. To give you an idea, we estimate that 80 per cent of agricultural land is currently Australian owned. There is no comprehensive data on the source of other-country investment in Australia. However, as a guide, in relation to capital investment in Australian agriculture Canada, the US and the UK account for over half of the foreign investment. In terms of the arguments about xenophobia, China accounts for less than one per cent at this point in time. Senator Heffernan may have other information—I am not inviting him to stand up and interject—but that is our estimate.

Australia is also a net exporter of food. It exports $32 billion worth of food and beverages and imports $12 billion worth of food and beverages. Foreign investment in housing, interestingly, accounts for about 10 per cent of all investment, of which 10 per cent is from Chinese investors. I will get to the xenophobic politics around this debate in a minute. I agree with Senator Wong that foreign investors are a significant source of capital across the board in our country—and they always have been. We have run a current account deficit since Federation, with the exception of two years, because we have relied on foreign capital to grow our nation. That is something we have become very familiar with. But that does not mean we should not better understand the nature of foreign ownership in the country and the risk, especially in productive assets such as productive farmland.

On that point, in terms of the agricultural land component of this, the Greens sustainable agriculture policy aims to ensure that the FIRB rigorously regulates, monitors and reports on all foreign acquisition and ownership of agricultural land to ensure that it does not impact negatively on Australian agriculture and food security. I think Senator Milne would really wish that she had been here in the last couple of days, especially around the significant debate we have just had around transparency and disclosure of tax affairs and the debate we are now having on the ownership of agricultural land and putting in place measures that help us to better understand that. I think she would have loved to have been here in the Senate. These are two things she has worked on as hard as anyone in this parliament in recent years.

Senator Milne took to the last election a substantial policy about whether the world is facing a food crisis. It had a lot of quantitative and qualitative work done on it. This initiative
we called the Foreign Ownership of Land initiative. And guess what? The key plank of that was the creation of a register of foreign ownership of agricultural land and water assets in this country as well. We also wanted to see a lower threshold for the review of agricultural land and water assets. On this point, our policy differs from what is being proposed by the government in terms of its FIRB threshold. In this bill, that is being lowered to $15 million but we wanted to see it lowered to $5 million. In that sense, I suppose we were a little more hardline on this. But let's think about this. We are talking about a referral to FIRB. How many FIRB referrals have actually led to a rejection of foreign ownership of agricultural assets and land? Well, we have had one—Archer Daniels Midland—

Senator Heffernan interjecting—

Senator WHISH-WILSON: No, it was not land, it was an agricultural asset—and I did say agricultural assets and land. Nevertheless, there have been very few rejections—as there have been across other asset classes. So having lower levels of review is not necessarily a barrier to foreign investment; it is just a process that allows us to get better information when we send these assets—be they agricultural land or other assets—off to review. So it is not a barrier to investment; it is just something that we should reserve the right to in terms of our sovereignty and our ability to regulate this kind of thing and build our database. Unlike Labor, I do not believe that simply sending things off to review is a barrier to investment. Actually, we are rejecting outright ownership of land by state owned enterprises; this is a harder line, but this bill is asking for review.

I think the substantial interest test is interesting—and I will get to that in a minute—but the acquisition bill proposes to reduce the threshold from $252 million, indexed annually, to $15 million. We may or may not move amendments to reduce that further to $5 million. Nevertheless, we do like the direction of this. Clearly, it is not what we want, but it is better than what we have got now. We know that the new threshold is cumulative; it takes account of an investor's total land holdings. The acquisition bill does not prevent foreign governments from owning agricultural land but any level of investment in land by foreign governments will be subject to this automatic review, which we agree with.

This is the point that really interests me about this debate. However, consistent with free trade agreements, the threshold for private investors from the United States, New Zealand and Chile is $1.094 billion and for Singapore and Thailand it is $50 million. ChAFTA, the Chinese free trade deal, does not stipulate a specific threshold for private Chinese investors—although this has been slated for review. Like a lot of ChAFTA, given how politically sensitive this issue is, it has been put on the backburner or perhaps in the too-hard basket; it has been put off for the future. So I am quite interested in the interaction of the laws that we may pass today and how that is going to impact on future negotiations around the Chinese free trade deal. It has not been completed yet, but we will deal with that later.

The politics on this is interesting. Senator Heffernan and some of the Nationals senators are in the bush. As Senator Milne reflected about her electorate of Tasmania, which is largely a rural electorate, this is a big issue for farmers and those living on the land in this country. No doubt, given the fiesta of free trade deals that the Liberal Party has been signing, they want something to wave in the air and show their constituents; otherwise, they will not get any Christmas cards this Christmas. This is a good policy they can take to them to show that they are taking this issue seriously and reviewing it.
The Labor politics around this, which has been in the papers in recent weeks, is that it is xenophobic. That is a bit of payback to the government for the lines that they aimed at the Labor Party around ChAFTA. To me, it is not about xenophobia; it is about the spaghetti bowl of trade deals that we sign in this country, and the fact that we have all of these different FIRB review limits. All of these bilateral trade deals are negotiated in a totally ad hoc manner by different governments over a long period of time. It is a really good example of how we lock ourselves and our nation into policy outcomes when we negotiate these secret trade deals behind closed doors, and how we do not have a holistic approach to this kind of thing. So it is quite ironic that we are putting in place a $15 million limit when we have other limits in trade deals, and that cannot be changed.

I would also like to know, with those nations or corporations who would invest in Australia in the future, if we were to have a $15 million FIRB review, would that trigger an investor-state dispute settlement clause? These things are written into trade deals, and the investment chapters in these trade deals that have ISDSs in them relate to the other chapters in the deal. I would like to know whether we would have reneged or discriminated against a foreign firm. Could FIRB reviews be seen in the world—this new frightening world of international trade deals—as discriminating against foreign companies? Of course they could.

Senator Heffernan: Or should we be able to buy land in China?

The ACTING DEPUTY PRESIDENT (Senator Bernardi): Order!

Senator WHISH-WILSON: Yes. Or, for an investor with deep pockets who wants to hold up an investment value or a future profits concern in this country, why wouldn't they use ISDS clauses to tie up a government? The Archer Daniels Midland one is interesting because they did sue Mexico using an ISDS clause for a decision by the Mexican government. Had we had an ISDS clause with the US from 2004 when we negotiated a free trade deal with the US—and, Senator Heffernan, you will be interested in this, and I am sure you will understand—I would not have been surprised if the FIRB decision that we made in relation to that asset would have triggered us being sued, with us being seen as being discriminatory. I just wanted to make the point that you cannot say that this is xenophobic or is targeting Asian investors. It has actually been written around our trade and investment deals that we have done with different countries.

I want to go to the point of water holdings. Water holdings are not currently, or proposed, to be included within the definition of agricultural land. The government has talked about this issue, and I know there are people on the other side of the chamber who feel deeply about this issue. It has often been raised in the Senate. The Greens would like to see a system where foreign investors will be required to report their interests in water holdings and water licences. I actually think it goes hand in glove with what we are discussing around a register of agricultural lands. Let's do it for water licences and water holdings.

Senator Heffernan: Water is often more valuable than the land.

Senator WHISH-WILSON: Water is often more valuable than the land. In this instance, the two go together. We have had discussions with the government about getting up an amendment to include agricultural water and a holding in agricultural water. That is something we are interested in seeing being added to this deal. It is something that I know
Senator Waters, Senator Hanson-Young, Senator Siewert and Senator Milne have all campaigned on in the past. This is an opportunity for us to do that and to get that ball rolling.

In terms of the Foreign Acquisitions and Takeovers Fees Imposition Bill 2015, this significantly increases the maximum penalties for offences, which we have no problem with at all. It expands the scope of those related parties covered by the penalties, especially the real estate agents, which we have no problem with at all. It establishes civil penalties and empowers the ATO to investigate and seek court orders for infringements. It establishes application fees which will be used to fund additional resourcing for the ATO and, potentially, for the work that will have to go into setting up the agricultural register and, hopefully, a register for water holdings in this country as well.

All in all, it is not exactly what, perhaps, the Greens had wanted, but there are other things that we can try to legislate. We do feel—and it is very dear to our party—that we need to take measures to help mitigate dangerous climate change. We need to take food security seriously. Other nations are taking food security seriously. We know that extreme weather events are likely to increase in the future, and they have devastating impacts on agricultural land and on the production of food. And there is water. In a climate constrained world, what is more important than water? There is clean air and a few other important things, I have to admit. But water is critically important for growing food. If we do not have food, then we are going to starve. It is a really good idea to start collecting data and information that helps us assess the risks to food security in this country and gives us a better idea of how we are going to manage what we see as significant risks from climate change into the future.

We do not believe having FIRB referrals at a lower limit will impact investment. That is only for those nations that have not already negotiated trade deals. We do not believe that is a hurdle, given there have been so few rejections by the Foreign Investment Review Board. Of course, the simple principle is that we need information to make good policies and good decisions. I do not think any of us would disagree. We actually have no idea who owns, in the totality, agricultural land in this country. We have never accurately tracked foreign ownership of agricultural land and water. It is time that we actually started.

We will certainly be supporting these bills in principle. I cannot say whether we will support amendments at this stage. We have not spent enough time looking at that. We will be putting up amendments of our own. Good on the government for bringing this forward. As I said earlier, Senator Milne would have loved to have been here to be speaking in my shoes right now. This is something she has campaigned on for years. I will look forward to seeing this pass into legislation with the support of the Greens.

Senator BACK (Western Australia) (17:22): I congratulate Senator Whish-Wilson and associate myself with many of the comments he has made in this debate, and I rise to support the Foreign Acquisition and Takeovers Legislation Amendment Bill 2015, the Foreign Acquisition and Takeovers Fees Imposition Bill 2015 and the Register of Foreign Ownership of Agricultural Land Bill 2015.

I want to concentrate mainly on the third of those three bills, except to summarise initially that the bills will, firstly, transfer responsibility for regulating foreign investment in residential real estate to the Australian Taxation Office, further enabling stronger enforcement, audit and compliance of those rules. Secondly, the bill will introduce additional and stricter civil and criminal penalties to ensure foreign investors and intermediaries do not
profit from breaking the rules. Those intermediaries, of course, are real estate agents, lawyers and others associated with those transactions. That is something that people need to be well aware of. Thirdly, the bills will introduce fees on foreign investment applications from 1 December this year so that the costs associated with processing these applications do not fall to Australians but fall to the foreign party seeking to invest.

I come to the question of the register of foreign ownership of agricultural land, which will complement the changes by establishing and improving a register of foreign ownership, operated this time by the Australian tax office. It is interesting to note that foreign investors will be required to register essential information about existing holdings as well as any subsequent acquisitions, if they wish to make them. This in turn will provide greater transparency around foreign investment.

Following on from Senator Whish-Wilson, and from Senator Heffernan who is sitting here beside me, I make the point that back in 2009-10 we had an inquiry into foreign ownership of agricultural land and water in Australia through the Rural and Regional Affairs and Transport Committee. At the time that the parties reported to us—and Senator Heffernan will remember this—there were three glaring omissions.

The first question was in relation to trapping information and data on foreign acquisitions of leased land. The officers at the table did not have any idea what we were talking about, and at the time I mentioned that 90 per cent of all pastoral land across the north of Australia, and probably 99 per cent in WA, is leased. I can provide the answer to the Senate now in response to that. It will be the case that leased land will be included in the register of foreign acquisitions. Any interest in any rural land that could be used for agricultural purposes will be caught in the registration process. I congratulate the drafters for that.

The second question that was asked, and I think it was asked by Senator Heffernan, was: if an overseas entity wanted to buy what was an agricultural property but not use it for the purposes of agriculture—in other words, coalmining—would it be captured? At the time no-one seemed to know the answer. I can confirm here today that it is still foreign investment in agricultural land and will have to be registered. In fact, it goes on to state that any land that might reasonably be used for agriculture will need to be registered with the Australian tax office, even if it is to be used for another purpose.

The third question that was placed at the time without being satisfactorily answered was: what if a state-owned entity trading through an international bank then engaged an Australian company or partnership or two upstanding people—like Heffernan and Back Enterprises? If there were scrutiny of ownership it would appear that the property was owned by two people in Australian names and so, therefore, would not attract foreign investment scrutiny. The answer to that question is: if an enterprise was purchased for those purposes and its beneficial owner is an entity which is an overseas entity, then it must be captured in the registration net. Very strict anti-avoidance rules will apply. Each of those three points is interesting and important in gaining complete data.

I want to put into perspective some information regarding foreign investment in Australia. There has been foreign investment in Australian agriculture since 1788, and had there not been we would all still be stuck around Botany Bay or Sydney Cove in lap-laps. Let me make the point that the scale of foreign investment in Australia—and these figures are now two or three years old—was a total of $170 billion, of which 2.2 per cent or $3.6 billion was
associated with agriculture. The vast majority was in mining, $50 billion; manufacturing, over $30 billion; and services, in excess of $20 billion. So understand this: the level of foreign investment into agriculture in Australia is pitifully small—and, in my view, it needs to be greater.

Who are the countries that are investing in Australian agricultural assets? They include Canada, 25 per cent; United Kingdom, 22 per cent; America, 12 per cent; the United Arab Emirates, five per cent; New Zealand, 4.3 per cent; and China, which was mentioned by Senator Whish-Wilson. About 0.5 of one per cent of foreign investment in agricultural land in this country is by Chinese investors. We know that perhaps the figures will be updated as we get more and better data, but about 99 per cent of all Australian agricultural properties are Australian owned, and 89 per cent of Australian agricultural land is owned by Australians.

There is always the concern, of course, about the burgeoning demand, and it is one that we need to keep under control. But we are talking about very small figures. It will be a requirement for the purchase of agricultural land that the limit comes down from $252 million to $15 million, and I urge Senator Whish-Wilson to be satisfied for the moment with that level of $15 million for the purchase of property. If, indeed, at some time in the future it is seen to be necessary to reduce it further, let's have a look at that then.

For agribusinesses, it will be if the purchase figure exceeds $55 million. For all state owned enterprises, the Foreign Investment Review Board must review it from dollar No. 1.

I have a concern with regard to state-owned enterprises, particularly if the purpose of their purchase is to actually produce a product, a crop or whatever, that they would then send offshore—for example, if it were a wheat crop, it would go offshore, be milled into flour, turned into bread and given to their poorest citizens without there ever having been a price applied to the item. Technically, at the moment, under transfer pricing—and the gentleman on my right, Senator Heffernan, knows far more about transfer pricing than I do—it would not attract any taxation in Australia if in fact the scenario I presented were the case. I believe there is a solution to this, because that state-owned enterprise has used Australian land, Australian expertise and Australian water, and also our infrastructure system—our ports et cetera. I am of the view that the way to solve this is to treat it not unlike a mineral: there should be a royalty charged on the value of that product, consistent with its value in the Australian market, on the wharf, on the day that it transfers across the port into a vessel to go. So, in other words, if that state-owned enterprise was producing something in Australia for which there was going to be no commercial value, and therefore there would otherwise not be a tax applied, we could apply a royalty, based on the value of the product on the day that it transfers out of Australia.

In the few minutes left to me, I just want to reflect on the benefits of foreign investment in Australian agriculture. What does it and has it and will it continue to do? It will provide us with access to new technology. It will grow the Australian skills base in agricultural and agribusiness production. It will provide us with greater links to global food chains. It will provide us with access to new capital to expand agricultural production. And it will increase the scale of operations to create critical mass for trade development. If I can put one more point: now, as a result of the free trade agreements that have been negotiated, it will open the doors for Australian agricultural and related investors to actually invest into the countries with whom we are trading. I have recently come back from leading a parliamentary delegation to
Indonesia, and there is no doubt at all that there is enormous scope for Australian agriculture and Australian agribusinesses to invest more into Indonesia and for them to invest here in Australia. It is pitifully small at the moment.

I am often asked about foreign investment, and I use the example of the south-east coast at Esperance. The Americans came into the Esperance region and found beach sand, basically. It is very, very light land farming along that Esperance strip. In the 1950s, the US came into the market at Esperance with their own expertise, and they failed. They came back again in the 1960s and 1970s, where they mainly and largely used Australian expertise. The Esperance Land and Development Company—which was substantially owned by American factors the Chase Manhattan Bank—had a program with the Western Australian government where they developed 100,000 acres of land a year, of which they retained 50 for farming, and 50,000 acres was divided into 2,000-acre conditional purchase blocks and made available to young people from throughout Australia to get into farming in the Esperance area. From my own experience there, as a student and as a veterinarian working with my older brother, who was the livestock manager for ELD, I know that the vast majority of those farmers who got onto those 2,000-acre CP blocks—it was light land farming; there were trace element deficiencies and all sorts of problems associated with nitrogen-rich clovers—faced an enormous number of problems along the south-east coast of Western Australia at that time. I can say to you without fear of contradiction that those problems would not have been solved had it not been for the capacity of the Americans, with Australian expertise; they brought in expertise from the United States on trace element deficiencies et cetera to actually develop.

The good news story is: this year, in the harvest season in Western Australia, the Esperance plains will be far and away the biggest wheat producer. Farmers who I have met in the last few weeks will be, for their third consecutive year, averaging in excess of five tonnes to the hectare for wheat. That is unprecedented in Western Australia.

I make this point: when the Americans left—which indeed they did; they eventually sold out—what did they take with them? Did they take the soil? Did they take the land? Did they take the fences or the water points? They did not. That whole south-east coast of Western Australia today is a prime example of the value of overseas investment in agricultural assets.

In conclusion, I commend the legislation. I do say—and I agree with Senator Whish-Wilson and others—that the more information we have the better, at all times. But this is the right direction for us to be going in. I believe so, in the case of urban real estate, but I am more committed in relation to agricultural land.

The ACTING DEPUTY PRESIDENT (Senator Bernardi): During my last hour in the chair, I have observed more than one senator eating in the chamber. I remind honourable senators that it is not in accordance with the standing orders, and I would encourage you not to eat while in the chamber.

Senator Heffernan: But are you allowed to chew your cud?

The ACTING DEPUTY PRESIDENT: No, Senator Heffernan.

Senator McALLISTER (New South Wales) (17:35): I rise to express my concern about elements of the three bills presently under consideration—the Foreign Acquisitions and Takeovers Legislation Amendment Bill 2015, the Foreign Acquisitions and Takeovers Fees Imposition Bill 2015 and the Register of Foreign Ownership of Agricultural Land Bill 2015. I
am particularly concerned about measures that may compromise foreign investment in our agriculture sector. These have been raised already in debate. Different senators plainly bring different views to this question. But I am concerned about the proposal to trigger FIRB reviews for investment in agricultural land and in agribusiness, which, as Senator Back acknowledged, is not a particularly large volume of activity at the moment.

Every serious review of Australia's economy in recent times identifies agriculture and food production as areas where we have enormous competitive advantages. Last year, the BCA released their terrific report about Australia's comparative advantage, which identified agriculture and food manufacturing as sectors where we are capable of winning on a global scale. In that report they are very clear about the response we need to make to this opportunity. They say that we need to take action to lift trade and investment and to foster business risk-taking to ensure this growth sector can attract capital for major projects and achieve the economies of scale so that transitioning sectors can make investments in productivity and restructuring. My concern is that the measures before us in this legislation risk that inflow of capital, which has been so clearly identified as critical to the success of this sector.

I want to spend some time talking about the way that the different thresholds will apply to different investors, depending on their country of origin. As other contributors have pointed out, there really is no obvious policy reason for the thresholds to be different. A review of an investment in agricultural land for, say, investors from China, Japan and Korea, our northern trading partners, would be triggered for an investment of just $15 million. For investors from Singapore and Thailand, a review would be triggered at $50 million. For investors from the US, New Zealand and Chile, there is no review until an investment is more than $1 billion. For investments in agribusiness, again, for the US, New Zealand and Chile, there is no review until an investment is more than $1 billion, whereas for all other countries a review would be triggered at just $55 million.

The consequence of this is that the review thresholds for American investors are 70 times higher than for investors from our northern trading partners. It is hard for me to understand how this is in Australia's economic interests. My concern is that it will have the effect of deterring investment from China, Japan and Korea into our agriculture and agribusiness sectors. I am concerned that they will be deterred by the prospect of red tape. I am concerned that they will perceive these measures as sending a message that investment from individuals or businesses from those countries is not wanted. It is unclear to me why we would send those messages—why we would even contemplate a deterrence of this kind.

China already has enormous demand for Australian food. They have over $3 trillion in foreign currency reserves. China is potentially an enormously important source of investment in Australian agriculture and in food production and processing, and we should not be turning that away.

I want to talk a little about the significance of the agriculture and food sectors and their potential importance to our economy. We are part-way through a massive growth in the world market for food. We need to make sure that we are positioned to take advantage of these opportunities. China is already a huge market for Australian food, and it will grow substantially in the coming years. In 2012-13, China was the second-largest export destination for Australian food, accounting for 10 per cent by value of total Australian food exports. It is
estimated that in the last 12 months China may have already become the largest export destination for Australian food. We know that there are already 250 million people in China who were designated as middle class, and we expect that to grow substantially. As more Chinese enter the middle class the demand for high-quality and value-added Australian food, such as wine, meat, infant formula, seafood and dairy products can only grow.

We are going to need significant investment in order to capture as much value as possible from the global food market. Senator Wong referred to these figures: the National Farmers' Federation has estimated that Australian agriculture will require investment of between $1.2 trillion and $1.5 trillion over the next 35 years to increase the capacity needed to meet these rising demands. It is inconceivable that we could domestically source the capital for this level of growth. We will need to source that capital from overseas. We need it both for investment in agricultural land and operations and for investment in agribusiness and food processing.

Unfortunately, in particular for agricultural land, this legislation sets a very low threshold beyond which an FIRB review of an investment in land would be triggered. In their submission, the Cattle Council of Australia raised concerns about the $15 million threshold.

I think my greater concern is around agribusiness and food processing. We will certainly have a place in the global food market in the future. But the real question is: what place do we want to have in the value chain? We know that we can export raw product, but the real question in terms of Australian jobs, quality jobs for people in rural and regional Australia, is whether or not we add value to it here in factories and processing centres.

Currently, the food manufacturing sector in Australia employs more than 299,000 Australians. It makes a contribution to rural and regional economies—a very significant contribution. Almost half of the people employed in this sector live in rural and regional Australia. Often the manufacturing plant is the anchor tenant for a lot of rural towns. The food processing sector accounted for $55.9 billion in international trade in 2013-14, and it represents more than a quarter of the manufacturing industry in this country.

The government's own brochures and own messages seek to encourage investment in Australian agribusiness. They include in their website a whole lot of examples about Japanese investment in wheat processing for noodles, British investment in milk processing, and Chinese investment in sugar processing. But my great concern is that some of the measures in this bill will seek to discourage investments of exactly this kind, which have the potential to do so much good for small towns all around Australia.

I am concerned about the relatively low threshold—at $55 million for a FIRB review—for investment in agribusiness, but I share the concerns of the Australian Food and Grocery Council about the very, very broad definition of agribusiness that is being used, such that it would capture about half of Australia's food manufacturing industry. Their submission indicated that the codes that are used in the draft legislation would include the manufacturing of baby food, baked beans and canned spaghetti, chutney, relish, jam and sauce. Their research also indicates double-digit export growth in some of these product categories. Why would we hobble investment in activities of this kind? And, of course, their submission is most concerned about the failure to articulate any real public policy objective around these questions. It said:
Given the lack of a clear public policy objective, the significant increase in red tape and regulatory cost, and its application to more than half of Australia's food manufacturing sector, the AFGC opposes the imposition of these changes on food processing.

As Senator Wong indicated in her remarks, Labor intends to propose amendments in the committee stage to ameliorate the worst elements of these bills. I simply wish to conclude by saying that I think this is a very strange position for a government to take that speaks of agility, of being outward looking, of being adaptive and being nimble, and we have heard these words many, many times in the chamber. It is a very strange position for this government to be presenting measures which are not supported by many significant stakeholders from private enterprise, which are not underwritten by any coherent public policy rationale and which are not consistent with a successful export oriented agricultural sector.

I really urge those opposite to reconsider their position and to think about what is in our national interest in terms of diversifying our economy and equipping ourselves for a place in the global food chain in the 21st century. I urge them to think about supporting the Labor amendments to this bill which will be brought through in the committee stage.

Senator DAY (South Australia) (17:47): I speak today on the package of legislation regarding foreign investment in Australia, with particular emphasis on the register of foreign ownership of agricultural land, and to also address other aspects of this package. It has been Family First policy for many years now that there be state and federal registers of foreign owned agricultural land. In this area, perception and reality are often very different. The reality is, at times, distant from the talk at the pub or at country field days. The best way to marry the reality and the talk is, of course, through transparency. For that reason I support a register.

To be fair to the major parties, it appears that there is some level of bipartisanship on the foreign ownership register aspect. I note that former Prime Minister Rudd, late in the 2013 campaign, committed the Labor Party to establish such a register if re-elected to government. The register has also been longstanding policy for the coalition. Whilst we would have liked to see this register implemented sooner, we accept that there are political realities and challenges to work through before we get to voting on this legislation relatively late in the electoral cycle, but better late than never.

At a state level, for years Family First members of the Legislative Council in South Australia, particularly the Hon. Robert Brokenshire MLC, have been running freedom of information requests and speaking with the state Labor government about having such a register. For South Australia, the state that gave the world the innovation of a Torrens title system of land registration, it has come as a shock to us that our own land titles office is a long way short of being able to develop a register, or to even to provide, under FOI, data on the levels of ownership. They could not even provide data based on the country listed as the address of the owner of each title.

We have also communicated with the Commonwealth about whether the Foreign Investment Review Board had any data, and similarly we were surprised to find how little they could tell us about the FIRB's work. They could not, at that time, for instance, tell us how many times a Chinese state owned corporation had sought approval or how many requests
they had approved or rejected. They could not tell us and, as we know, every single purchase requires this, no matter what the price might be.

The dearth of quality data at state and federal levels pointed to the need to improve the data collection and matching, and that is a key part of what the government is delivering in this package. I note that the Australian Taxation Office will be brought in to improve data collection and reporting. That is an eminently sensible approach, and the scope to further integrate with other agencies such as immigration also makes sense. Despite the current dearth of reliable data on foreign ownership—and I emphasise that my and my party's interest here is not to limit foreign investment but to provide long-overdue transparency in the information age—Australia does have a model for evidence based policy in this area, and it comes from the state of Queensland. Queensland's register of foreign ownership was developed during the Bjelke-Petersen years when there was concern about the amount of Korean and Japanese acquisitions, particularly on the Gold Coast. For many years Queensland has provided the transparency that has been needed in these debates. The latest Queensland data from 30 June shows that China has been the greatest purchaser of land in Queensland for the last three reporting years by increasing amounts: $323 million, $463 million and $872 million in those three years. Yet, when it comes to the land area owned, it is citizens or corporations from the UK that hold by far the most, and it has been increasing over the last three years, at 2.2 million hectares. The Brits also hold by far the most land parcels—individual titles—than any other nation, though China's share has been growing. That, you can reasonably infer, is far larger agricultural land ownership than China holds. The next largest landholders are citizens or corporations from the United States, with 548,000 hectares. Both the British and American landholding levels have been growing in Queensland. The top six in recent years have been rounded out by Switzerland, Denmark and the Netherlands—understandable, given the limits on their land size and strengthening their food security—and also Germany. The new entrant in the top six in the latest reporting year was China, with 237,490 hectares. This is all very good. Shire council areas with the largest foreign ownership levels are mostly in south-western Queensland: the Bulloo, Barcoo and Diamantina shires.

For those who found that informative, I am sure they would welcome a national register that can provide similar data quality and transparency. The first national data to consider is that, at last count over two years ago, the ABS found that 98.9 per cent of Australian agribusinesses were Australian owned, with 87.5 per cent of Australian agricultural land wholly Australian owned, and that was only slightly down on the figure three years earlier. What we do know from the FIRB data, Foreign Investment Review Board data, going back to the most recent available reporting year—that is, 2012-13—is that Queensland mirrors national trends. The United States and the United Kingdom are the top two on a regular basis, with China, Singapore and Canada being major purchasers. These nations' acquisition levels fluctuate year on year, though China's acquisition rate has been steadily rising.

It is important to note that, in general, these purchases are by private citizens or corporations, so they do not represent the foreign policy of a nation buying Australian land. There is an important difference, however, with some countries like China and some of the geographically small Gulf states where there are significant state owned corporations acquiring land. A Qatari state owned corporation, for instance, has been buying land in South Australia for some time and is injecting valuable foreign capital to expand South Australian
farming operations. Scrutiny and transparency of farming acquisitions in Australia are not bad things. I am deputy chair of the Select Committee on the Murray-Darling Basin Plan. Among many other things we are hearing across the Basin is concern about speculators and superannuation funds and others without any relationship to farming buying water which is no longer attached to the land. Just as with an agricultural land register in this package, the Basin would be well served by having a transparent register of water transactions and major market players.

The ABS data I mentioned earlier included a measure of foreign ownership of water entitlements, which was 9.2 per cent in 2010 but rose to 14.2 per cent in 2013. A number of witnesses to the Basin inquiry so far have called for an Australian water exchange, just like a stock exchange. Family First has been sympathetic to such an idea for some time. It is better to have transparency than to directly regulate market behaviour. Every transaction and every litre of water owned by speculators should be on an Australian water exchange website for all to see. Governments, as we know, are hopeless at market regulation, but I have no concern about market transparency where it results in evidence based policy making. Having a Basin-wide water register could well address the talk about speculators, water barons, superannuation funds and the like. I flag the possibility of a Basin water register as something I hope the government has in the back of its mind when it watches how the implementation of this package, if passed, works out. If a foreign ownership register works with land, it can work with water.

I want to highlight how critical it is not to stymie Australian economic growth by making it hard to raise capital from overseas. Remember the Queensland and Foreign Investment Review Board data that I cited earlier. Significant investment comes from foreign nationals in countries that are close allies of Australia, the United States, the UK and Canada. Chinese investment in Australia is, of course, welcome. I have been encouraging those from China who approach me to connect with South Australia to look at investing with us. There are wealthy Chinese individuals and corporations with no association or direction from their government wanting to invest in secure markets like Australia.

The South Australian state government is encouraging Chinese investment, taking groups of South Australian businesses to China to encourage investment. We have to be comfortable that this package will not hinder the foreign investment that Australia needs. Australia has always needed foreign investment and will continue to need it for some time as our domestic capital is either inadequate or locked up in, for instance, superannuation funds that are reticent to invest in Australia or particularly invest in the rural sector. How can we blame farmers seeking capital overseas when Australian investment houses are not interested? I do have misgivings about the way that food manufacturers are caught within the scope of agribusinesses as defined in this package. I am concerned about the potential for disincentives in raising capital from foreign sources. South Australia has some significant food manufacturers who will be caught by the agribusiness definition in this package. I am going to err on the side of supporting transparency in this bill, but I put the government on notice that should foreign capital be impeded, particularly in my home state of South Australia, or should the Foreign Investment Review Board block sensible investment in food manufacturing, then I will revise the scope of what is considered to be an agribusiness in this package.
I want to conclude my contribution on the question of foreign investment in housing. Colleagues who have been listening to my speeches in this place will know what I am about to say about housing. The problem is on the supply side, not the demand side, when it comes to housing affordability. This bill seeks to address one of the demand drivers, in the form of investment, often blamed on the Chinese, in existing housing stock in Sydney and Melbourne. The Queensland data indicates there have been growing levels of Chinese investment. However, these sorts of reforms are dealing with the symptoms of the housing affordability disease, not the illness. If state and territory governments stopped profiteering and price gouging by restricting the amount of land available and provided more land on the urban fringes for first home buyers, then the rise in house prices would be stemmed. Affordability would improve.

For 100 years, Australians could buy a house on just one income, as the price of house and land was three times average incomes. Since the start of this century, however, that has risen to nine times average incomes. As a former national home builder, I can tell you this has nothing to do with the cost of building a house. On pure dollar terms it costs the same today as it did decades ago to build a house. I keep saying about car manufacturing in South Australia, ‘Why can’t we build cars as efficiently as we build houses?’ There is no reason for our manufacturing sector to be failing, but there are characteristics of the labour market in the housing sector that are very different to car manufacturing.

I digress slightly, but the point is that it is the price of land, not housing materials, that has gone off the charts. Why? Constrained supply. We have state governments, like the one in my home state of South Australia, wanting to legislate an urban growth boundary and forcing so-called transit oriented development. They are so wedded to this urban planning ideology that they cannot see how they have contradicted themselves by embracing—as do I—the introduction of driverless cars. The driverless car revolution will render transit oriented development a byword of closed-minded thinking. Why use planning laws to force people to live in a one-bedroom apartment with no car parking space near a train station when, in the foreseeable future, people can call upon a driverless car, like a taxi, to show up at their doorstep? It will take them to their destination without them watching the road at all—they will probably be catching up on their favourite TV show on the way.

It is good that state Labor have embraced innovation in this way; it is commendable. It is a shame, though, that they remained wedded to the disproven beliefs of urban development, which does not improve public transport use, does not reduce pollution, does not free up farming land, does not save water, does not save electricity, and does not reduce road congestion. Every argument made in favour of urban consolidation and urban densification does not stand up to scrutiny. And there will now be a $3,000 fee for foreign purchasers to buy existing residential land—a new regulation to gouge the foreign purchaser to help pay for a stronger Foreign Investment Review Board, and provide a bit of profit on the side, I have to note.

This might make some people feel better, but lowering the entry point into the housing markets on the urban fringes will do far, far more to address the unaffordability of housing. Very few Australians living in the metropolitan area started in the city centre. They bought on the fringes and slowly moved inwards as their circumstances improved. The same should be true of the modern generation. Population is not static; it is growing. So it is only natural to
expect that the urban fringe will expand outwards. Housing affordability is a crisis forcing families to have both parents working to meet massive mortgage repayments. It is hurting families and children, and I will keep highlighting this until we see some movement from state governments on this issue.

My point is that these measures on tackling foreign purchasers of real estate will, I think, fail to stack up to scrutiny soon after they are implemented. Sometimes, however, you have to let the folly run its course before people are willing to accept the facts. I am confident that, the more we equip the nation with the facts on foreign investment and demand for housing land, the clearer it will become that the supply side is where the housing affordability crisis will be resolved.

(Quorum formed)

Senator XENOPHON (South Australia) (18:07): I support this bill but I believe it needs to go further. This is an issue I have had a longstanding interest in for a number of years. Back in 2012 I introduced a bill, co-sponsored by my then colleague Senator Christine Milne, in relation to having a much better framework of foreign investment for prime agricultural land in Australia.

It is worth mentioning what that master geopolitical strategist Henry Kissinger once said: 'Who controls the food supply controls the people.' That should be taken into account. We should also refer to Donald Rumsfeld, the master of confabulation, who came up with: 'There are things we know that we don't know.' Between them, Kissinger and Rumsfeld neatly sum up the public policy dilemma with Australia's rules on foreign investment in prime agricultural land. This is not about xenophobia. This is about having a sound policy framework in respect of our prime agricultural land. We need to question the claim that there is no reason to believe foreign investment is somehow less than beneficial if it occurs in agriculture.

Assuming that foreign investment decisions on farming are based on the same commercial considerations as foreign investment in other sectors ignores a bigger picture. We need to ask ourselves: why do other countries see Australia as such a good environment for investing in prime agricultural land? They do so because we are stable, we have a terrific clean green image for Australian agriculture and we are a place of abundance. They see investment potential for prime agricultural land. But we need to be mindful of the national interest. We need to be mindful of what Henry Kissinger once said, that food security is important. We need to ensure we have a framework that genuinely considers the national interest.

As much as it pains me to say so, it seems that the New Zealanders across the ditch have a framework for their foreign investment that is efficient, that is clear, that includes a number of set criteria for the national interest that take into account the job effects, technology transfers, what the impact will be on the market and the sector, in much more prescriptive detail than we have in Australia. We heard from the Overseas Investment Office when there was a Senate inquiry into the bills I introduced, co-sponsored with my colleague, at the time, Senator Milne. The Overseas Investment Office deals with something like 200 applications a year. They deal with them efficiently and effectively.

The threshold for the Overseas Investment Office—the equivalent of our Foreign Investment Review Board—to look at issues of foreign investment in primary cultural land is
not 200 million or 300 million or 15 million, it is five hectares. It is a spatial limit. I am not suggesting for one moment that five hectares should be the appropriate limit, because it would mean that practically every agricultural land purchase by a foreign investor would be subject to that criteria. I am suggesting that a more appropriate limit would be $5 million. That does not mean it is blocked, it just means that we consider issues of the national interest, that we consider some set criteria so the Foreign Investment Review Board takes into account these factors. That is why I can foreshadow I will be moving amendments, to one of these bills, that set out the criteria based on what the New Zealanders have been doing. It hurts me to say it, that the New Zealanders do it better than we do on it, but it seems that they do. It has been worked, it has been tried and it has been proven.

There is another issue, here, that we need to take into account. I believe that we can feed the world ourselves. I am referring, specifically, to a very good opinion piece by David Farley who was the chief executive of the Australian Agricultural Company. He is well known, well regarded and a real leader and visionary in this field. In the opinion piece in *The Australian Financial Review*, on 7 June 2012, Mr Farley made reference to how the Gillard government was courting China to play a role in the agricultural expansion of Northern Australia.

I do not have an issue with that per se but I do agree with Senator Heffernan—that you need to take into account whether there are state owned enterprises involved. What concerns me, in questioning of the Foreign Investment Review Board through the Senate processes, is that if it is a state owned enterprise, clearly, they must get government approval in order to invest. If it is a company that, on the face of it, is not a state owned enterprise but is beholden to a massive loan from the Chinese government, for instance, the independence of that—the links with the government of China or, indeed, with any other foreign government—means it is a de facto state owned enterprise. Therefore, there should be triggers involved. I wonder whether the Foreign Investment Review Board has the requisite resources to determine the independence of a private overseas company or even a public company, in relation to these purchases.

This is the point that David Farley made almost 3½ years ago. It is worth making again, because we are losing sight of the bigger picture. Mr Farley said:

Why has the government lost confidence in local agribusiness developing our agricultural future?

He says:

Australia has a critical role to play in meeting the demand created from that expected 40 per cent increase—
in global population, which is 'forecast to peak at nine billion within 38 years'.

Sixty per cent of the food produced by our farms is exported, something that is missed with the constant focus on Australia's role in the global mining boom.

You may remember that mining boom, Mr Acting Deputy President. Sadly, it is behind us.

**The ACTING DEPUTY PRESIDENT (Senator Back):** Only temporarily.

**Senator XENOPHON:** Only temporarily? It is very unusual for the chair to respond in that way, but I am grateful he did. I hope it is temporary, Mr Acting Deputy President, for the sake of your state and for the sake of the entire nation. Even though your intervention was very much out of order, I am glad you said something.
I think that we need to listen to what Mr Farley said back then, which has as much or even more resonance now because we need agricultural exports more than ever for the prosperity of our nation. Mr Farley says:

Time is of the essence in determining how we are to meet the projected global demand for food, and Australia is well positioned as we have significant natural agricultural assets that can be developed; our northern regions are ripe for expansion.

He says:

There is no time for floundering. Food demand is relentless and decisions have to be made around the scale of development and the location of ports, roads and irrigation infrastructure.

He goes on to say:

Agriculture in Australia has the ability to conduct a development of this scale and we have the resources.

He says he understands:

… why China is looking for external agricultural investments, and is exploring the role it can play in the long-awaited expansion of the Ord irrigation project. But why should China have the inside running on a project of national significance?

Before I refer to Mr Farley again, I want to make mention of the much-vaunted Northern Australia program. I know that Senator Ian Macdonald has been a passionate advocate of that, and all credit to him. I do not have a problem with having that fund; I do not have a problem with kick-starting the north of Australia; but I do have a problem if we ignore the southern states and if we ignore the abundance of southern regions, including in my home state of South Australia, where there is enormous potential, particularly with the demise of manufacturing, to grow the agricultural sector and the food-processing sector to be an economic and jobs powerhouse to fill that massive void that will be left once Holden leaves South Australia as a manufacturer at the end of 2017, with the supply chain impact that will have.

Mr Farley says:

Agriculture in Australia has the ability to conduct a development of this scale and we have the resources.

He says:

First, we have the capital, with our large superannuation base and an attractive taxation development environment. Our super funds have made it known they are keen to be involved. At the moment they are forced to invest offshore because of a shortage here of large, scalable agricultural infrastructure projects.

Second, we have the production skills—in cotton, wheat, sugar, oil seeds, rice and pastoral pursuits.

Third, Australia has a track record of successful agricultural development. There are numerous examples, including the Murray and Goulburn Valley irrigation schemes, the Darling Downs and the Victorian Mallee development.

He goes on to say:

Australia is also a global leader in agri-technology adoption, which will be important in opening up northern Australia.

What Mr Farley says, and I agree with him, is:
Our political and business leaders are arguing that we need to pay more respect to China and put more effort into our relations with the Chinese at the expense of our neighbouring South-East Asian countries.

He says:

I would say more respect should be paid to the expertise contained in our own agricultural industry and more effort put into making sure that Australia is equipped to play its role in the global demand for food.

Australia's agricultural credentials are 'undeniable', says Mr Farley.

What I am urging the parliament in the context of this debate is that this should not just be about having more transparency when it comes to foreign investment. By the way, Mr Acting Deputy President, if you want to buy a few hectares in China or Thailand—or Japan, for that matter—good luck to you. You will not be able to do it because their foreign investment rules are much stricter than ours. Even in Indonesia it has to be a joint venture, minority controlled, if you can invest at all. So let us be clear about that. We are, in relative terms, a very open economy. The concern I have is that we need that transparency to drive that public policy debate and we need to have a clear national interest test, but, if we want to look at the big picture, what we need to look at here is having an investment environment for local investment, for Australian investment, for our super funds, for the Future Fund and, indeed, if we ever get around to it, for a sovereign wealth fund, to be looking at driving growth in our agricultural sector and in agribusiness in this country—because that is the future. Agriculture is the ultimate renewable resource, it is something that there will always be a demand for and we have this tremendous clean and green reputation.

They are the matters that I think ought to be considered. I urge the government, the opposition and my crossbench colleagues, in the context of this debate, to heed the words of David Farley and other leaders in agribusiness, that we need to look at the potential for Australian investment in Australian agriculture and to have a good, solid investment environment for that. The reason why other countries are so keen to invest in our primary agricultural land is that they can see the future. They can see that what they are investing in has great long-term prospects. It is a pity that we do not see the same prospects here with investment vehicles and with the ability of superannuation funds to invest in large agriculture and related infrastructure projects.

I do support this bill. I will be moving a series of amendments to the bill. I urge my colleagues to look at the issue of criteria and a framework that is based on New Zealand's. I think we can learn from the Kiwis in relation to this. What they have is practical. It is sensible, it properly considers the national interest and it is in a framework that is efficiently administered with a minimal degree of red tape. They fast-track these matters, but they will look at them and, if a project falls at a particular hurdle because it will not be in the national interest, it will be dealt with appropriately. We need to have those more prescriptive criteria, I believe. We could learn a lot from the Overseas Investment Act of New Zealand. There are technical matters in the bill concerning the Treasurer's power to issue orders in relation to significant actions. I will deal with those in the committee stage.

Broadly and thematically, I want to emphasise that we need this transparency. We need to have a framework of being informed in our debate by having this register, and I commend the government for doing so. And I commend the Nationals for the work they have done on this.
People such as former senator Barnaby Joyce, now the agriculture minister, was a great advocate of this, as was Senator Scullion, as was Senator Williams. A whole range of Nationals senators pushed this because they could understand that in the bush there was a concern about that lack of transparency.

So, I welcome this. Probably the $15 million threshold is too high; $5 million is more appropriate, given that in the 1970s it was a $1 million threshold, and if you allow for inflation then $5 million is about right. But here is an opportunity, Mr Acting Deputy President Back—and I am not sure whether you will interject again!—to post the mining boom, look at the opportunities of Australian agriculture, not just via foreign investment and the need to have a much more transparent and accountable foreign investment regime but also to look at the potential for Australian capital, Australian superannuation funds, to be able to invest in Australian agriculture, whether it is in the north of Australia or the south of Australia or anywhere in between, to realise the full potential of this wonderful ultimate renewable resource that is agricultural produce.

Senator LEYONHJELM (New South Wales) (18:23): I oppose the foreign investment bills before us today—the Foreign Acquisitions and Takeovers Legislation Amendment Bill 2015, the Foreign Acquisitions and Takeovers Fees Imposition Bill 2015 and the Register of Foreign Ownership of Agricultural Land Bill 2015. These bills will hurt Australians who want to sell their property, by scaring away potential buyers. All Australians who will one day want to sell their property should see their bills as a violation of their property rights that will make them poorer. The bills scare away potential buyers by raising the hurdles that foreign investors need to jump in order to invest in Australia. There is no valid reason for this. Indeed, there is no valid reason for the existence of the hurdles at all. The government's explanatory memorandum states:

… there is a need to review foreign investment proposals to ensure proposals are consistent with Australia’s interests.

But the explanatory memorandum fails to identify one cost or risk of foreign investment. The lack of costs and the preponderance of benefits from foreign investment suggests that foreign investment is always consistent with Australia's interests and the entire foreign investment review process is a farce.

We do not need to hinder foreign investment for national security reasons. If there is a risk from a Chinese government investor owning a shipbuilding or internet company operating in Australia, then the same risk is present if a disloyal Australian investor owns the same shipbuilding or internet company. Thinking that we can achieve national security by keeping out Chinese government investors is naive. If a shipbuilding or internet company operating in Australia needs to be managed in a specific way to protect our national security, then we should regulate the company accordingly, regardless of who owns it. For similar reasons, we do not need to hinder foreign investment to achieve industry development. The Australian government may hope that key companies in Australia expand their operations, use local suppliers and sell to local distributors. But an Australian owned company is just as likely to disappoint on this front as a foreign owned company. Foreign investment has nothing to do with food security or energy security. A company may want to export its products rather than service the domestic market, regardless of who owns the company. That is fine, as Australia is
not at risk of going without food or energy. We are a net exporter of both food and energy, and both are readily imported.

Some people are concerned that foreign companies could sell Australian-made food or energy back to their home countries for below-market prices. But the ATO's transfer pricing rules are designed to ensure that this practice would have no impact on the contribution that foreign companies pay to us in tax. We do not need to hinder foreign investment to ensure a competitive market. The ACCC can rule out acquisitions it deems to be anticompetitive, regardless of whether or not the prospective acquirer is a foreigner.

Finally, the idea that we should restrict foreign investment in housing in order to suppress house prices is absurd. Foreign investors help Australian sellers, and their investment encourages an expansion of housing supply. So there is no valid reason to put any hurdles in the way of foreign investors. Instead, it boils down to xenophobia. There is as much logic in restricting foreign investors as there would be in restricting gay investors or black investors. These bills will raise the hurdles that foreign investors need to jump in a number of ways. The bills introduce foreign investment application taxes. The government is calling them fees, but the legislation makes it clear that they are taxes. The taxes are substantial, ranging from $5,000 to $100,000. The taxes apply to each purchase and can also apply when an attempted purchase falls through.

These taxes, like all other taxes on international capital flows, will have two effects. First, they will reduce the supply of foreign capital to Australia, making us poorer. That some foreigners will be dissuaded from investing in Australia because of these taxes is undeniable. Second, these taxes will hurt the Australians wanting to do business with foreign investors. The taxes will be physically paid by the foreigners buying assets in Australia. But because foreigners have literally a world of investment options before them, they will not cop any attempt to make them pay more than the going rate for an asset. So the taxes will effectively be paid by Australians, because they will have to accept a lower price when selling their asset to compensate for the new tax.

The government estimates that this tax hike will generate more than $700 million by June 2019. This will far exceed the costs of regulating foreign investment. So there is no avoiding the conclusion that this is a blatant and economically irresponsible tax grab. The bills provide the Treasurer with the discretion to waive the payment of these taxes. The Treasurer will effectively be unconstrained in the use of this discretion as he need only be satisfied that a waiver is not contrary to the national interest. No guidance on the circumstances in which a waiver should or should not apply is provided. This is astonishing. It is a licence for arbitrariness and uncertainty, for favourable treatment of mates and for corruption.

Another way these bills discourage foreign investment is by facilitating more rigorous enforcement of the ban on foreign investment in existing residential real estate. This ban is nonsensical, particularly as real estate cannot be shipped off like the family silver. The government justifies the ban by saying it wants to promote Australia's housing stock. But allowing foreigners to buy existing residences would encourage the building of new residences. The bills facilitate more rigorous enforcement of the ban by making the ATO responsible for enforcing it. Fans of The Untouchables might find it romantic to empower our own internal revenue service with bringing down gangsters, but a foreigner who buys residential real estate is no Al Capone. Prohibition was and always will be a terrible policy.
The bills before us today raise the hurdles foreign investors need to jump by extending foreign investment restrictions to a broader range of agricultural investments. This means that foreigners will need to get the Treasurer's approval before buying an agribusiness or a certain amount of agricultural land. Foreigners will be charged taxes of up to $100,000 each time a decision from the Treasurer is sought, and decisions can be delayed for up to four months. Any foreigner who buys an agricultural asset without the Treasurer's approval will face penalties including fines of up to $135,000, jail of up to three years, orders to sell the asset in question to certain buyers or the seizure of the asset by the Commonwealth. All of this will send a very clear signal to prospective foreign investors in Australian agriculture: 'You are not welcome.'

An agribusiness will be defined as a business where a currently unknown share of its revenue, profit or assets relates to agriculture, forestry, fishing or food manufacturing. However, manufacturers of cured meat, smallgoods, ice-cream, cereal, pasta and confectionery will be excluded. Also, those businesses lucky enough to be classified as manufacturers of 'other' foods will be excluded. This is all as clear as mud.

Similar clarity applies in relation to which agricultural land transactions will be subject to the foreign investment restrictions. The details are not included in the bills, but the government have suggested that they will regulate to exclude agricultural land transactions where the foreigner ends up with less than $15 million worth of agricultural land. The government have provided no detail on how and when holdings are to be valued. The upshot of this is that foreigners who already own agricultural land will be able to bid freely for agricultural land only up to a vague range. Once bidding reaches this vague range, foreigners will presumably have to withdraw from bidding. Only if they get a valuation for their existing holdings, pay a tax to the Treasurer and get his eventual approval will the foreigners be able to re-enter the bidding. A more sure-fire way to scare away buyers is hard to imagine.

The government estimates that 125 agricultural land transactions a year will be threatened by this extension of the foreign investment restrictions. The government estimates that complying with these restrictions will cost foreigners $10,000 per transaction over and above the new taxes that need to be paid. This will not only scare away buyers but also ensure that the prices that Australian farmers receive will be severely depressed. This is a policy that hurts rather than helps farmers. The only potential beneficiaries are hangers-on in farming who want nothing to ever change. But pandering to these fuddy-duddies will only condemn our farming communities to a slow, grey decline into backwardness. Labor have an amendment to exclude agribusiness from this regulatory nightmare and to lift the threshold on the value of agricultural land beyond which the screening processes kick in. Labor should be congratulated for this amendment, although I wish they did not support the rest of the government's bill.

These bills ramp up criminal penalties for the sin of investing in Australia. This is completely unwarranted, and existing penalties have never even been imposed. The bills also introduce civil penalties. For instance, a foreigner who commits the sin of buying residential land from a willing seller can be hit with a civil fine equal to 10 per cent of the land's value. Some of the civil penalties can be imposed through the issuing of infringement notices. This means that if people believe they have done nothing wrong they will have to prove their innocence. The fines set out in these bills are well in excess of the levels recommended in the
government's own guide to framing Commonwealth offences. The government justifies this by saying that the fines must counteract the large financial gain a foreigner can get from holding an Australian asset without approval. But the financial gain is marginal. The foreigners are not stealing multimillion dollar assets; they are paying willing sellers for them.

These bills also discourage foreign investment by requiring foreign holders of agricultural land to report to the ATO so it can create a register. The government does not explain why we need to keep a list of foreigners who own a parcel of land. Perhaps we need to know when a foreigner is walking down the street, perhaps by passing a law requiring them to wear a yellow badge. Or how about a register of landowners who are female, gay, black or disabled? This would be no more idiotic than having a register of foreigners.

The government intends to separate the register into a basic part and a published part. There is no requirement to confidentialise the part to be published. The government will demand the contact details of the foreigner, the value of their land and the purpose for buying the land. Such prying into private affairs is far from welcoming. The government has also left open the option of seeking and publishing the nationality of the foreigners. This would seem a distinct possibility, given that pandering to fears about a yellow peril is surely what this register is all about. Foreigners will need to report to the ATO the agricultural land they hold and also report their purchases of agricultural land. It is not hard to envisage how this register might be used. Imagine an increase in foreign ownership from, say, eight per cent to 10 per cent. It will be said that this is a 25 per cent increase and the country will soon be overrun by foreigners—to which, I might add, the Aborigines have an obvious rejoinder. Of course, nobody mentions that many of those foreigners from New Zealand rather than a country where the people do not look or speak like most of us, such as China.

Determining whether land is deemed to be agricultural land will be a bureaucratic minefield of arbitrariness and uncertainty. Land not currently used for agriculture but which could reasonably be used for agriculture will be covered, even if the land could only partially be used for agriculture. So if you could put a beehive on your land, it might be covered. Even a mine site could be deemed to be agricultural land if you expect the land to be eventually remediated. If you think your land somehow ceases to be agricultural, or if you think it somehow becomes agricultural, you will need to report the change to the ATO. People will need to report their agricultural land holdings to the ATO if they become a foreigner. When this will occur to an Australian citizen who is living overseas is not clear. When this will occur to a non-citizen permanent resident is also not clear—perhaps on their 165th day out of the country.

Foreigners who hold agricultural land will also need to report to the ATO if they cease to be a foreigner. When this will occur with an Australian citizen is not clear—perhaps when they come back to Australia for good. For a non-citizen, they will cease to be a foreigner on their 200th day in the country. So they will need to mark off their days on a calendar—just as a prisoner etches the days on their cell wall. This is not the most welcoming way to treat the skilled migrants we need for our 21st century economy. If you fail to report any of this to the ATO, you will be hit with a fine. It may come as a surprise that Australian citizens living overseas are treated as foreigners under our foreign investment restrictions. Aussies such as Mark Webber could easily be wrapped up in the red tape.
When Malcolm Turnbull announced his push to become Prime Minister, he said that a change in leadership was needed for our country's sake, that we cannot be defensive, that we need to respect the intelligence of the Australian people and that we need to seize the enormous opportunities the world offers. I agree. We cannot be defensive and we must reject the politics of fear surrounding foreign investment. We need to respect the intelligence of the Australian people, which means that if we cannot list a single cost from foreign investment then we should not argue for foreign investment to be restricted. Above all, we need to seize the enormous opportunities the world offers. And one of the greatest opportunities the world offers is the opportunity of foreign investment. This will add to our capital and infrastructure, improve competition and consumer choice, introduce new technology and global access, and boost jobs and skills.

I end my speech with an appeal to all senators: let these foreign investment proposals of the former Prime Minister quietly slide into your huge pile of un-enacted bills. They do not serve an Australia of free enterprise, individual initiative and freedom.

Senator SIEWERT (Western Australia—Australian Greens Whip) (18:40): I rise to make a contribution to the debate on the Foreign Acquisitions and Takeovers Legislation Amendment Bill 2015, the Foreign Acquisitions and Takeovers Fees Imposition Bill 2015 and the Register of Foreign Ownership of Agricultural Land Bill 2015. The Greens have long advocated a tightening up of the rules around foreign investment in agricultural land and, in fact, water—and I will come back to that in a minute. For Australia to be able to make informed and strategic decisions about agricultural land and water resources we must accurately track and consider each bid by foreign investors, particularly sovereign nations, to own it. This is something we are now finally seeing the government take up and start to enact in legislation. We took that policy to the last election because we know that food security and the protection of our prime agricultural land and water resources, and the capacity to continue to produce food in this country, is absolutely essential and we need to make sure that we have strong laws in place that enable that protection.

People who have been in this place for a period of time would know it is not often that I quote the former Treasurer, Joe Hockey, in this place. But I am about to quote from part of his second reading speech when he introduced this legislation—and I think this package of legislation was one of the last that he introduced. He said:

This legislative package shall ensure Australia maintains a welcoming environment for investment—but one that ensures that the investment is not contrary to our national interest.

These reforms shall ensure that from 1 December 2015, Australia's foreign investment framework is more modern, simple and effective.

Importantly, it will add integrity to the system, so that everybody plays by the rules. With integrity comes compliance.

By granting new compliance powers to the Australian Taxation Office (ATO), and additional powers to the Foreign Investment Review Board (FIRB), the government is ensuring that Australians can have confidence that our foreign investment framework will be effectively enforced.

Australians expect our foreign investment rules to be strong, effective and enforceable.

And that is certainly the feedback that I have had from constituents, from a lot of our members, and also from those in the farming community. He continued:
Our foreign investment rules have not been significantly revised since introduction in 1975, 40 years ago—and we have seen a huge amount of change in those 40 years. I think we now have a global market that people never envisaged 40 years ago—and they have not kept pace with the changes in global investment.

I divert from his comments here to say that, again, the laws have not only not kept pace with global investment but just not kept pace with change globally. The former Treasurer then went on to say:

The government recognises the changing landscape and has already taken active steps to enforce the existing rules and act decisively on foreign investment breaches.

He then went on to talk about the enforcement of penalties that had finally been occurring. The former Treasurer then went on to say:

The Foreign Acquisitions and Takeovers Legislation Amendment Bill 2015 makes essential changes to simplify the system, strengthen the framework and ensure the rules are enforced.

It is not often that I quote the former Treasurer in this place. Those are exactly the sorts of things that have been needed for a long time. It is a great shame that, as the former Treasurer articulated, it has been 40 years since substantive changes were made to our foreign investment rules. So it is about time.

This package of bills—because it is a package of bills—changes the thresholds that determine when foreign investment needs to be reviewed, increases penalties for noncompliance, establishes application fees for foreign investment and establishes a register of foreign investment in agricultural land. The bills establish in legislation and accompanying regulations many issues that were previously dealt with in regulations, including issues around the much lower threshold for foreign investment review. We support measures to ensure that foreign investment is subject to rigorous assessment to ensure that it is in the national interest. It is one of the points that we have made very strongly in this place before and, also, whenever we have had an opportunity to talk about these particular issues. We know, as I said, it is absolutely essential to ensure that we do that assessment so that we are able to protect our prime agricultural land and water resources, which are critical as well. It means that we can protect our food security into the future. The public has a right to know the level of foreign ownership of agricultural land and water. I will reinforce that I have had constant feedback about this issue from constituents in Western Australia and, also, given that I am the agricultural spokesperson, from people around Australia.

The Greens economic policy points out that our aims are to increase the transparency and accountability of the Foreign Investment Review Board in making its decisions against the national interest test. The national interest test should be strengthened to incorporate national, ecological and social objectives. Again, we have had this policy intent for a long time, and I am glad the government is finally catching up, but it is a bit disappointing that the Labor Party is not on some of the elements of this legislation. The Greens believe that for Australia to make informed and strategic decisions about our agricultural land and water resources we must accurately track and consider each bid by foreign investors, particularly sovereign nations. The Greens support the creation of a review of foreign ownership of agricultural land to constantly track overseas purchases. We support the moves of the government to introduce
a register for agricultural land. However, we see no reason why the government cannot
commit here and now to also introducing a register for water holdings.

The government supports a lowering of the threshold for consideration of the national
interest by the Foreign Investment Review Board for purchases of agricultural land by a
foreign private entity, including cumulative purchases by the same entity. That is actually
really important because, in the past, we have seen smaller purchases under the threshold by
the same entity. If you look at this in a cumulative way, these become a much more
significant purchase than a series of smaller ones. So we do need to make sure that we track
those cumulative purchases.

However, we would also like the legislation to go further to include similar threshold tests
for foreign purchases of water holdings. You have to look at this issue from the perspective of
why we are doing this for agricultural land. The same reasons apply for water resources,
particularly in the context of global warming and the impact of climate change on our water.
In my home state of Western Australia, we have already seen a significant drying of our
environment in the south-west. We are in the middle of about the third step down in rainfall
decline in the south-west of Western Australia. We are going to be seeing much more erratic
rainfall, much more episodic events and much more extreme event. This is all going to impact
on our water resources. Globally, people know the value of water resources. Australia needs
to recognise that and needs to be doing the same thing for water holdings and water resources
as we are doing for agricultural land. For much of our production, as has been articulated in
this place on many occasions, water resources go hand in hand with agricultural production.
So why would you not make sure that you are doing the same for our water resources?

The Greens have long advocated for a stronger national interest test to be applied by the
Foreign Investment Review Board for purchases of agricultural land and water resources. The
Greens also support a hurdle being placed on the purchase of agricultural land and water by
wholly owned subsidiaries of foreign governments, which is, again, a position that we have
long articulated. The former leader of the Greens, Christine Milne, in particular, pursued these
issues, and we are continuing to pursue these issues. The Greens have articulated frequently,
particularly in the run-up to the last election, our vision for our agricultural sustainability into
the future, and also our plan for food security. Of course, prime agricultural land and our
water resources are absolutely critical to our food security.

Normally ignored as an asset class, the fragility and collapse of traditional investment
sectors surrounding the global financial crisis saw a rapid increase in the number of financial
actors investing in food commodity trading and assets. With it came a rise in food price
speculation. Such speculation focused on profit maximisation has added to food price
volatility and separated food prices from real supply and demand.

There has also been a re-evaluation of the value of concrete assets associated with the food
system as private investors wake up to the shrinking supply of arable land and fresh water and
the implications of climate change. Again, we are seeing the impact of climate change and
global warming being factored in by decision makers globally. Willem Buiter, the chief
economist at Citigroup, pointed out the new attitude from the financial sector when he stated:

Water as an asset class will, in my view, become eventually the single most important physical-
commodity based asset class, dwarfing oil, copper, agricultural commodities and precious metals.
The rapid accumulation of land and water by the financial sector is concentrated in the developing world and is now causing significant concern. The purchased agricultural land is being used to grow food for export to other markets as part of the food security of wealthy countries reliant on food imports that now see trade exposure as an unacceptable risk and to grow crops to meet other demands such as for biofuels. Again, this highlights the need for Australia to upgrade its laws and to take account of global markets and global expectations.

Because of the loss of access to local land and water, increasing food insecurity and the sometimes forced removal of local farmers, this trend in the global south has been termed 'land grabbing'. Oxfam has shown that in the last decade an area of land eight times the size of the UK has been sold off for this new interest from financial markets. It is enough land to feed one billion people. While blatant land grabbing is not occurring in Australia, what is happening is a significant surge in purchasing of our agricultural land and water by foreign companies and countries. Recent Senate inquiries have heard that foreign companies such as the Hassad Australia company of Qatar have explained that, as their country is wholly reliant on food imports, they now have a specific policy of acquiring land and water in countries like Australia in order to grow food and send it home.

Australia's policy settings do not reflect the new reality of foreign purchases of agricultural land and water for both domestic food security and asset speculation purposes. We do not maintain a register of foreign agricultural land and water purchases. There is no mandatory application of the national interest test to such purchases, and the threshold for any consideration of potential implications was $250 million until only towards the beginning of this year, when the government acted to reduce it to $15 million. It is now, of course, incorporated into this legislation. For far too long that asset threshold was far too high, with governments—and I say 'governments' because it is both conservative and ALP governments—not acting to address that specific issue. It has been addressed due to persistent efforts by the community and by the Greens and those who are paying specific attention to these issues and who understand the new geopolitics of food. It is part of that change that I was talking about that has occurred over the last 40 years. Things have moved on, and I think Senator Leyonhjelm made some comments previously about our agricultural sector being stuck in the past. No, this is about what is happening now and into the future. This is bringing Australia up to speed with the global geopolitics of food. This is bringing Australia into the future in terms of how we look at food security.

If you look broadly at the global context, countries that rely on imports to feed their people are increasingly buying land and water in other nations to grow food, as they are concerned about the impacts of climate change and global warming on food availability and price. Multinational corporations have also realised the value of agricultural land and water and have begun investing heavily in these assets across the world, as they can see there are large profits to be made if they control the means of producing food. That is absolutely true. As a country with a strong agricultural sector and as one that is constantly adapting to both local growing conditions and the global context, Australia is one of the countries attracting the interest of foreign buyers. Yet our laws on foreign investment in agricultural land and water have been lax up till now, and we do not keep accurate records to track levels of foreign ownership. As I said, up until very recently only purchases of more than $250 million were subject to the national interest test by FIRB, the foreign investment review board. On top of
that, FIRB is not required to take into account cumulative purchases by the same foreign entity that comprise $250 million or more. This legislation is way past time.

While foreign investment is important for Australia, we appreciate that it is critical that we have much clearer information and a picture of what is happening and a stronger national interest test that is applied to the purchase of such vital assets as our agricultural land and water, particularly in this time of growing food insecurity globally. Other countries with significant agricultural assets, including the US, New Zealand, Argentina, China and Brazil, have all placed restrictions and greater levels of scrutiny on foreign land purchase. This is not Australia being an outlier; this is about the protection of our valuable agricultural land and water resources. I keep adding water resources because we need to be doing the same thing for them. We need to have an idea of how much of our water resources are foreign owned. The Greens want to ensure that we have a balanced approach to our consideration of foreign investment in our essential land and water. These are essential assets for our country.

Climate change is going to have an impact on our climate; that impact and our growing population are going to have a significant impact on global production of food. It is essential that Australia is assured of its food security, and of how we are looking after our prime agricultural land and water resources.

My colleague Senator Whish-Wilson has outlined the Greens' position on this legislation and the need for some amendments to this legislation. I look forward to hearing the committee debate on this very important package of legislation.

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (19:00): Firstly, I would like to thank those senators who have contributed to this debate. This package of bills will make important changes to strengthen the integrity of Australia's foreign investment framework, ensuring Australia maintains a welcoming environment for investment that is not contrary to our national interest. These reforms will ensure that, from 1 December 2015, Australia's foreign investment framework is more simple, modern and better targeted to changing demands and community expectations.

With this package of bills, the government is implementing its commitment to increase security and transparency around foreign investment in agriculture, whilst also responding to concerns raised by the House economics committee that a lack of compliance in enforcement of the residential real estate rules is undermining the overall integrity of the foreign investment framework. These changes will deliver a robust regulatory framework, increasing community confidence and providing a predictable and welcoming environment for investors.

The Foreign Acquisitions and Takeovers Legislation Amendment Bill 2015 represents the most significant overhaul of the Foreign Acquisitions and Takeovers Act 1975 since its introduction 40 years ago. It provides essential changes to simplify the system, strengthen the framework and ensure the rules are enforced. It introduces additional and stricter civil and criminal penalties to ensure foreign investors and intermediaries do not profit from breaking the rules. The accompanying transfer to the Australian Taxation Office of responsibility for regulating foreign investment in residential real estate will further enable stronger enforcement and audit and compliance with the existing rules. The bill also enables the lowering of screening thresholds for investment in Australian agriculture to ensure significant investments in this sector are scrutinised.
The Foreign Acquisitions and Takeovers Fees Imposition Bill 2015 introduces fees on all foreign investment applications from 1 December 2015. Fees on foreign investment applications will ensure Australian taxpayers are no longer funding the administration of the system, while providing additional resourcing to Treasury and the Australian Taxation Office to improve service delivery for investors.

Finally, the Register of Foreign Ownership of Agricultural Land Bill 2015 complements these changes by establishing a register of foreign ownership, operated by the Australian Taxation Office. Foreign investors are required to register essential information about their existing holdings and subsequent acquisitions of Australian agricultural land, providing greater transparency around foreign investment in agriculture. I should reiterate that these changes are about welcoming essential foreign investment that is not contrary to our national interest—investment that strengthens Australia’s economy, creates new jobs and unlocks innovation.

With this package of bills, we are fulfilling our commitments to increase scrutiny and transparency around foreign investment, reduce red tape and ensure Australia is open for business. I commend these bills to the Senate.

I ask that the question on the second reading of the bills be divided.

The ACTING DEPUTY PRESIDENT (Senator Williams): That is fine. I can make a decision on that.

Senator SCULLION: I move:
That the debate on the Foreign Acquisitions and Takeovers Legislation Amendment Bill 2015 be adjourned.
Question agreed to.
Debate adjourned.
Ordered that the resumption of the debate on the Foreign Acquisitions and Takeovers Legislation Amendment Bill 2015 be made an order of the day for the next day of sitting.

Foreign Acquisitions and Takeovers Fees Imposition Bill 2015
Register of Foreign Ownership of Agricultural Land Bill 2015

Second Reading

The ACTING DEPUTY PRESIDENT (Senator Williams) (19:04): The question is that the Foreign Acquisitions and Takeovers Fees Imposition Bill 2015 and the Register of Foreign Ownership of Agricultural Land Bill 2015 be now read a second time.
Question agreed to.
Bills read a second time.

Third Reading

The ACTING DEPUTY PRESIDENT (Senator Williams) (19:05): As no amendments to the bills have been circulated, I shall call the minister to move the third reading unless any senator requires that the bills be considered in Committee of the Whole.

Senator SCULLION (Northern Territory—Minister for Indigenous Affairs and Leader of The Nationals in the Senate) (19:05): I move:
That these bills be now read a third time.
Question agreed to.
Bills read a third time.

Social Services Legislation Amendment (More Generous Means Testing for Youth Payments) Bill 2015

Second Reading

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

Senator MOORE (Queensland) (19:05): The Social Services Legislation Amendment (More Generous Means Testing for Youth Payments) Bill 2015 introduces a 2015 budget measure to provide more generous support for families with dependent young people who qualify for certain youth income support payments. This is a particularly complex area of legislation and, for many of us, every time we think we understand how all the family tax payments work, it slips away from us in the night. I just want to put on record that this is a complex area and this bill does address a range of payments and eligibilities which are significantly complex. I am going to run through what it does. But it does not really take into account, when you actually read through this, just how much the interrelation of systems can make the situation very difficult for people to understand what can seem to be a very simple measure. When you first read this, it does seem to be a very simple measure, to make more generous support for families with dependent young people who qualify for certain youth income support payments. That may seem to be very straightforward, but the work involved is not.

This bill contains the following elements—all the dates are from 1 January 2016, and then one is from 1 January 2017. From 1 January 2016, the bill removes family assets tests and family actual means tests from the youth allowance parental means test arrangements. The bill also aligns parental income test exemptions for youth allowance with existing arrangements for family tax benefit part A. The bill removes maintenance income from the youth allowance parental income test assessment. Also, where a family has a dependent child who receives an individual youth payment, that is parentally income tested. For younger siblings who qualify for family tax benefit, the family pool for the youth parental income test will include all FTB children. Also, from 1 January 2017, the bill applies a separate maintenance test for the treatment of child support, like that currently applying to family tax benefit part A.

The bill will mean extra support to young people living with families with higher levels of assets. When the bill was introduced in the other place, the minister said:

Removing complex and unnecessary means tests and improving the operation of the parental income test is a good first step …

… … …

This bill is boosting assistance for working families, particularly in rural and regional areas, and better supporting young people into study to build their careers, develop economic opportunities and contribute to our economy.

The recommendation for these changes allegedly came from an interdepartmental committee that was working to ensure that access to higher education for regional and remote students would be made easier. Two of the IDC’s key preliminary findings were that:
… for regional and remote students: cost, socio-economic status and distance are barriers to accessing higher education; and inequities in the Youth Allowance Parental Means Test arrangements create difficulties for some families.

That is the premise on which the bill has been introduced.

Labor will be supporting the bill. We will be supporting it because there has been a long-standing demand from families who live in remote and regional areas that the circumstances around their access to payments are more difficult, particularly in cases where people are, simplistically, asset rich but income poor. That has made it more difficult for young people to actually receive payments when they go into university studies.

These arguments have been around for a long time, and we have been listening. The Senate Community Affairs Committee, which did an on-paper review of this particular process last week, received a number of submissions that supported this payment. They came from organisations with which we are very familiar, such as the Isolated Children's Parents' Association, which indicated that this payment was particularly important for the young people there. They said in their evidence to our committee:

Currently the aspirations of rural and remote young people are being driven and dictated by their ability to access financial support to assist with relocation and living costs while they study. They gave us a number of case studies, one of which I actually recognise from having talked with people in this area. It is a case study about people who live outside Longreach, an area I know very well. They put forward their case as to why they felt that they have had disadvantage in getting support to allow their kids to take up higher study. They said their children are looking at that. They said:

I believe these young people should be encouraged, nurtured and supported into a positive learning environment so that we can have educated rural talent returning to agriculture. We are losing them at an alarming rate, without support from government for remote families and youth to enable them to continue study; we will not be sustainable for the future.

There are other quotes in our Senate inquiry report that refer to the fact that the bill should enable:

… a larger number of geographically isolated students the option to take up tertiary studies the year after finishing school and reduce the risk of not returning to study after deferring, by giving them some financial support. Once a rural and remote student qualifies for dependent Youth Allowance, they are then able to access the Relocation Scholarship and Student Start-up Scholarship thus further assisting this group of students to access university courses.

Labor will be supporting this legislation, which is actually a cost to government—the government is putting money into this process—to allow some young people in remote and regional areas to have access to payments that they have not had in the past. The government is investing in this group of young people, but we know that at the very same time that the government is introducing this legislation they are also talking about stripping money away from other young people with equally strong demands for support. We have spoken at length in this place about some of the attacks that have occurred through budget savings measures the government has put in place that look at removing entitlements and support for other young people and for other families.

I just want to put on record that it is difficult to actually understand why the process around these payments for young people and for people who are supporting families are being
considered differently. In many ways, there seems to be a confusion in priorities about where the savings measures will be put in place. These are savings measures where, as we heard originally in this place, young people who are seeking work were actually going to be penalised for extensive periods without being able to access the social welfare system for any purpose, not just for one waiting period term, but in a rolling series of disadvantage.

So, at the same time that the government is saying that this particular role will be worthy of support, we saw that young people under 25, in the process of a number of budget savings, were to be forced to live on nothing for a month. Also, young people under 30 were to live on nothing for six months, in a rolling way. It means that we are not looking across the board to see how we can best use the limited resources we have—and it is important to understand that we do understand the need for sensible budget processes. We do understand the need to look at fiscal savings. The Labor Party has been negotiating with the government over a period of budget enterprises in this place to see what we can support. We have, which is on record, the number of budget savings measures that Labor has supported, often in very tough circumstances, balanced against those that we in this place have urged the rejection of. So far, a number of what we consider to be the worst changes have been rejected. What is important is to ensure that we listen to the people in the community who are coming to us to put forward their claims as to why they should receive support and why governments should listen to them about the circumstances in which they are living.

In terms of the community affairs committee process around the bill in front of us, whilst most people were strongly in support of the changes—because these changes will make it more accessible for young people from regional and country areas to access the opportunities of education—there were some serious questions asked about whether this was the best way to do it. From ACOSS and the National Welfare Rights Network there were questions raised about whether this bill was the best way to look at equity in the system, and whether changing assessments was treating these families in a similar way to other families in the community. I think that it is important that we understand where these arguments come from. ACOSS said that there is no clear justification for this measure and that the: … basic principle of our income support system is that people who have the financial means to provide for themselves do so. Any inconsistency in the treatment of assets between youth and family payments could be dealt with by extending assets testing to family payments.

That was part of a longstanding debate that continues now about the best way of looking at the equity of arrangements. ACOSS and Welfare Rights were pointing out that, if we have different ways of having assessments, it could lead to varying outcomes for people who are all seeking to have support, particularly in the areas of access to education and access to family payments.

The department came back and talked about one of the major issues that was raised in the explanatory memorandum to this bill and also by ACOSS and the National Welfare Rights Network. There was the very strong and worthwhile expectation that the changes would favour people who we used to call the 'assets test income poor', who had separate assets tests because they happened to have large elements of land, particularly in regional areas. There was the concern about whether the measures in this legislation would then lead to an unexpected consequence, which would mean that people would be able to minimise their tax exposure by having large trust accounts, and they would be able to change the way their
circumstances could be handled in the taxation system. There were concerns about whether they would be benefitted by this legislation in a way that was not the expectation of the people in regional areas and how they could be best supported.

The department did come back and give extra information, and I think it is important to read that into the record. The department addressed the situation of family trusts where income is allocated to trust beneficiaries and then loaned back to the trust. The department advised that such arrangements are already captured in either the Parental Income Test or Personal Income Test arrangements and said:

Distributions to parents from the trust are assessed under the PIT, even if the funds are loaned back to the trust. This is the same outcome as under the FAMT.

Of the concerns raised about whether there would be unexpected consequences, the department's view is that the system has the ability to assess that in a straightforward way, and there would not be this imbalance. I think that is important because concerns were raised from a number of organisations that work extensively in the welfare area. We need to have open discussion to ensure that eligible people receive their equitable entitlements. That is the basis of our welfare system. We support this change because we believe that there is a genuine need to ensure that people have access to financial support to allow dependent children to access education. We should also be looking to try to make sure that the system is as clear, transparent and equitable as it possibly can be. *(Time expired)*

**ADJOURNMENT**

The ACTING DEPUTY PRESIDENT (Senator Williams) (19:20): Order! I propose the question:

That the Senate do now adjourn.

Fitzroy Basin

Senator CANAVAN (Queensland—Nationals Whip in the Senate) (19:20): I do find the rules here quite restrictive when we are interrupted mid-sentence. It should be like being on a plane where you can finish the sentence you are typing on your laptop before you have to put it away.

Tonight I would like to speak about the enormous opportunities that would exist for our nation if we were to develop the water resources of the Fitzroy Basin. Enormous opportunities exist in the Fitzroy Basin in Central Queensland. All of us in this chamber would know of, have heard of, and would understand, somewhat, the importance of the Murray-Darling Basin. It is a food bowl for our nation. It has been of great public policy interest in the past decade, and it is something that has been inquired into and looked at many, many times. It is part of our history as a nation.

Few people would know much, if anything at all, of the Fitzroy Basin in Central Queensland. There are two Fitzroy Basins in Australia—there is another in Senator Bullock's state in WA. The Fitzroy Basin in Central Queensland is the second biggest water catchment in our country. The Murray-Darling is the biggest—we all know that—but the second biggest in our country is the Fitzroy Basin around Rockhampton. More water flows out of the Fitzroy River south of Rockhampton and south of Yeppoon than any other river system on our eastern seaboard. It is the largest water catchment on our eastern seaboard, and it has enormous
potential and opportunity to develop our nation and to develop a new regional economy in our country.

In the Murray-Darling system, if you add up all the major storages and dams in the system, those dams and storages have the capacity to store around 80 per cent of the annual average flows of water in the Murray-Darling Basin. There are about 33,000 gigs of that. Eighty per cent of those can be stored in dams or storages in that system. I should say that is 80 per cent as a consequence of the development that has occurred as a nation: we built dams, we got ahead, we built the Snowy Mountains scheme and we did other things in the Northern Basin to store water—offstream storages and other options. The nation has benefited greatly from all of the development.

In the Fitzroy Basin, less than 30 per cent of the average annual flows can be stored in dams or storages, which of course means that it is a much less regulated system, which of course means it is much harder for us to harness the opportunities that exist in that system currently. I believe that there is enormous potential for us to do more of that and invest in that region so that we can capture and store more of this water—put it behind a wall or in a tank and store it for later use—because water in a dam or in offstream storage is money in the bank. It is the equivalent of putting money in the bank, because at some point in the future you will use that water to grow food and help underpin the development of industry or simply the growth of towns and communities, and that is certainly needed in Central Queensland. I want to talk about all of those aspects.

Two weeks ago, the member for Capricornia, Michelle Landry, the member for Flynn, Ken O'Dowd, and I hosted a Fitzroy water workshop in Rockhampton to discuss the options for better use of water and to discuss the need for more water in the region. I want to thank the community of the Fitzroy Basin proper. People from all over the place—from as far down as Theodore, out from Emerald and also, of course, from Rockhampton and Yeppoon—came to that meeting. We had about 130 people there. It was a very successful discussion. I also want to thank the minister for Northern Australia, Mr Josh Frydenberg, who was able to be at that forum as well to hear about the enormous opportunities that exist in this part of Northern Australia.

There are detailed proposals in place for water storage in this region and there are specific needs for more water as well. Down on the coast, around Yeppoon, the Livingstone Shire Council needs more water to underpin the development of its community and town. It is a fast-growing and beautiful community on the coast. Gladstone, further south down the road, needs more water to develop its industry. It is a hub of aluminium smelting and other industries, like fertiliser production, and it has traditionally been a high user of energy, but, wherever you want to use energy, you usually need water as well, and they will be restricted in the future if new water sources are not found. In Rockhampton, where my office is, while traditionally they do not run out of water, there is a risk that in dry years Rockhampton could be facing water storages and new storages could help them manage that risk and ensure that the substantial city of Rockhampton does not face a drought in water supply.

On top of all those things in the towns, cities and industries, there is of course enormous potential for agricultural production in the Fitzroy Basin. It already is an enormous agricultural producer for our nation. More cattle live, breathe and ultimately, unfortunately, sometimes have to do die in the Fitzroy Basin than in the Northern Territory. There is more
cattle in that little region, in the Fitzroy Basin, than in the Northern Territory. It is the most productive cattle producing region in our country, but it has enormous potential for additional production and turnover, particularly through the development of more grain, more cotton and consequently more feedlots to increase throughput in that region. That will mean more jobs in the meat processing facilities that are resident in Rockhampton. There is great potential in this region.

In the time left available to me I want to spell out some of the detailed proposals that are on the table at the moment in the region and options for development. There are four main potential options at the moment, although there will be many more in the future. Four have been worked up into some level of detail. I appreciate the input we had from SunWater, the Queensland government water supplier in regional areas, who was generous enough to present to the water conference about the options. First of all, near Rockhampton is a weir called the Eden Bann Weir. It could be lifted higher to store more water and it would deliver around 80,000 megalitres a year—quite a substantial amount. Further down the road is the proposed Rookwood weir—it is not a weir at the moment—and it has the potential to generate similar amounts of water per year. Those projects would largely be for the towns and communities that I mentioned and the industries in Gladstone. There would also be some boutique and opportunistic agricultural opportunities, particularly with horticulture, in that region.

There are other projects in other places. There is the Connors River Dam, which is north of Rockhampton, in the north-east of the catchment. It receives the most rainfall in the catchment and is probably the most productive dam that is under consideration. It has already received federal and state environmental approvals—a very important aspect to developing these projects, particularly when you are talking about an area that is in the Great Barrier Reef catchment area. It was close to being built. Indeed, people on the ground were starting the early works on the dam. It was principally going to be used to supply coalmines in the Bowen Basin and possible future mines in the Galilee Basin. However, with the coalmining downturn, some of those customers have left and the mine is not proceeding as is. But there are opportunities to rework that proposal to expand agriculture, particularly at the Isaac and Mackenzie rivers—there are very productive and fertile plains close to the rivers—and irrigation in that area could potentially produce more broadacre and high-value crops like cotton, grain and others.

Much further south in the Basin, near a place called Taroom, west of Harvey Bay, is a project called the Nathan Dam. Some in this place may be familiar with the Nathan Dam. It has been spoken about for almost 100 years. It was first raised in the Queensland parliament in 1926, if I am correct, and it has been an ongoing saga. A few years ago, I believe it was the Beattie government—and I give credit to the former Queensland Labor government—that put it back on the table to expand cotton production largely in the region. It was worked up as a proposal. As part of the environmental approval process, 850 boggomoss snails were found on the site and the federal department of the environment at the time said that the proponents would need to see if the snails could be relocated before the project could continue. Subsequently, they found 18,000 snails nearby and said, 'We know that they can exist and there are plenty of these guys. Surely we can go ahead.' But not so fast—

Senator Payne: A snail's pace?
Senator CANAVAN: It is going at a snail's pace, Senator Payne. That joke has been mentioned before but it is worth repeating. Some environmental officials are now saying that those 850 snails are an important subspecies that needs protection as well. I think we need to get over this dam phobia in our nation and get ahead and build some things. I look across the chamber and see Senator Gallagher, who was a chief minister of a state which massively expanded a dam here in the ACT. I believe it was the Cotter Dam.

Senator Gallagher: And then it rained.

Senator CANAVAN: Then it rained, did it—or it did not rain? We may need to take some hints from her, because we certainly need that kind of drive in Central Queensland. (Time expired)

Superannuation

Senator KETTER (Queensland) (19:30): Tonight I rise to express my deep concern with this government's jaundiced approach to the treatment of industry superannuation funds. At the outset, I put on the record that I have been a director—in fact, an alternate director—of an industry superannuation fund, and I have had the opportunity to see firsthand how industry superannuation funds work at the highest level. That experience has left me a huge fan of industry superannuation funds. We know:

They are 'run only to benefit members'

They are governed by trustee boards specifically representing employees and employers—typically these trustees are appointed by both the ACTU and/or unions and employer associations. A two-thirds majority is necessary for all decisions

They do not pay sales commissions to financial planners

They have sound investment strategies, which include long-term investment in Australian infrastructure

These differentiating factors have contributed to the impressive and competitive performance of industry super funds over the long term

This is consistently backed up by superannuation industry ratings agencies. If all of those things are true, why is it that we have a government which seems to be determined to meddle with a system that is performing so well?

The latest incarnation of this government's attack on the industry superannuation fund system is the Superannuation Legislation Amendment (Trustee Governance) Bill 2015. This bill amends the Superannuation Industry (Supervision) Act 1993 to require trustees of registrable superannuation entities to have a minimum of one-third independent directors and an independent chair on their boards. This sounds innocuous, but there are many other reasons that this bill should not be supported.

Firstly, I point out that there is no evidence that the proposed changes will improve member outcomes. Ultimately, an improvement for members must be the paramount objective of any change to our current governance arrangements. Moreover, I would like to remind those opposite that new governance regulations were introduced just 18 months ago, in mid-2013. These require all funds to regularly evaluate the effectiveness of their board and directors using an independent third party. Even though, according to APRA, the 2013 changes are not yet fully implemented, the government is already seeking to turn the industry on its head again.
There is no clear evidence that the representative trustee model of governance is broken or that the proposed model for increased numbers of independent directors will improve member outcomes. Rather, it is a fact that the vast majority of industry super funds are outperforming their retail counterparts. The McKell Institute's investigation into governance structures concluded that the representative governance model 'promotes higher levels of diversity among trustees, more effectively minimises conflicts of interest and, importantly, has continually outperformed the for-profit model over the past decade'. The current arrangements, I repeat, have generated higher net returns for fund members. So why are we meddling with something that is working well?

The increased role that will be required for APRA in approving and oversighting super fund board members can only be seen as excessive regulation and an increase in red tape, which is quite at odds with the government's stated purpose of reducing red tape. There is no doubt that these changes will inevitably increase the administrative costs of managing super funds through increased red tape, reporting and remuneration requirements associated with intensive oversight of the selection of board members. Minimising the administrative costs of managing funds must be a key consideration. There is no doubt that this change will lead to increased costs which will be passed on to members. For a government that claims it is all about serving the interests of individuals, how can it justify a new rule where the only certain outcome is that it will increase the costs of fund management? Given that there is no evidence indicating how the proposed changes will improve the performance of the funds, I can only conclude that this bill is simply an attack on funds which have representative boards, irrespective of their performance.

We have had two comprehensive reviews of this sector within the past few years—the Super System Review under the previous government and the Financial System Inquiry under the current government. This bill is not consistent with either of these independent reviews. The Cooper inquiry recommended the adoption of a qualified equal representation model in the not-for-profit sector and the introduction of different governance arrangements for retail funds. For the retail funds, there is a need to address the perceived problem between the fund members and the dominant profit-seeking parent companies.

The available academic evidence shows a clear causal relationship between not-for-profit representative governance funds and higher levels of returns for members. But this bill seeks to dramatically change the governance structures of the funds that are performing well. The Productivity Commission concluded that there was no compelling evidence to support one model of governance over another, and recommended against prescribing any particular structure for superannuation fund boards. Even more alarming is the possibility that this one-size-fits-all model of governance could undermine the performance of the better performing funds by forcing the appointment of independent directors who may not necessarily be as skilled as the people they are replacing. It has been claimed that the appointment of independent directors will bring more skills and a diversity of views to the boards of these funds. However, the academic evidence indicates that greater diversity seems to be more strongly associated with the equal representation model, where, for example, representation on boards is likely to combine both employer groups and employee representatives.

One particular international study, undertaken in 2007, links good governance to pension fund returns but it does not mention independence as a criterion for successful performance.
In fact, this research, undertaken by Ambachtsheer, exemplifies the Ontario Teachers’ Pension Plan as a model of good governance, noting that its board is appointed by its sponsors, the government of Ontario and the Ontario Teachers’ Federation. The research concluded that the example of the Ontario Teachers’ Pension Plan was an optimal board composition in securing relevant skill sets, positive behavioural characteristics and a passion of the organisation and its participants. The evidence indicates that for-profit funds tend to appoint their so-called independent directors from internal sources. A majority of directors on retail fund boards are employed by the fund itself or by the fund’s service provider, with only a smaller proportion of directors representing other defined interest groups.

Examination of the CVs of the nominally independent directors on the large bank owned super funds shows that more than half are finance industry insiders, with careers linked to institutions involved in the sale of financial services. How does this so-called ‘independence’ deliver better outcomes? Why should we assume that a class of professionals—so-called independent directors—many of whom sit on the boards of a large number of funds and attract substantial remuneration for their services, will deliver a better service than people who are deeply and passionately committed to serving their organisation and colleagues? We are all too familiar with the many failings of the banking and wealth-management industries, failings which have not been prevented by their independent boards.

My final point is that this bill does not address the governance challenges in super. It will alter the governance of funds irrespective of their current performance. Our high-performing industry funds, operating under the current representative model, are expected to change their governance system to a prescribed model of independent directors, which already operates in the for-profit sector. For-profit funds, with their so-called independent boards, are giving their members a poorer deal. Is the government so embarrassed by the superior performance of the industry funds and their representative boards that it wishes to bring them down to the poorer levels demonstrated by their private sector counterparts? There is not a single argument that can be made to support this bill.

I put to you that if this bill goes through it will open a Pandora's box of regulation, administration and oversight that will raise the costs of fund management and transfer the profits that belong to ordinary Australians into the pockets of a group of professionals, so-called independent financial advisers who, rather than being driven by a passion and a commitment to the members they serve, are driven by the remuneration they can accumulate by sitting on many different boards.

**Small Business**

**Senator WHISH-WILSON** (Tasmania) (19:40): Tonight I wish to talk about small business and how the Greens have led the way on small business policy during this parliament. I am proud to have been part of the Greens team that took a comprehensive small business package to the last election and I am proud to talk about the success that we have had in the last two years. I have now handed over the small business portfolio to Senator Nick McKim, who I am certain will do a fine job in the role. As we have had changes in the party room we have had changes to our portfolio responsibilities. This happened nearly two months ago but I have not had a chance, until now, to give this speech.

The Greens understand small business. We understand the role it plays in our economy and we understand the importance of making sure that government does not unfairly burden small
business. The Greens went to the last election backing a tax cut for small business. The government has introduced a tax cut for small business, supported by the Greens. The Greens went to the last election backing an increase in the instant asset write-off threshold. The government has increased the instant asset write-off threshold, with the support of the Greens. The Greens went to the last election backing increased powers for the Small Business Commissioner. The government has increased powers to the commissioner or, as it is soon to be known, the Australian Small Business and Family Enterprise Ombudsman. The Greens went to the last election backing the introduction of an effects test to better protect small business from misuse of market power by big corporations. The government is yet to introduce an effects test, but I note that issue remains on the agenda of cabinet. I wish the National Party every success in their efforts to extract a win for small business and farmers, in this respect.

Finally, the Greens recently secured changes to the bill introducing protections against unfair contract terms extended to small business for their business-to-business relations with big business. This is something we have campaigned on for years. We secured support from the government for our amendments to fundamentally increase the threshold for contracts covered under the bill—from $100,000 to $300,000 for contracts up to 12 months in length and from $250,000 to $1 million for contracts over 12 months in length.

I really enjoyed my time as the small business spokesperson for the Greens. I stood with and up for cattle producers who were being screwed over by supermarkets in the levy system. I worked with the beef producers on King Island to try to help them get money back, to restart their own abattoir and take control of their destiny. I took on the government over the construction of the ASIO building, in Canberra, when the government was not paying the 100 or more contractors on time. In fact, many small contractors here in Canberra were thrown out, onto the ditch, without any money, after spending years working on that building. In the entire FoFA debate I actively listened to the good financial advisers who were being unfairly tarnished by the actions of the big banks.

I have participated in a broad range of inquiries that were directly related to small business, from honey production—working with Tassie honey producers—to wine production. I instigated inquiries on salmon production, where there were concerns, among smaller mussel growers and abalone businesses, around those impacts produced by the salmon farms. I brought on an inquiry into the Northern Territory container deposit scheme that was creating recycling jobs in the Northern Territory, and I have worked with recyclers of South Australia on this issue. My country-of-origin bill for seafood labelling would be a massive win not just for consumers but also for Tasmanian seafood producers, the Tasmanian fishing industry and many of the small businesses in those industries—not to mention the restaurants that sell the fish and chips. I am not going to give up on that one. You will hear more on that, Mr President.

I cannot finish this adjournment on small business without talking about the social contract of penalty rates. In the lead-up to the 2010 election, just weeks from the election, an article was published in The Australian on the back of a two-hour long interview around my first 12 months in the Senate, only a small part of which included a discussion on the issue of Greens policy and Sunday penalty rates. Quotes from this story have given some the impression that I was in favour of cutting workers' penalty rates. I want to state clearly tonight that this is not
the case. Contrary to a political smear campaign being run by some, I have never said, 'I do not support workers,' that I do not support penalty rates being paid or that I would support them being cut or taken away. This is not what was said at all in the article. I am a pretty measured individual on most things, and raising this issue a few weeks before a federal election would be a pretty stupid thing to do and would directly contravene Greens policy. Many of my colleagues, like Adam Bandt, Lee Rhiannon, Janet Rice and Robert Simms, have campaigned very hard on this issue of protecting workers' penalty rates. I put out a media statement that day clarifying that I did not support cutting penalty rates, and I attended a press conference. The issue did not even come up—not one question—nor was it picked up by any other media outlets.

If you read the article carefully, it does state clearly that I said the Greens would not be supporting cuts to penalty rates and I was also quoted as saying that removing hard-fought and -won workers' rights was a 'slippery slope' to go down. The statement most quoted by some on social media—and, I must say, by Senator Bullock in this chamber during question time—was that penalty rates were part of a 'white Anglo-Saxon cultural inheritance no longer relevant for many workers.' This is a statement of fact; it is not a value judgement. I never said that weekends need to change or that penalty rates should change likewise. It is a statement of fact that for some people weekends are not special, but for many they are. They are the time when people get to spend time with each other in their leisure.

An additional statement that is sometimes quoted on social media is:

No one seems to want to take on the issues of industrial relations—Tony Abbott, I was quite surprised in the national debate, put on record that they are not going to go near penalty rates if they are elected. This was a statement of fact too. Everybody thought Tony Abbott would go after industrial relations policy, and that is what I was hearing directly from business groups and small-business organisations. However, it is being framed as another potential Work Choices election. I, like everyone else, thought Abbott would take on industrial relations, but instead he took on the unions directly and largely left industrial relations alone. My statement was in no way encouraging the Liberals to take on industrial relations reform. Senator Bushby, who is in the chamber, and I have had discussions in estimates about exactly this issue. It is not my opinion or my view or that of my party.

Lastly, I said in the article:

I think we need a bigger discussion nationally about weekends versus weekday and that lot of people are happy to work weekends and not work during the week. I do back a bigger national discussion about penalty rates, but, as I have said here in this building, including to Senator Bushby, at forums and to the business community, I think the big issue is not that penalty rates should be paid—they should, but by whom? Effectively, I do not think small businesses should be the ones paying; rather, consumers should be paying for them. Penalty rates are part of an important social contract between the Australian people and workers. If Aussies want to eat out on a Sunday and expect to be served at cafes, bars and restaurants, they should expect to pay a surcharge. Not all businesses realise—and this often disappoints me when I speak to restaurants in my own home state—that laws have changed now to make it easy to put an itemised weekend surcharge on the bottom of the bill. You cannot spend a Sunday morning in a cafe enjoying your communal leisure time with your friends and family and then not expect to pay more for someone sacrificing their communal
leisure time to serve you. It is fundamentally unfair. Consumers need to drop any angst about weekend surcharges and small businesses need to stop their penalty rates complaints when they are not passing on the costs to consumers. This is how I think an efficient market should work.

It is disappointing that this issue is not going to be looked at by the Productivity Commission. They are not even taking it into account as a fundamental issue that needs to be addressed in this national debate. They recently, at Senate estimates, made it very clear that they were not going to be factoring this into their study.

Lastly, Labor politicians have been making mischief with this Australian article—this two-year-old Murdoch press article—and implying that I support cutting workers’ penalty rates. I am looking forward to soon highlighting the emerging links between Labor and actual cuts to workers’ penalty rates that have been occurring and that we have been hearing a lot about in question time here in the Senate. Really, it is a bit rich.

Tasmania: Golf

Senator BUSHBY (Tasmania—Chief Government Whip in the Senate) (19:50): I rise today to proudly report to the parliament that my home state of Tasmania has been named the ‘undiscovered golf destination of the year’ in 2015 by the International Association of Golf Tour Operators, an accolade conferred by an association of more than 200 of the world’s leading golf travel journalists across 36 countries. I must confess at this point that I am not a golfer. Perhaps I tend to side with comedian and American institution Jack Benny, who once said:

Give me golf clubs, fresh air and a beautiful partner, and you can keep the clubs and the fresh air.

However, it is undeniable that golf conveys significant benefits to Tasmania both socially and economically. So it is an opportune time to update the Senate on some exciting tourism ventures which will further bolster Tasmania’s reputation as one of the great golfing destinations of the world. Two world-class golf courses have recently opened at King Island, off Tasmania’s north-west coast—Cape Wickham Links and Ocean Dunes—adding to the rich stock of golfing assets in Tasmania. These courses will undoubtedly turn Tasmania’s King Island into a tourism and golf destination of global note. Cape Wickham Links, which is located on 160 hectares of King Island’s coast, opened on 30 October this year and there are already more than 3,000 bookings from around the world. This is an outstanding start and a sign of great things to come. The Ocean Dunes golf course is located in close proximity to Cape Wickham, overlooking the great Southern Ocean, and, by all reports, they will make up possibly the most scenic duet of courses in the world. Ocean Dunes opened nine of its holes in October this year, with the full 18 being available from February 2016.

A feature of the King Island courses is the array of fauna for viewing in this majestic setting, including wallabies, peacocks, pheasants, shearwaters, fur seals and sea eagles. A course preview by Jeff Catlett from the USA stated:

Cape Wickham is so spectacular that I was, still am to a certain extent, in a state of shock.

Ocean Dunes director and course architect, Graeme Grant, stated:

Visitors will have the chance to get a real taste for what King Island has to offer and I’m sure they’ll realise that this location is world-class and will only improve once the courses mature and come into their own.
Like me, the member for Braddon, Brett Whiteley, is not a keen golfer, but I know he understands the economic benefit of these two world-class courses. He visited both courses when they were in the final stages of construction and was blown away by the quality and the attention to detail that had been built into them. Mr Whitley reported to me:

With the federally funded airport upgrade nearing completion and the massive investment on the island by a number of stakeholders, the scene has been set for a booming tourist industry to grow and prosper. Tasmania is no stranger to global golfing accolades. Barnbougle Dunes and Lost Farm in the state's north-east coast are perennially rated inside the world's top 25 courses. To be included in the same sentence as Augusta National or the Old Course at St Andrews or Royal Melbourne demonstrates the esteem in which the golfing experts holds the Barnbougle courses. Barnbougle has contributed significantly to the state's tourism market and small business sector. In fact, the contribution of the golfing industry in Tasmania, as reported by the Australian golf industry economic report for 2010, five years ago, was indicated to be over $50 million. Perhaps this is partly due to the fact that tourists who specifically travel to play a game of golf are in the highest-spending tourist demographic and traditionally stay for a longer period than other tourists.

Equally as important as the direct economic contribution are the benefits golf is bringing to associated industries, such as the jobs it supports in hospitality and increased visitation of Tasmania's plethora of outstanding tourism opportunities, including breathtakingly scenic wilderness, the well-preserved cultural and historic heritage, and some of the world's finest wines and produce. But overall the fairways of Tasmania have captured the imagination of the world, cementing Tasmania as an unparalleled golfing destination. According to that 2010 survey I mentioned, northern Tasmania was the fourth most frequently visited golf destination in Australia. This looks set to increase and no doubt has over the past five years.

The member for Bass, Andrew Nikolic, has seen the benefits of golf in his electorate, stating:

People, when they think of Tasmania, often think about Hobart, Salamanca, MONA, and Port Arthur. I want them to start thinking about landing in Launceston and thinking of Launceston as a hub, be it for mountain biking adventures, enjoying the best food and drink that you can, in Tasmania, or going to play a game of golf at Barnbougle, which is the 11th best golf course in the world.

So, as it stands, of the 33,000 golf courses in the world, Tasmania has two in the top 100. Tasmania is also home to the oldest golf course in the Southern Hemisphere, the Ratho Farm Golf Links course, laid out by Scottish emigrants in 1822 in Bothwell. A visit to Ratho Farm is a golfing pilgrimage for any serious golfer taking a golfing vacation in Tasmania. I can only agree with the descriptor on their website that states:

Ratho Farm Golf Links is a time capsule, among the best preserved of all the world's early golf courses. Its most apparent uniqueness is the sheep, which graze and keep the playing areas short, with fences to keep them from the square greens.

Currently Tasmania has 68 golf courses, the highest per capita of any state in Australia, making it one of the most golfing-intensive regions in the world. Tasmanian golf clubs have nearly 12,000 members, with a further significant number of social players, making it one of the highest participant sports in the state. Golf Tasmania does a wonderful job of coordinating and promoting the sport in the state as well as managing state-wide golfing events, overseeing Tasmania's golf districts and maintaining the policy framework and is custodian of the
Tasmanian Golf Hall of Fame. All of Tasmania's 68 clubs have their own unique story to tell. However, two clubs are worthy of special mention. Launceston Golf Club is the oldest continuously operating members' golf club in Tasmania. It was founded in 1899 and always ranks within Australia's top 100 golf courses. In the south of the state, the Royal Hobart Golf Club celebrates its centenary in 2016. Royal Hobart famously hosted the Australian Open in 1971, which was won by golfing great Jack Nicklaus.

Arguably, Tasmania's finest ever male and female golfers call Royal Hobart home—Peter Toogood and Lindy Goggin. Peter Toogood is among Australia's finest amateur golfers. He is a former Australian and New Zealand amateur champion and a multiple winner of the Tasmanian open and amateur championships. He was leading amateur in the 1954 British Open and twice in the Australian Open and was a member of the Australian team that won the inaugural Eisenhower Trophy world teams championship at St Andrews in 1958. Lindy Goggin became the lowest-handicapped golfer in the world in 1976, playing from plus four. Her record marks her as the state's greatest female golfer: Tasmanian champion 19 times during the period 1967 to 1991, continuous state representative 1967 to 1993, winner of the Australian Title three times, and Victorian Title winner on four occasions. In 1976 she won the first Australian PGA title. These individual successes led to Australian selection each year from 1970 to 1988. Her international record includes five Tasman Cups, three Espirito Santo Trophy Tournaments and three Commonwealth Series matches, and she was the leading individual player in 1981 for the prestigious Queen Sirikit Trophy. Male amateur golfers in Tasmania now compete for the Toogood Trophy, while female amateurs compete for the Goggin trophy. I wish everyone involved in Royal Hobart Golf Club all the best as they celebrate their centenary next year. More broadly, golf will further enhance Tasmania's already buoyant tourism market.

This brings me back to Tasmania being named the 'undiscovered golf destination of the year' in 2015 by the International Association of Golf Tour Operators. According to IAGTO chief executive Peter Walton:

Tasmania richly deserves being named Undiscovered Golf Destination of the Year. To earn such an accolade is no mean feat. The winner is voted for by members of the International Golf Travel Writers Association, which is administered by the IAGTO. These journalists are the cutting edge of golf tourism trends.

There is no doubt that through the hard work, vision and passion of the entrepreneurs, players and administrators in the Tasmanian golfing community that Tasmania has secured itself as a leader on the world stage of golf and will only continue to grow as a national and international golfing destination.

The PRESIDENT: Thank you, Senator Bushby—and I feel proud to be a Tasmanian senator.

Senate adjourned at 19:59

DOCUMENTS
Tabling

The following documents were tabled pursuant to standing order 61(1) (b):


Migration Act 1958—Section 486O—Assessment of detention arrangements—Personal identifiers 1001980, 1002062, 1002123, 1002172, 1002174, 1002189, 1002228, 1002275, 1002280, 1002366, 1002368, 1002382, 1002384, 1002409, 1002415, 1002428, 1002432, 1002460, 1002464, 1002482, 1002523, 1002533, 1002620, 1002633, 1002748, 1002749, 1002750, 1002751, 1002754, 1002850, 1002872, 1002875, 1002882, 1002884, 1002907, 1002917, 1003024, 1003027, 1003068, 1003080, 1003099, 1003100, 1003101, 1003104, 1003105, 1003111, 1003112, 1003113, 1003114, 1003126, 1003134 and 1003138—

Commonwealth Ombudsman's reports, dated 11 November 2015.

